

FINAL REPORT

**on the
Review of Police Administration
and Management Structures**



November 1998

COMMISSIONER'S OVERVIEW

The Review of Management and Administration Structures is about streamlining management and administration in the Police and transferring more of our effort and resources into front line policing. It is designed to facilitate our operational strategies of firm and targeted enforcement, more crime prevention and working collectively with others to reduce crime, fear of crime and the road toll. The Review's strategic focus is one which we have been developing over the last five years and which is now achieving some success.

In August 1998, I took responsibility for further development of the Review process following the submission of the Martin Report to Government. After two months of consultation and further design work, we made our final recommendations to Government. The securing of Government decisions on the Review means that the challenge of achieving the Review's aims is now ours. It is a big challenge but one I am keen to meet because it provides the opportunity to achieve some real gains for Police.

I acknowledge that the Review has staff reduction and fiscal saving targets. These are necessary in order to provide focus and parameters for design and will be the source of additional funds for reinvestment in Police. However, streamlining support and management and enhancing operational capability go hand in hand. In implementing this Review, it is intended that both be achieved. Initial savings targets from outsourcing have been revised and a conservative approach to potential savings has been taken. Whilst I am confident that these savings can be achieved, I recognise that further design work is required to determine their full extent. This is being undertaken.

During the course of the Review, extensive consultation and work has been done but there is more to do. The first steps to be taken will be the implementation of the proposed management structure and the carrying out of more detailed work on Service Centres and district support structures. Following this, much of the responsibility for later phases will lie in the hands of district and other senior managers. Their challenge will be to harness and direct the energy within Police in a manner that best impacts on local community crime problems throughout New Zealand.

I look forward to leading this process and ensuring that the operational gains we are currently making turn into greater success in the future. This will, however, require the commitment and effort of us all.

Peter Doone
Commissioner

EXECUTIVE SUMMARY

1. The external Review of Police Administration and Management Structures was signalled in the Coalition Agreement (December 1996), and was directed by the then Treasurer, and Ministers of Police and Finance, in March 1998. The final report of the independent Reviewer, Mr Doug Martin, was presented to the Commissioner in August 1998, who then assumed overall responsibility for furthering the Review process.
2. Since the announcement of the Review, Police have implemented a fast-track process that has incorporated providing assistance to the Reviewer, consulting with inter-agency partners and police staff and unions, and intensive planning for the eventual implementation of Government decisions. Under the direction of the Deputy Commissioner and 'Project Georgia' (the project set up to manage the change process), implementation of the approved recommendations is scheduled to commence on 1 November 1998.
3. The objectives of the Review were to ensure New Zealand Police is more efficient in the delivery of quality policing services, and more accountable for the delivery of those services, in support of Government's public safety objectives. Thus, the focus is on efficiency and accountability, not the effectiveness of services, although it is expected that greater efficiency and accountability will lead to greater effectiveness in terms of public safety outcomes achieved.
4. The Reviewer identified overall savings of \$45-50 million per annum as potentially achievable. After further analysis of the savings available from restructuring and outsourcing, Government has agreed, on the recommendation of the Minister of Police, that savings of about \$35.5 million per annum are achievable once outsourcing and restructuring are complete.
5. The majority of these estimated savings are expected from the restructuring proposals, namely the 380 or so positions saved. Other significant savings are expected from the Review of Police Training and from reducing expenditure on supplies. The rest of the savings are expected to be achieved through the outsourcing of current non-core activities.
6. It has been agreed that the following changes to present structures be implemented immediately: Police National Headquarters to be restructured into a smaller Office of the Commissioner; the four Regions to be disestablished; the sixteen Districts to be reduced to twelve; and support services to be delivered via a Service Centre model. It is from these processes that 'hard' savings, in terms of the positions saved, can be made.
7. At this stage, further work is needed to clarify the extent of savings to be realised through outsourcing. Government has agreed to the prioritisation of a number of activities for immediate business cases and it is expected that these will provide sufficient information for Police to report back to Ministers on the likely extent and timing of outsourcing savings and costs by 30 November 1998.

8. Government has agreed that an additional 120 sworn frontline staff will be recruited from 1999/2000 as a result of the savings from the Review. These officers will enhance Police front line capability, particularly in relation to the key strategic areas of youth at risk, repeat victimisation and organised crime.
9. From the overall estimated savings of \$35.5 million per annum, Police must meet the costs of the Review and restructuring costs, the balance of the wage round costs, and the cost of the additional 120 police staff. The remaining savings will be used to meet Police's commitment to pay for INCIS.
10. To reflect the contribution that nonsworn members make to front line policing, and to reduce the current reliance on sworn numbers as a measure of front line capability, Government has asked Police, in consultation with other officials, to report back on alternative measures of Police capacity, efficiency and effectiveness by 31 January 1999.
11. Police will also provide to Government two further reports. The first, a final report on the Police Training Review is due to go to Government on 18 November 1998. The second, a report on governance issues affecting Police, including the roles and responsibilities of the Commissioner and Minister of Police, is due to be submitted to Government by the end of November 1998.
12. A cascade approach will be adopted in relation to the restructuring arising from this Review, with Executive and Senior Manager positions being finalised first. Once appointed, the Executive and Senior Managers will be responsible, within overall approval of the Commissioner, for finalising staffing and structures within their areas of responsibility. With assistance from the Project Georgia working group, this process is expected to be completed by 31 March 1999.
13. Implementation of the Review recommendations is expected to improve the effectiveness of Police's operational strategies and further improve the results Police are currently achieving in lowering recorded crime, improving case resolution and lowering the road toll. The specific means through which this improvement will be achieved include additional front line capability and tighter accountability mechanisms.

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INTRODUCTION

1. This report is the last in a series that began as a result of the *Review of Police Administration and Management Structures* announced by the Minister of Police in April 1998. The series of reports has been as follows:

<i>Title</i>	<i>Author</i>	<i>Date</i>
1. Review of Police Administration and Management Structures - Preliminary Draft Report	Doug Martin	9 June 1998
2. Commissioner's Submission on the Preliminary Draft Report	Peter Doone	30 July 1998
3. Review of Police Administration and Management Structures - Report of Independent Reviewer	Doug Martin	6 August 1998
4. Review of Police Administration and Management Structures - Consultation Document	Peter Doone	9 September 1998

2. Each report has built on the one before it, adding to and refining the information given. This document sets out clearly what Police have done to this point to fulfil the objectives of Government's terms of reference and presents an overall view of what is planned for the next two to three years. It is stressed, however, that, within broad parameters set by the Police Executive, of which District Managers will now be a part, the final shape of the organisation will lie largely in the hands of District Management Teams.
3. While this report is partly the culmination of Reviewer Doug Martin's final report, and the submissions from police staff and unions, inter-agency partners, and other interested parties, it is also the culmination of much hard work by Police staff. It reflects the wider ownership of the Review by Police and, in particular, the efforts of the 'Project Georgia' team. This group was established at the announcement of the Review, to interact with the Reviewer, coordinate and oversee the consultation processes, and set up the appropriate project management mechanisms required for an undertaking of this magnitude. Chaired and led by the Deputy Commissioner, the team has met almost daily since April.

GOVERNMENT DECISIONS

4. Papers outlining the Police's position on the Review were considered by the Cabinet Strategy Committee on 13 October 1998, by the full Cabinet on 19 October, and the Cabinet Strategy Committee on 21 October 1998. The recommendations that were approved by Government are summarised below.¹
5. The Government has directed the Commissioner to implement the following proposed restructuring changes immediately:
 - Establish a smaller Office of the Commissioner.
 - Disestablish the four existing Police Regions.
 - Reduce the number of Police districts from sixteen to 12.
 - Establish Service Centres.

¹ Recommendations in a Cabinet Paper are set out in a way that requires Government to 'note' certain issues, 'agree' to certain actions, and 'direct' that certain things are done.

6. Implementing these restructuring recommendations is estimated to result in a reduction of about 380 positions, comprising 95 sworn and 285 nonsworn.
7. In other decisions Government has:
 - Agreed that an additional 120 sworn frontline staff are to be recruited from 1999/2000 as a result of the savings from the Review. These officers will enhance Police front line capability in relation to key strategies targeting youth at risk, repeat victimisation, and organised crime.
 - Agreed that from the estimated savings of \$35.5 million per annum, Police are to meet the costs of the Review and restructuring costs, the balance of the wage round costs, and the cost of the additional 120 police staff. The remaining savings will be used to meet Police's commitment to pay for INCIS.
8. Although the Reviewer, Doug Martin, identified twenty specific 'non-core' Police activities where possible savings of \$22.5 million could be realised through outsourcing those activities, Government has noted that further work is required on outsourcing and has requested Police to report back by November 30 1998 on this issue. In the interim, Government has agreed to the prioritisation of a number of activities for immediate business cases
9. It is conservatively estimated that net savings are possible from a small list of potential activities, and that more advanced business cases will allow officials to be in a position to advise Ministers on the likely extent of these savings, and associated costs, by the 30 November 1998 deadline. Other activities will also be examined for outsourcing potential but are not expected to realise the same level of savings.
10. To reflect the contribution that nonsworn members make to front line policing, and to reduce the current reliance on sworn numbers as a measure of front line capability, Government has directed Police, in consultation with other officials, to report back on alternative measures of Police capacity, efficiency and effectiveness by 31 January 1999.
11. Government has also noted:
 - That a report on governance issues affecting Police, including the roles and responsibilities of the Commissioner and Minister of Police, is due to be submitted to Government by the end of November 1998.
 - That a final report on the Training Review is due to go to Government on 18 November 1998. This report will cover the revised options for Police training and the operation of the Royal New Zealand Police College over a three-year time frame.
 - Police's intention to develop a more efficient and accountable national purchasing programme.
12. Government has directed Police to report monthly to the Treasurer and Minister of Police on progress on implementing the approved recommendations.

DESIGN AND IMPLEMENTATION

IMPLEMENTATION STRATEGY

Review Focus

13. The Review focus is on the management and administrative structure of New Zealand Police. Government has agreed that potential savings of around \$35.5 million per annum are achievable, and that they will mainly come from:
- a new and flatter organisational structure;
 - the review of Police training;
 - outsourcing of non-core support services; and
 - reducing expenditure on supplies.

Review Aims

14. In summary, the changes agreed to by Government are designed to make New Zealand Police more efficient in the delivery of quality Policing services, and more accountable for the delivery of those services, in support of Government's public safety objectives.
15. Thus, the Review design focus is not primarily concerned with the question of whether Police are doing the right things, but whether Police are doing those things efficiently and in an accountable manner. Police have well-developed operational strategies whose primary goal is the reduction of crime, the road toll and disorder. These are based on firm and targeted enforcement and investigation, more crime prevention, and working more closely with the community and other agencies.
16. Implementation of the Review recommendations is expected to improve the effectiveness of these strategies and further improve the results Police are currently achieving in lowering recorded crime, improving case resolution and lowering the road toll. The specific means through which this improvement will be achieved are:
- additional front line capability (following the achievement of outsourcing savings);
 - greater specification and clarity of results required accompanied by tighter accountability mechanisms;
 - improved accountability through direct Commissioner oversight of Districts.

Project Georgia

17. Benefits from the Review are expected to flow over a period of two to three years. To deliver the changes, and position the organisation to achieve the desired business benefits, Police initiated a project named 'Georgia', which was launched in April 1998 and will be completed by 30 June 1999.
18. Project Georgia has drawn the Reviewer's initial recommendations into a focused project with specific targets, project deliverables, and associated organisational outcomes. The Project has a specific mission, clear deliverables, and tight timeframes. The results from the Project will enable the organisation to achieve Government's agreed Review targets.

Design Linkages to SRAs and KRAs

19. From a design perspective, Project Georgia has focussed on the efficiency and accountability components of Government's Strategic Result Areas (SRAs) and Police's Key Result Areas (KRAs).
20. Making New Zealand Police more efficient and more accountable in delivering quality policing services, in support of the Government's public safety objectives, links into the Government's Strategic Result Area (SRA) 6: Safer Communities and sub-ordinate SRA 6(v): Implementation of an effective community orientated policing system.
21. The Review also impacts on New Zealand Police's Key Result Area (KRA) 2: Ensuring that an efficient, effective and responsive Community Oriented Policing service is delivered which builds police, community, and inter-agency partnerships, and KRA 3: Ensuring that policing services are delivered within a quality customer service framework that recognises the particular needs of individuals and communities.

Strategic Framework

22. The Project Georgia strategy identifies outcomes and goals, critical success factors, risks, deliverables and measures. These components provide direction and are fundamental inputs to the design and consultation phase of Project Georgia. Implementation direction is guided by this strategy.
23. Successful delivery is based on a sound project strategy, which is owned by the Executive (including District Managers and Senior Managers), managed by the Review Steering Group (including Department of Prime Minister and Cabinet, Treasury, and State Services Commission), integrated into the designs by the project team, and supported by key stakeholders. The organisational strategic framework in which Project Georgia will operate is depicted in the diagram on the next page.

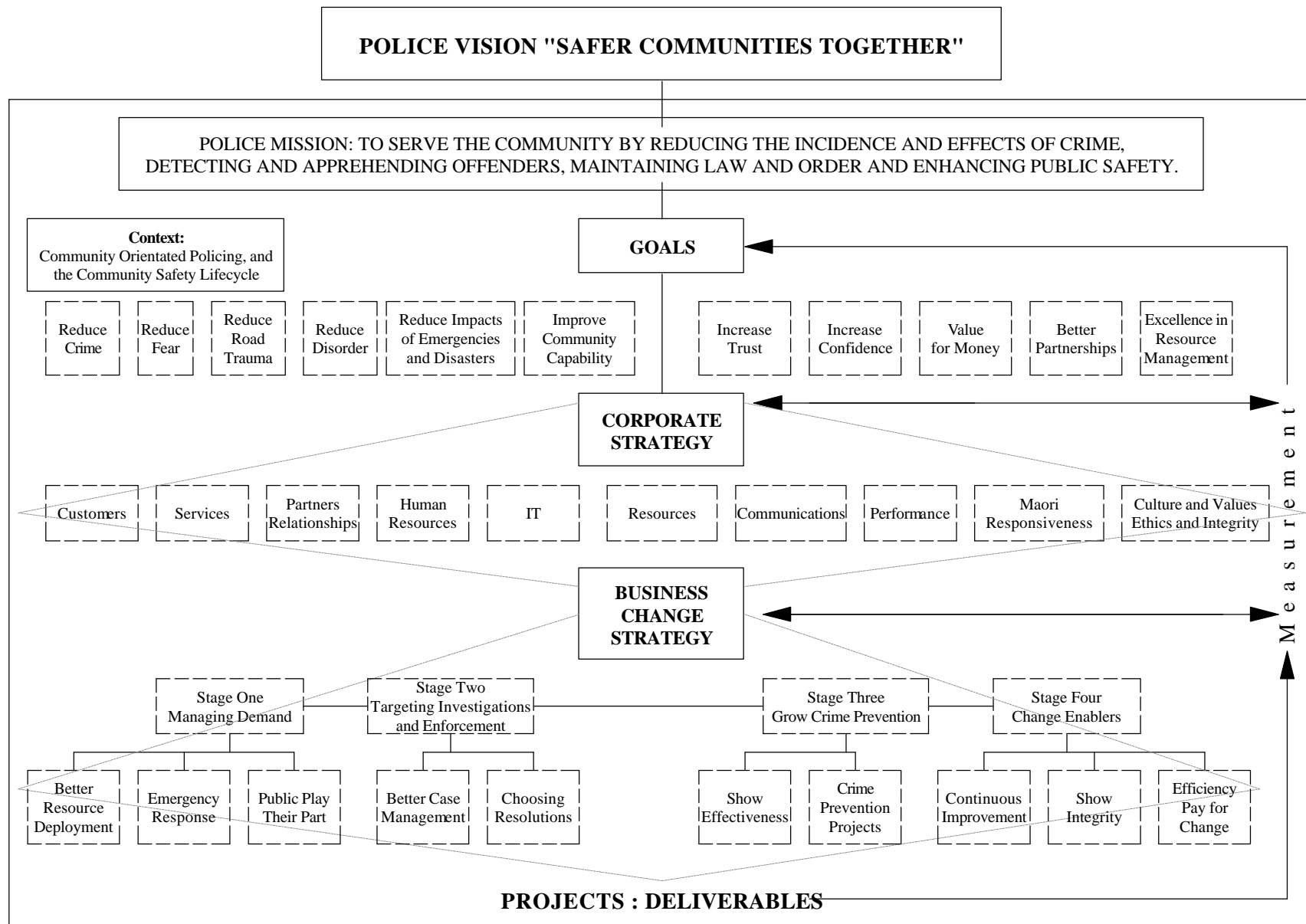


Figure 1: STRATEGIC FRAMEWORK FOR PROJECT GEORGIA

Project Mission

24. The following table sets out the mission statement for Project Georgia.

Mission	
The mission of Project Georgia is to successfully implement the Review through the Executive and Senior Management, and position the organisation to achieve its goals.	
Critical Success Factor (CSF)	Risk
<ul style="list-style-type: none">▪ Continue to deliver services▪ Confidence in management by stakeholders▪ Engage political and stakeholder support▪ Engagement and empowerment of District Managers▪ Best people in jobs▪ Manage change process	<ul style="list-style-type: none">▪ Change process diverts service delivery▪ Political and public risks if service drops▪ Stakeholder perceptions and union legal issues▪ Lack of ownership by District Managers▪ Best people not appointed▪ Structure will change but the way we do business remains
Outcomes	
<ul style="list-style-type: none">• Achievement of Review objectives• Clarification and increased accountability for policing services• Realised savings• Improved service delivery• Improved stakeholder confidence (external/internal)	
Goals	
<ol style="list-style-type: none">1. To improve stakeholder confidence through successful implementation of the Review2. To actively use the implementation of the Review to achieve alignment of the strategic direction, capability and delivery3. To effectively manage Project Georgia's work.	

Project Goals

25. The three goals specified above are shown in Appendix I together with their critical success factors and risks, and their associated deliverables and measurables.

DESIGN APPROACH

Reviewer's Approach to Design

26. The Reviewer's final report (August 1998) sets out:
- The rationale and framework for the Review.
 - High level design thinking (References 1, 2, 3, 4², and "Operating Assumptions for Structures and Service Delivery" and "Key Principles".³)
 - Potential savings targets resulting from the redesign.
27. The Reviewer describes 'The Preferred Option' organisational structure design:
"In developing an organisational structure, two polar extremes in terms of approach are possible – developing and testing a wide range of options against established criteria, or an iterative approach using the criteria to build a preferred option. This Review adopted an approach somewhere in the middle, but closer to the latter." (Paragraph 62, Preliminary Draft Report, 9 June 1998, and paragraph 111, Report of Independent Reviewer, 6 August 1998)
28. The design of the preferred option was driven by a tight focus on:
- maintenance of a strategic capability to ensure delivery of the existing Policing Strategy; and
 - core policing competencies.
- It is important to note that the focus is on the maintenance, rather than the development, of a strategic capability.

Police's Approach

29. New Zealand Police have generally followed the 'preferred option' described in the Reviewer's final report, taking an iterative approach and developing the designs in an evolutionary manner rather than a pure methodological approach which is more suited to a 'green fields' type project.
30. The design principles applicable to Project Georgia are contained in the documents shown below. The authors of the documents are all part of the Project Georgia design team.

1.	"Theory of Policing" Draft No 5, New Zealand Police – Policing 2000, October 1996 (as endorsed by the Commissioner).
2.	"Design Drivers of Structures Project", Structures Project Team, Police National Headquarters.
3.	Extracts from "Strategy and Methodology for Business Redesign", Business Re-design Management Group (BRMG), Policing 2000 Strategy Group, Police National Headquarters.

² These references are contained in the footnotes to the Reviewer's final report (6 August 1998). For example, Reference 1 refers to: Waterman, R., Peters T., and Phillips, J. (1980) "Structure is not organisation", Business: Indiana.

³ Appendix 3 of the Reviewer's final report.

Logic

31. In terms of the progressive elaboration and iterative approach to design, the Police logic is as follows:
- The Martin Report (9 August) represents an ‘order of magnitude’ estimate of potential improvements.
 - The Project Georgia design team analysis firms up on the Martin Report by:
 - using the designs and guidelines developed by the Policing 2000 Structures Project and approved by the National Strategy Committee (NSC) and the Police Executive Committee (PEC).
 - appointing consultants Deloitte Touche Tomatshu to apply outsourcing methodologies and designs in developing high level business cases for candidate activities.
 - Improvements and quality assurance on designs of Districts, Office of the Commissioner, and Service Centres will take place in the period spanning Government instructing the Commissioner to implement the Review and leading up to the appointment of District and other Senior Managers. Consultants will continue with the outsourcing programme business cases.
 - Once District and other Senior Managers are appointed, further detailed design will be done by their management teams and designs will be implemented. Again, the guiding documents will be those listed above.

Change Levers

32. Both the ‘Theory of Policing’ and the ‘Strategy and Methodology for Business Redesign’ advocate that business improvement projects consider a ‘change lever’ design approach. Change levers are the functional design capabilities of an organisation, such as in the areas of Human Resources and Communications, which have key roles to play in facilitating any successful change process.
33. Contribution from each change lever is essential to achieve sustainable results from improvement projects. Eight key change lever design areas have been identified, and are shown in the table on the next page, along with the emphasis placed on each change lever by Project Georgia.

Change Lever	Georgia consideration of change lever
1. Processes	High level processes remain largely unaffected. At a detailed level, non-core processes can be improved as the details around Service Centres and outsourcing emerge. Project Georgia has not undertaken major process analysis. The work of Project Maria, which analysed all the processes down to a reasonable level of detail, needs to be revisited and opportunities for further improvement identified.
2. People	A major focus has been placed on the Human Resources side on the Project. This involves intensive analysis of roles, responsibilities, competencies, job descriptions and evaluations, job comparisons, reconfirmation, re-assignment and redundancy, selection processes, employee support, and timeframes.
3. Structural	The P2000 Structures Project was a major contributor to the Review. Much of the previous work done by the Structures Project has been integrated into the designs.
4. I&T	I&T impact has not yet been fully analysed. Designs have now progressed to a stage where input from the I&T Group is required.
5. Customer	As the external customer is not, in principle, affected by the Review in terms of service delivery, no specific work has been done in this area. However, customer research was conducted in 1995/96 with the results incorporated into policing strategies. The Policing 2000 <i>Quality Policing</i> programme continues to roll-out across Districts.
6. Performance	Project Georgia's performance will be measured by: <ul style="list-style-type: none"> ▪ the project management system in terms of deliverables, timing, costs, and quality. ▪ the attainment of the project goals set out in the Georgia Strategy. ▪ the achievement of the Project's Mission.
7. Partnerships	Working relationships have been created with Interagency Partners, the Police Association and Guild, and with Local Authorities. Creation of new community partnerships is not part of Project Georgia, as front line policing is not affected. Partnerships are dealt with as an integral part of the Policing 2000 Partnerships Project.
8. Communications	Effective communication using efficient channels is an important aspect of change management during any large-scale project, such as Project Georgia, which involves widespread organisational change. Extensive stakeholder analysis has been undertaken and the various stakeholder groups communicated with according to their needs during the change process.

Project Life Cycle Approach

34. The final component of the design approach, which links deliverables and time together, is the project life cycle. The life cycle is characterised by the products delivered at the completion of each phase of the project. The Project Georgia life cycle is:

Key phase	Completed by
▪ Consultation and preliminary design.	30 October 1998
▪ Detailed design and implementation plan (including consultation).	15 December 1998
▪ Implementation of designs and transformation of organisation (including consultation).	31 March 1999
▪ Stabilisation of new organisation and close down of Project Georgia.	30 June 1999

IMPLEMENTATION APPROACH

35. Implementation of the Review, under the direction of Project Georgia, commenced on 1 November 1998. That allows approximately one month for the completion of the planning of the implementation and for a transition team approach to be developed in districts, regions, and Police National Headquarters. The implementation approach is based upon the principles of change management and communications, as set out below.

Critical success factors

36. The critical success factors for the implementation of the Review are as follows:
- Minimised disruption to the organisation's competence to deliver mandated services;
 - Retention of public confidence in the Police capability to respond to service expectations;
 - Creation and/or retention of Police confidence in the Review programme to deliver benefits;
 - Effective implementation management.

Risks and Risk Management

37. The Review poses a number of risks for Police. Project plans and management systems have identified key risks and have developed strategies for managing them. Risks will be monitored throughout implementation, and remedial action taken where necessary.

Proposed Implementation Time Frame

38. It is expected that the restructuring of the Office of the Commissioner and the Districts, the dismantling of Regions, and the establishment of Service Centres, will be completed by 30 June 1999. Once this has occurred, Project Georgia will be closed down and the responsibility for furthering the Review process will pass to Senior Managers.
39. The proposed life-cycle stages and key milestones, together with indicative completion timeframes, for implementing the Review recommendations are shown in the table below. A more detailed list is shown in Appendix II.

CONSULTATION	<i>Ongoing process</i>
- Consultation (police staff, police unions, other agencies)	

DESIGN AND CONSULTATION	<i>Completed April - October 1998</i>
<ul style="list-style-type: none"> - Consultation - Draft re-design of the Office of the Commissioner, Service Centres, and Regions agreed - Joint (Police/Treasury) Benefits Recovery Model development complete - Outsourcing options and timetable agreed - New selection processes developed - Implementation Plan and Business Case completed - Cabinet Paper to Government - Final Report produced - Commissioner receives mandate from Government to implement Review recommendations 	

IMPLEMENTATION OF RECOMMENDATIONS	<i>Completed by End March 1999</i>
<ul style="list-style-type: none"> - Executive and Senior Managers appointed (Office of the Commissioner and Districts) - Senior Manager performance agreements established - Office of the Commissioner and Service Centre restructuring changes completed - Subordinate Managers in Districts appointed - Specific district and Service Centre design completed - District Transition and Operations Plans developed - Region dismantling completed - New structures in place and all jobs filled 	

TRANSFORMED ORGANISATION	<i>Completed by End June 1999</i>
<ul style="list-style-type: none"> - New organisation transforms and stabilises - Project team closes down and functions transferred to the new organisation - Year 1 benefits realised 	

ACHIEVEMENT OF BENEFITS	<i>Completed in Year 2 and 3</i>
<ul style="list-style-type: none"> - Transformed organisation ensures the achievement of the implementation targets - Continuous improvement - Interagency monitoring of benefits achieved versus planned targets 	

Transition of Responsibility

40. The leading role during the initial 'design and consultation' phase has been taken by the Project Georgia team. During the 'implementation' phase a transition of responsibility to District and other Senior Managers will take place. Project Georgia will facilitate this process, by providing national guidelines and transition assistance. The hand over strategy and guidelines will also cover the Office of the Commissioner, Service Centres and Regions, as well as Districts

41. During the implementation of designs and transformation of organisation phase,

District Managers and their teams will be responsible for designing their own district structures below the management (template) level. It is expected that each District will appoint a project manager, and a few key members, who will develop the business case and plans. Project Georgia will support and train these teams in the areas of:

- Business case development;
- Project definition;
- Change management (strategy and team building);
- Design support (HR, Structures, Communications, etc);
- Project Support (planning software, monitoring and control, reporting, etc).

42. The phase during which the transformed organisation stabilises, will be the responsibility of District Managers and other Senior Managers.

Additional Components of Successful Implementation

43. The implementation approach being taken by Project Georgia incorporates a number of elements that are essential to long term success. These are:
- change management;
 - communications management; and
 - sector partnerships.

Change management

44. Implementing the Review recommendations has significant change management implications, particularly in terms of communications, knowledge, skills and attitudes. It is now a key part of the strategic change programme, managed by the Police Executive, along with the Policing 2000 programme and other projects with major organisational impact.

Principles for change management activities

45. The following list presents nine critical principles for ensuring the success of organisational change:

CHANGE MANAGEMENT PRINCIPLES

1. Participation	The change process will include participation of staff and external stakeholders, especially customers. It will not be a 'back room' process.
2. Encourage and listen to feedback	We will measure the success or misalignment of our change process through feedback. Consultation will be an active part in building commitment. Everyone's view is important and should be able to be expressed.
3. Anticipate and manage resistance	Change is uncomfortable for some people and consequently they might wish to avoid it. We should be aware of this and manage this resistance to change in a way that confirms our belief that people are our greatest asset.
4. Model desired behaviour	One of the most powerful ways of introducing change is to model the desired behaviour. This includes applying change management principles to individual activities. The Executive and Senior Managers must demonstrate the various ways of learning and accepting change. Actions speak louder than words.
5. Leadership is creating a world to which people want to belong	The Executive and Senior Managers must be the first to demonstrate changed behaviour and commitment to the models as described. They must continually market the case for change; communicate a clear and compelling vision of the future; help people to see their place in that future and support their transitions to that new place; create confidence in their own ability to manage change; and gain internal and external stakeholders' commitment to supporting the change programme.
6. No surprises	Information should be shared in order to achieve some coordination. At all levels in the process there must be a sense of openness, transparency and honesty.
7. Continual review and readjustment of the change programme	Neither change, nor the organisation, is static. Each part of the programme will affect the organisation in some way, whether internally or externally driven. To maximise our effectiveness in managing change, the impact of our strategies must be constantly monitored and adjusted, i.e. the principles of 'continuous improvement' need to be applied.
8. Accentuate the positive	The good aspects of change should be highlighted. The quickest way to develop enthusiasm and commitment for change is to demonstrate success - be proud of what has been achieved. Maintaining momentum must be seen as keeping the benefits flowing as quickly as possible.
9. Quick implementation	Once decisions have been made, implementation should be carried out speedily to minimise the negative impacts associated with restructuring and to ensure the benefits of changes are realised as rapidly as possible.

Communications management

46. The desired form of communication is one in which an activity, or process, is employed by the communicator in an attempt to introduce a change in the belief, attitude or behaviour of an individual or group through the transmission of a message. This activity, or process, recognises that the receiver/s are free to accept or reject the message. In this case, the aim is to use this communication process to explain to staff, and other stakeholders, how the organisation is going to change, and how that change will impact on them.

47. This form of communication is based on several principles including:

1. The importance of building trusting relationships. Stakeholders may not always like the message they hear, but if over time they are able to see that an organisation's leaders are open and honest, trust will develop.
2. Acknowledgement of the emotional dimension of change. For communication to be effective during major change, particularly change involving restructuring, leaders and managers must acknowledge the emotional aspects of change in all their communication.
3. Tailoring the message to multiple realities. Every stakeholder, and group of stakeholders, will be operating within their own reality. To communicate effectively, this diversity must be acknowledged and appropriate communication forums and opportunities must be created for each stakeholder group. This is why staff are most effectively communicated with by their manager or immediate supervisor.
4. Consistent messages. In managing change, people are asked to respond simultaneously to many messages. A varied diet of consistent messages from multiple sources helps support employees and other stakeholders as they seek to understand the changes that are occurring.
5. Acceptance of the time-consuming nature of the process. Achieving successful change takes time, and so does the communication supporting it. Stakeholders must be brought into the change process carefully and be kept fully informed of its costs, benefits and implications.
6. Integration of messages. During major change there is a real need to articulate the connections that exist between the various activities and messages that make up the overall change process. Stakeholders need to be able to create their own, comprehensive, picture of how an organisation will be structured, and will function, after the change has occurred.

48. Based on these overarching principles, several specific principles have been for communicating about the change being created by this Review. These include:

- The Commissioner, his Executive, District Managers and other Senior Managers have a leadership role to play in communicating about the change process using the communication principles outlined above.
- Managers and supervisors will be the primary communicators to their staff.
- Information will be disseminated as widely, and fully, as possible.
- Stakeholders will be kept informed on a continuous basis, using the communication channel best suited to each of them.

49. During the implementation process, all stakeholders will continue to be fully informed about what is occurring using the principles outlined above. The Project Georgia communications team is committed to providing high-quality communication that is appropriate to each stakeholder group. There will also be a need to communicate more widely with external stakeholders, on both a national and local level, during implementation.

Sector partnerships

50. During the period of the Review, key stakeholders (police staff, Ministers, officials in core agencies) were kept informed of progress through personal briefings and a variety of communication processes. When relevant, input to planning was sought and used to inform judgement. Dialogue and robust debate resulted from these processes. It appears that most staff recognise the need for Police to change and generally support the approach being taken. Some sectors and individuals may be less enthusiastic, as would be expected in any major change process.
51. After the completion of the restructuring that will follow this Review, it will be vital to maintain, or build, solid strategic alliances with key partner agencies at both local and corporate levels. A reduced bureaucracy will create a sharper focus for Police. Internal barriers to communication will have been removed, thereby ensuring clarity of policy direction and of performance requirements.
52. Police will continue to work closely with our core partners in the Community Safety, Justice, Emergency Management and Transport sectors. This will be critical as Police begin to realise the savings of the Review. Those savings will be redirected towards the development of greater frontline capability within the overall strategic direction of policing. In order to put those resources to the best use, robust and proven solutions to core problems will be needed. Police will therefore target the new resources to the highest risk people, times and places.
53. Working together towards that end will require the investment of personal commitment from police managers throughout the organisation. It is people that will make the partnerships work. Partnerships built on mutual trust and respect are likely to be more enduring, especially if they are focused on achieving joint goals through collaboration.
54. Formal Memoranda of Understanding and reporting processes provide a useful means to underscore the obligations of each partner, but these will not drive daily activity. Getting to know each other's strengths, weaknesses and mutual expectations is more important. In the new operating environment, innovative ideas will more easily flow through for corporate examination and approval. The challenge faced by the new Police leadership will be to harness and direct the energy within Police in a manner that best impacts on local community crime problems throughout New Zealand.
55. Processes will need to be put in place that allow Police and other agencies to deal with changed circumstances over time. However, Police are not the only agency involved in change and it will be important to recognise our partner agencies have different interests, organisational cultures and operational independence.

SAVINGS / COSTS

ESTIMATED SAVINGS

56. The Reviewer identified overall savings of \$45-50 million per annum as potentially achievable. After further analysis of the savings likely to be available from restructuring and outsourcing, Government has decided, on the recommendation of the Minister of Police, that savings of about \$35.5 million are achievable once outsourcing and restructuring are complete.
57. The majority of these estimated savings are expected from the restructuring proposals, namely the 380 or so positions saved. Other significant savings are expected from the Review of Police Training and from reducing expenditure on supplies. The rest of the savings are expected to be achieved through the outsourcing of current activities. In advice to Government, however, it was noted that the achievement of these savings, particularly that component to be achieved through outsourcing, will remain inconclusive until appropriate business case evaluations have been completed.

Costs to be Met

58. Review and Implementation: The Review itself has incurred significant costs, as will the implementation process. These costs will need to be funded from any savings that are realised. Government has agreed to fund costs to the extent they exceed savings in year one (1998/99), and that these will be repaid from downstream savings.
59. Impact of Wage Round: As the wage round for sworn staff has been settled, and it has been agreed that the balance of the costs needs to be funded from any savings that are realised, the impact of this has been built into the projections. An offer exists for the nonsworn component of the wage round and the matter is being finalised. Cost projections also make provision for this.
60. Integrated National Crime Information System: The INCIS return on investment to Government has now been integrated with the Review restructuring. It was previously agreed that full return on the Government's investment in INCIS would be repaid to Government at a rate of \$22.6 million each year from 2000/01 for five years. However, estimated savings from the Police Review at this stage are insufficient to enable full repayment to be made at the stated level. Government has agreed that from the estimated savings of \$35.5 million per annum, Police must meet the costs of the Review and restructuring, the balance of the wage round costs, and the cost of the additional 120 police staff. The remaining savings will be used to meet Police's commitment to pay for INCIS.

Reinvestment of Savings

61. Government has agreed that 120 sworn officers will be recruited from 1999/2000. These officers will be used to increase front line capability in relation to the key strategic areas of youth at risk, repeat victimisation, and organised crime. These three are recommended for the following reasons:
- Youth at Risk. The need to target strategies towards 'youth at risk' is also identified within SRA 6: Safer Communities. There is strong evidence that comprehensive programmes based around identified young people, and their

families, can be very influential in preventing a young person entering, re-entering, or remaining within the criminal justice system. As well as youth at risk of offending, the strategies deployed within this area will also target the growing, and persistent, group of 'hard core' juvenile offenders who are known to account for the majority of juvenile crime in New Zealand. It is also recognised that many young people are at grave risk of becoming, or remaining, victims of crime. Strategies and resources must be targeted at preventing this.

- Repeat Victimisation. The 'National Survey of Crime Victims' (1996) made it clear that crime is not evenly distributed across the country. Certain areas have much higher levels of crime than elsewhere and certain people are subject to much higher levels of victimisation than others. For example, the survey found that just six percent of victims of violent and sexual offences accounted for more than sixty-eight percent of such offences. Not only did the survey report that a small number of victims are repeatedly assaulted (particularly in a domestic setting) or repeatedly burgled, but also that Maori and Pacific Island people are more likely to be victims than those from other ethnic groups. Police want to use this information to develop strategies that help identify these 'hot spots' and repeat victims so that preventative strategies can be developed and implemented.
- Organised Crime. Government's strategic result area 6 (SRA 6) deals with the need to build 'Safer Communities' with particular focus on the targeting of gangs and organised crime activity. The development of a fully resourced strategy to counteract organised criminal activity and reduce its impact on the New Zealand community is vital, given the increasingly unpredictable and complex nature of criminal activity being conducted by such groups, both within New Zealand and internationally. Strategies deployed will include the specific targeting of criminal gangs and groups, applying risk analysis techniques to examine organised criminal activity, and building strategies around preventing entry to, and promoting exit from, gangs. Having the right equipment, including enhanced electronic surveillance and interception technologies, will be essential both to the success of these strategies, and in delivering the benefits of the legislative enhancements achieved in 1997/98.

62. It is also expected that the additional resources, along with the new accountability and oversight mechanisms, will further improve operational performance by contributing to Police's operational strategies. The primary goals of these strategies are the reduction of crime, the road toll and disorder. These are based on firm and targeted enforcement and investigation, more crime prevention, and working more closely with the community and other agencies. Implementation of the Review recommendations is expected to improve the effectiveness of these strategies and further improve the results Police are currently achieving in terms of lower levels of recorded crime, improved case resolution and a lower road toll.

Process to Capture Savings

63. As savings initiatives are developed, the extent and timing of funding injections needed to achieve each change will be identified, together with the extent and timing of the reduction in requirement for funding as the new measures take effect. Changes in the funding profile associated with each activity impacted in this way, will be scheduled over time and aggregated to show the net overall

changes in funding requirements for Police. Internal budget forecasts incorporating these changes will be required for each affected functional unit and will provide the means by which progress will be measured against financial targets over time.

RESTRUCTURING

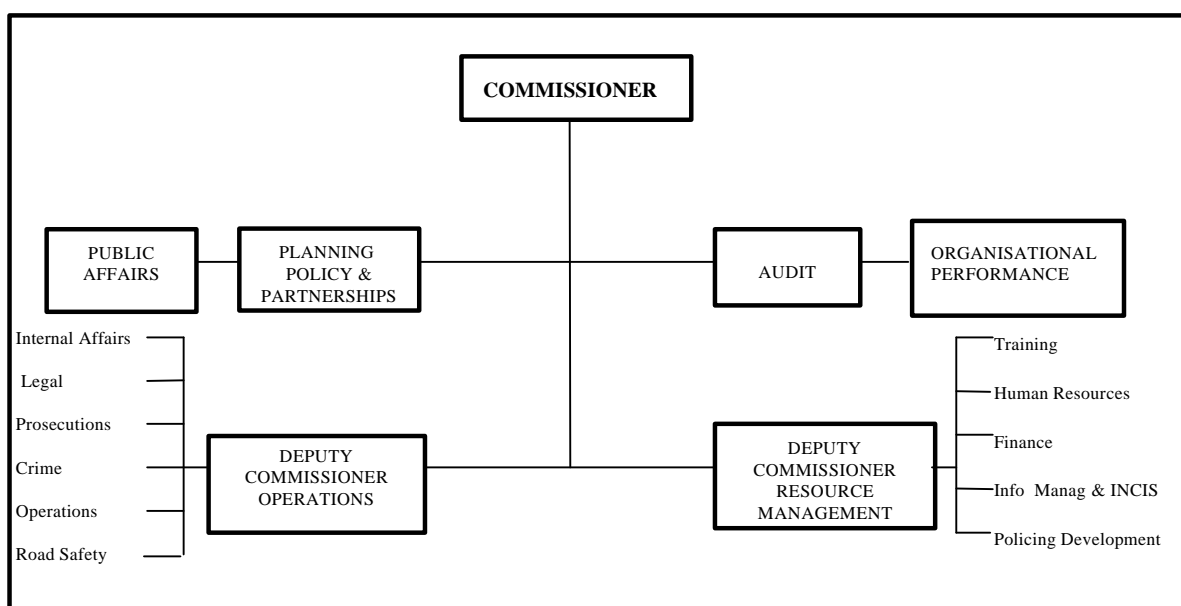
THE OFFICE OF THE COMMISSIONER

Background

64. Since the Reviewer's final report was released in early August, work has continued on the detailed design of the Office of the Commissioner. In developing this design, Police have taken the approach of considering the Office as an integrated whole, which would operate within a broad resource allocation. Preliminary work on management level position descriptions has served to clarify group and team functions and identify areas of tension, or overlap, between positions.
65. As part of the consultation process, initial diagrams for the various functional groups were prepared. The staffing positions assigned to those groups by the Martin Review were reassessed in the light of each group's capability to address strategic priorities and policy objectives. Wherever the positions allocated to one group have been increased, Police have endeavoured to match this by a decrease in another group.
66. Although concerns about capability still remain in some areas, Police are reasonably confident of achieving an initial saving of 80-90 positions, with a total of around 130-140 positions remaining.
67. Possible organisational diagrams and profiles of Service Centres were also prepared as part of the same exercise, because a significant number of administrative and operational support positions in the present Police National Headquarters will be re-allocated to Service Centres.

Shape of Office of the Commissioner

68. As recommended in the Martin Report, the Office of the Commissioner is to be small, and will provide the Minister, the Commissioner and District Managers with strategic, policy, and performance advice. It will also provide districts with specialist/technical services that for reasons of cost, security, confidentiality or management assurance will best be located with the Office of the Commissioner.
69. The flow chart on the next page sets out the structure proposed for the Office of the Commissioner.



STRUCTURE OF OFFICE OF THE COMMISSIONER

70. Attached to the Office of the Commissioner, for economies of scale and/or convenience, will be a variety of Service Centres. Some will provide administrative support nationally and others will undertake national operations or provide operational support. The functions and positions assigned to Service Centres in the first instance will be subject to further review and rationalisation, including outsourcing, to realise additional savings.

Roles and Responsibilities in the Office of the Commissioner

71. The guiding principles underpinning the development of the roles and responsibilities of senior executives and managers in the Office of the Commissioner are the 'Key Principles' and 'Operating Assumptions for Structures and Service Delivery' appended to the Martin Report (Appendix 3).

Role of the Commissioner

Role	Description
Commissioner of Police	The Martin Review suggested amendments to the Police Act to define the role of the Police and specify more clearly the responsibilities of the Commissioner. The current appointment and accountability framework is also being considered. At present, the Commissioner of Police is appointed by the Governor-General under section 3(1) of the Police Act 1958. The Commissioner's main function is the 'general control of Police'.

Roles of the Deputy Commissioners

72. The Martin Report provides for two Deputy Commissioners. Holders of these two positions will also be appointed by the Governor-General (Police Act S.4). Each Deputy will exercise such powers or functions of the Commissioner of Police as the Commissioner delegates.

Role	Description ⁴
Deputy Commissioner Resource Management	It is proposed that the Deputy Commissioner Resource Management will provide specialist strategy, risk management, planning and advice in the areas of Human Resources, Finance, Information Technology, Policing Development, and Training.
Deputy Commissioner Operations	It is proposed that the Deputy Commissioner Operations will provide specialist planning and advisory services on operational areas of policing and will be required to assist the Commissioner in managing significant critical incidents and operational performance issues.

Support to Commissioner

73. The Commissioner's submission indicated four critical and interrelated areas of Police performance that will be addressed as part of the change process. These are Police's ability to:

- contribute to sector partnerships, policy development and the achievement of Government's strategic goals in meaningful and measurable ways;
- translate high level policy initiatives, and medium term performance targets, such as those articulated in the organisation's goals and in the Commissioner's KRAs, into coherent, consistent and achievable objectives at service delivery level;
- manage areas of obvious risk but also ensure that the key business strategies of community oriented policing, responsiveness to Maori, partnerships, and quality customer service are not diminished or diverted; and
- focus on ethics and integrity and prevent corruption.

74. To ensure the above are adequately addressed, it is proposed that the Commissioner be supported by three strategically significant groupings, each with a different, but complementary, role in developing, communicating and managing the performance of Police. These groups will preferably be housed together, will foster mutually supportive working relationships and managers will reinforce each other's performance. The Audit Team will also report direct to the Commissioner and work as closely as possible with the Manager Organisational Performance.

Role	Description
General Manager Planning Policy and Partnerships	<p>It is proposed that the name 'Planning, Policy and Partnerships' be given to the group referred to as 'Policy & Liaison' in the Martin Report. The substitution of Partnerships for Liaison reflects the fact that this group is to pick up the P2000 partnership work. Because it will be concerned with better positioning Police alongside sector partners, it will also assume work related to strategic planning.</p> <p>The Martin Review allocated 16 positions to this group. Police have assigned 18 positions here, including an extra position to address victimisation issues, and an additional Cultural Affairs advisory position from Policing 2000. The Martin Review</p>

⁴ Of necessity, the descriptions here are brief and indicative only.

	assigned only one. The two Cultural Affairs staff will be required to work in closely with PP&P staff and members of the Policing Development and Public Affairs teams, and will be better positioned to provide support to District based iwi liaison officers. However, the Cultural Affairs Advisor will report directly to the Commissioner.
General Manager Public Affairs	It is proposed that the General Manager Public Affairs will provide advice to the Commissioner and District Managers on communication and representation issues, and strategy. The Manager will also be responsible for the management of the Police image and reputation. He or she will also support and co-operate with the Executive and other Senior Managers in Police in managing relationships with stakeholders. The Martin Review proposed seven positions for this group. Police have added an additional position to assist with enhanced stakeholder management.
National Manager Organisational Performance	It is proposed that the Manager Organisational Performance will be responsible for establishing a new work group. Its role will be to provide the Commissioner with a resource to assist in managing the performance relationship with Districts and developing a performance framework for the organisation.
National Audit Manager	It is proposed that the Audit Manager will undertake independent assessments of systems within Police to ensure compliance with statutory and contractual obligations, and be concerned with testing and validating the quality of the systems used to monitor and measure performance. The Internal Auditor will also manage Police's risk management plan.

Resource Management

75. The proposed responsibilities of the Deputy Commissioner Resource Management have been outlined above. The responsibilities of the managers who report to this position are as follows:

Role	Description
General Manager Training	It is proposed that the General Manager Training will research, develop and manage training and education policy and programmes to match overall capability and performance requirements of Police, and oversee the management of the Royal New Zealand Police College to ensure it runs efficiently, economically and effectively.

76. The relationship of this position (General Manager Training) with that of the General Manager Human Resources will need to be carefully considered to ensure both positions are developed in a way that is mutually reinforcing. There are several functional areas such as management development, recruitment, critical career path identification and succession planning where the position holders will need to cooperate particularly closely and individual responsibilities will need to be carefully defined. The Training area is under separate review.

Role	Description
General Manager Human Resources	<p>It is proposed that the General Manager Human Resources will be accountable for developing and managing an integrated human resource strategy that will align HR policies and practices with the strategic direction of policing.</p> <p>The Human Resource management numbers represent a different mix from those indicated in the Martin Review. Three additional advisors have been added to the Office of the Commissioner, and the number from PNHQ assigned to the Service Centre reduced accordingly. However, all HR positions will be subject to further scrutiny as part of the restructuring and change management process in which the HR group has a major role at present. HR positions in both the Office of the Commissioner and the Service Centre will also be affected by the appointment of experienced HR Managers at Districts, although the exact impact of this is still an unknown.</p>
General Manager Finance	It is proposed that the General Manager Finance will be required to build a new finance team, systems, structures and relationships. He or she will be accountable for all aspects of financial management.
General Manager Information and Technology	It is proposed that the General Manager Information and Technology will be responsible for providing advice and support to the Commissioner and District Managers on information technology policy development and strategy.
National Manager Policing Development	It is proposed that the existing Policing 2000 group will be downsized and renamed as the Policing Development Unit. It will be part of the process whereby Justice and Community Safety sector policies are translated from the policy proposal stage into specific policing initiatives for implementation. This group will support District Managers by providing advice on project management, coordination and evaluation. The group will also carry out the design work which will be implemented in Districts.

Operations Group

77. The Martin Review assigned a total of 37 positions to this group in the Office of the Commissioner: 10 to Operations, 4 to Road Safety and 23 to Crime.
78. During the consultation process, Police National Headquarters managers and staff expressed some strong concerns that the proposed numbers would leave insufficient capability to provide specialised planning and advisory functions. Accordingly, the number of Operations positions in the Office of the Commissioner has been increased to 11, and Road Safety to 5.
79. More detailed analysis of the Crime team's role and functions indicated that the majority of the 23 positions assigned to the crime management area were in fact largely concerned with operational support and should be transferred to a Service Centre. The number of dedicated crime management positions in the Office of

the Commissioner itself has been reduced to 2 - the National Manager and a Project Officer. The remaining 21 positions, and approximately 10 further positions, have been added to the national crime-oriented Service Centre.

80. Design work on the managers' position descriptions outlined the following core functions for each:

Role	Description
National Operations Manager	It is proposed that the National Operations Manager will provide advice to the Commissioner and District Managers on operational policy development. This Manager will also oversee tactical planning in several specialised areas, and the management of the Diplomatic Protection Squad.
National Road Safety Manager	It is proposed that the National Road Safety Manager will provide specialised planning and advice to the Commissioner and District Managers on road safety policy development in accordance with the national strategy; contribute to the creation and maintenance of operational performance standards in relation to road safety; manage key road safety partnerships; and act as a specialised resource in policy development.
National Crime Manager	It is proposed that the National Crime Manager will provide advice to the Commissioner and District Managers on investigative policy development; oversee the management of a variety of specialist teams in a crime-oriented Service Centre; develop and manage a crime control strategy that will include organised crime; ensure investigative policies and practices are aligned with the strategic direction of policing; provide timely and frank advice in respect of crime management issues for Police; and contribute to the creation and maintenance of investigative performance standards.

Prosecution, Legal Services and Internal Affairs

81. The number of positions for the Prosecution and Legal functions in the Office of the Commissioner has increased by three: one position to support the Director of Prosecutions in setting up the new national service, and two additional positions for Legal in response to the current manager's concerns about the Privacy Team's capability.

Role	Description
National Prosecutions Manager	It is proposed that the National Prosecutions Manager will head a national service that will cover all Police prosecution and other judicial activities undertaken at numerous locations around New Zealand.
National Manager Legal Services	The Martin Report indicated that legal advice will be one of the functions of the Resource Management Group. Upon reflection, Police believes that it will sit more comfortably in the Operations Group. The National Manager Legal Services will be responsible for providing

	advice within the Office of the Commissioner on legislation and the need for, or the impact of, legislative changes; administering the Acts for which Police is responsible; and ensuring that high quality legal advice is available to operational staff.
National Manager Internal Affairs	It is proposed that the National Manager Internal Affairs will preserve the ethics and integrity of the New Zealand Police by coordinating complaint and disciplinary processes in accordance with legislation. Police believe that this function is best placed reporting to the Deputy Commissioner Operations rather than the Manager Organisational Performance.

Additional Operational Positions

82. In his submission to the Reviewer (30 July 1998, p14), the Commissioner proposed three operational Superintendent positions to be based in Auckland, Wellington and Christchurch. It is envisaged that these three positions will be at Detective Superintendent level, and that their reporting line will be to the Deputy Commissioner Operations. They will be tasked to undertake special operations and investigative duties on a national basis.

The Police Executive

83. The overall role of the Police Executive will be to own and drive strategy, policy development and advice, operations, performance and accountability. The size of the proposed full Executive is large at 23 members, but reflects the key internal management components of Police, draws on outside expertise, and recognises the complexity of policing in today's society.
84. To manage the Police Executive (PEC) effectively, it will be divided into three separate components addressing matters of operations, performance and accountability, and audit. These groups will have varying responsibilities and will meet at varying times. For example, the Audit component will meet on a quarterly basis, whereas the Operations component and wider Executive will meet monthly over two days, with the Operations sub committee taking the first day, then combining with the full Executive for the second day.
85. As Districts will be the prime service delivery structures, with clear accountability for results, the Organisational Performance sub committee will be the avenue for the regular reporting back to the Commissioner by District Managers on results achieved in their Districts. It is likely that this reporting back will take place periodically on its own (frequency yet to be determined), and operate along the lines of the New York 'COMPSTAT' sessions whereby District Managers regularly report on performance and on strategies to improve performance. (Refer Appendix III for more on Compstat.) The Organisational Performance sub committee will in turn report back to the wider Executive at its monthly meetings.
86. Although the full Executive and the PEC sub-committees will provide general accountability and oversight of the organisation, it is the Commissioner who has overall responsibility for each area, therefore he will chair all three components.

THE PROPOSED MEMBERSHIP AND FOCUS OF THE POLICE EXECUTIVE

Police Executive Committee	Focus/responsibility
<ul style="list-style-type: none"> – Commissioner – 2 Deputy Commissioners – 2 External Appointees – 12 District Managers – General Manager Planning Policy & Partnerships – General Manager Human Resources – General Manager Public Affairs – General Manager Finance – General Manager Information and Technology – General Manager Training 	<ul style="list-style-type: none"> ▪ Responsibility for the overall strategic direction of Police. ▪ Continued focus on key business principles of community orientated policing, responsiveness to Maori, partnerships, and quality customer service. ▪ Confirming performance targets. ▪ Maintaining a focus on ethics and integrity issues. ▪ Managing the accountability environment. ▪ Managing the organisational accountability framework. ▪ Monitoring the risk environment.

PEC Sub Committees	Membership	Focus/responsibility
Operations	<ul style="list-style-type: none"> – Commissioner – 1 Deputy Commissioner (Operations) – 12 District Managers 	<ul style="list-style-type: none"> ▪ Translating high level policy initiatives, and medium term performance targets, into consistent and achievable service delivery objectives. ▪ Special issues of command and supervision in operational policing.
Organisational Performance	<ul style="list-style-type: none"> – Commissioner – 2 Deputy Commissioners <p style="text-align: center;">Supported by Manager Organisational Performance</p>	<ul style="list-style-type: none"> ▪ Crime, incident and traffic trends. ▪ Setting performance targets. ▪ Monitoring and measuring organisational performance. ▪ Reporting on specific performance issues. ▪ Individual performance and accountability.
Audit	<ul style="list-style-type: none"> – Commissioner – 2 Deputy Commissioners – 2 External appointees 	<ul style="list-style-type: none"> ▪ Reviewing overall organisational performance and risk. ▪ Independent advice to Commissioner on risk management and remedial actions arising from internal and external audits.

87. Service Centres and the Office of the Commissioner will also be subject to similar performance scrutiny but the precise framework for this is still under development.
88. This proposal does not include a specific representative for women's issues as is currently a feature of the existing PEC structure. This is not an oversight but is an issue still to be worked through. Women are significantly under represented in the existing PEC membership, in senior management positions and in the structure as a whole. Until this situation is rectified, some interim arrangements are required and it is intended that the Women's Consultative Committee will be consulted with a view to identifying options for PEC representation, to ensure that the voice of women in Police is effectively included in executive decision making. Similar issues also apply to Maori in Police and these will be further considered once the composition of the Executive team is known.

REGIONS

89. Government has directed that all Regions be disestablished. As Region roles will mostly be taken over by Districts, the full dismantling of Regions will not occur until District Managers are appointed and the District Management structures are in place.

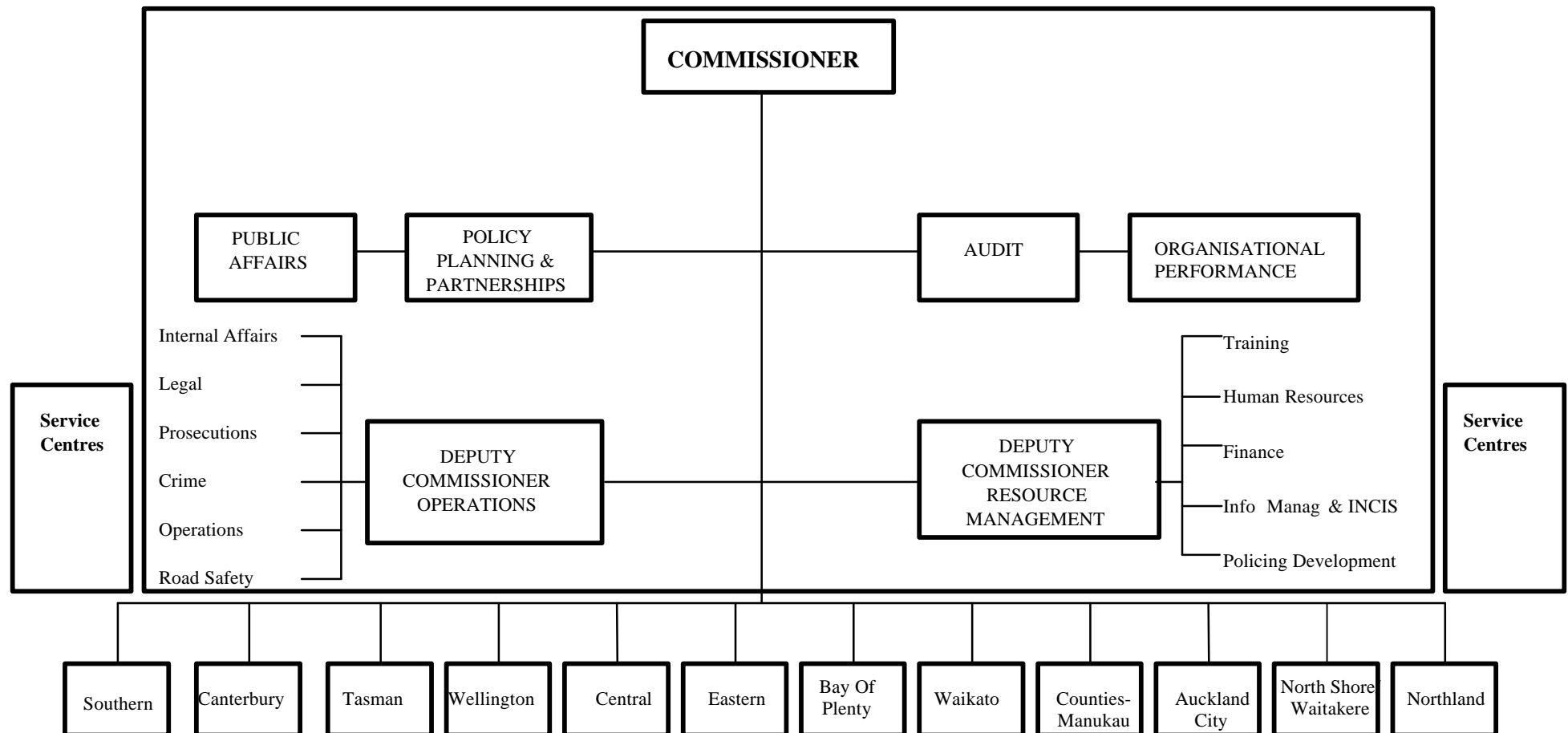
DISTRICTS

90. The flow chart on the next page shows the proposed national organisational structure.

District Managers

91. The new District Managers, as the Commissioner's frontline representatives, and as members of the Police Executive Committee (PEC), will be required to take a national (corporate) view and operate in the collective, as well as the local, interest. They will be concerned with national strategy (as articulated in Government's SRAs, the Commissioner's KRAs, and core Police documents) and its translation at business/operational level into achievable and measurable performance targets.
92. The new District Managers will be held directly accountable for the performance of their Districts. They will report to the Organisational Performance sub committee on crime, incident, and traffic trends, and on specific operational issues, within a national performance framework.
93. The new District Managers will be responsible for operational policing and budgeting as from 1 January 1999. They will also be responsible for the planning and management of the transition from the existing structures to the new structures. They will receive support in managing current services from Assistant Commissioners located at Police National Headquarters and Regions through to 31 March 1999.

NATIONAL STRUCTURE



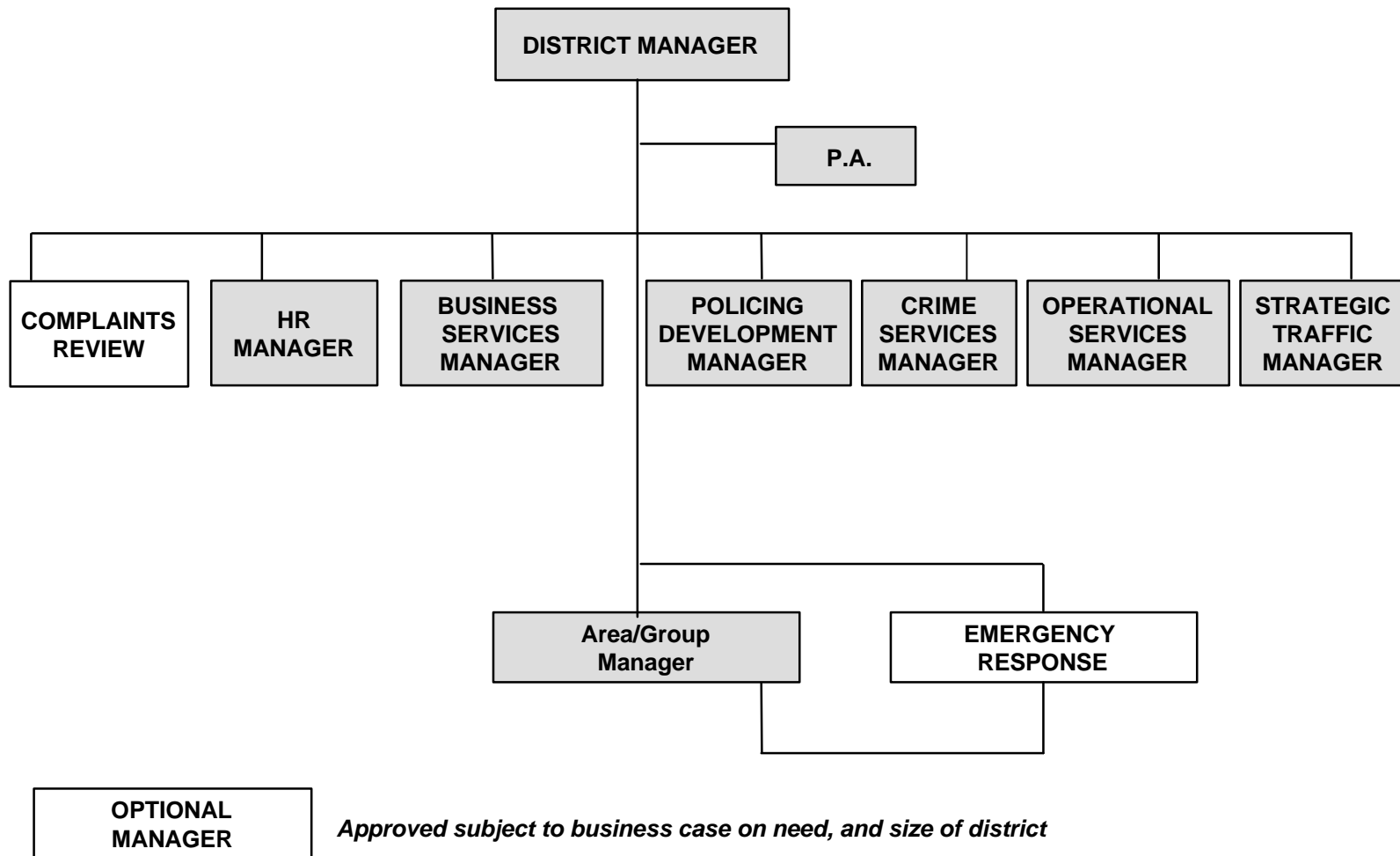
District Management Transition Teams

94. Districts will design their own district structures, within a national set of principles and guidelines produced by Project Georgia. Districts are already in the process of setting up teams to plan how the Review recommendations are to be implemented and how the transition period is to be managed.
95. They are being assisted in this process by the Project Georgia team. Not only have national guidelines been produced to help District teams with restructuring their Districts, but each District is being visited by an Implementation Co-ordinator and other Project Georgia team members from Police National Headquarters. They are meeting with Senior Managers and providing advice and general oversight of District preparation and transition, including assistance with any problems being encountered. The benefits of this process are already being realised as they are able to ensure that issues of concern arising within Districts are brought to the attention of the Executive.

Proposed District Management Template

96. In applying the district management template as outlined in the Reviewer's final report, there has been a growth in potential management numbers in some Districts. Work carried out in the early stages of the Martin Review was based on reducing the number of Districts to 11, including maintaining the three Auckland Districts but combining the Northland District with the North Shore/Waitakere District. Under this arrangement, approximately 30 management positions were identified as potential savings at district level.
97. Following submissions, it was accepted that Northland should remain separate. The other alternative option of merging the three Auckland Districts into a single large metropolitan model was investigated and rejected at a local and national level.
98. It is, however, proposed that policing support services that are shared by all three Auckland Districts will be managed by a 'Board' comprising the three District Managers, to ensure collective responsibility is taken for resourcing availability and performance of the services. Further consideration will be given, across the wider management groups in Districts, to exploring other opportunities for realising savings.

DISTRICT MANAGEMENT TEMPLATE



Application

99. The principles applied are consistent with those contained in the Martin Report. The Review Template has been applied to each District and takes into consideration the Commissioner's submission. Proposals are based on background work carried out by the Reviewer, the Commissioner's submission, field feedback, and submissions from staff and other parties.
100. In applying this template to the Districts there has been an attempt to provide a degree of uniformity to policing management structures throughout the country. It is recognised, however, that in order to accommodate local environmental factors the District Managers will need to have some flexibility.
101. The Area Policing concept was used as a basis for the development of these proposals and was applied uniformly across the country.

Development

102. In the main, district structures will be based on assumptions in the Martin Report (Appendix Three, 'Operating Assumptions for Structures and Service Delivery'):
- District Managers will be accountable for all Police delivery of service within their District.
 - There will be a high level of District autonomy within national guidelines and policies.
 - District Managers and Area/Group Managers will be empowered to make resource and deployment decisions.
103. The final district management team structure and operation will be a matter for the District Managers, upon appointment, to consider subject to negotiation and the approval of the Commissioner. Preliminary discussions have indicated that District Managers should, within the national template entitlements, have the flexibility to lend or share management positions to meet particular operational needs in locations other than their own Districts.

Summary of District Management Teams⁵

104. It is proposed that the number of managers for each District Management Team, inclusive of the District Manager, are as follows:

Northland	08	Taranaki/Manawatu	13
North Shore/Waitakere	13	Gisborne/Hawkes Bay	09
Auckland	13	Wellington	16
Counties Manukau	12	Tasman	09
Waikato	12	Canterbury	15
Bay of Plenty	13	Otago/Southland	12

⁵ The District names and the location of District Headquarters have not been finalised. The incoming District Managers will have input to these decisions.

Assumptions

105. The following assumptions have been used to develop the District Management Team profiles:

<ul style="list-style-type: none"> ▪ A Detective Superintendent will be attached to an Auckland District or Service Centre, and the Wellington and Canterbury Districts in an inter-district case and operational risk management capacity. Their reporting line will be to the Deputy Commissioner Operations and they will be tasked to undertake special operations and investigative duties on a national basis.
<ul style="list-style-type: none"> ▪ Areas which have in excess of 150 sworn staff have been identified as locations that might require a further manager. This will be subject to District Management direction as to how the Area is policed.
<ul style="list-style-type: none"> ▪ Emergency Response is a concept that is currently being trialed in the Counties Manukau District and will be a service delivery option for District Managers to consider when deciding on management functions and location in situation where the District has potential Areas with sworn staff complements in excess of 150. Ten such Areas have been identified: North Shore, Waitakere, Auckland City, Hamilton, Tauranga, New Plymouth, Lower Hutt, Wellington City, Christchurch, and Dunedin.
<ul style="list-style-type: none"> ▪ Districts that have more than 200 complaints per year have been allocated an Internal Complaints Manager. Districts such as Northern, Tasman, and Southern, which are likely to have fewer complaints per year, are likely to combine this function in a portfolio of other duties.
<ul style="list-style-type: none"> ▪ The Policing Development Manager supports the District Manager and other members of the management team in establishing the District strategic planning framework, developing and implementing business initiatives, and managing change. This will be done in a way that ensures consistency with the overall national direction and recognises critical performance issues at local level. Policing Development Managers will be required to maintain close and co-operative working relationships with the strategically-focussed groups in the Office of the Commissioner and with their peers in other Districts.
<ul style="list-style-type: none"> ▪ A Special Operations Manager will be available in Auckland, Wellington and Christchurch with responsibility for special operations and the management of the Special Tactics Group (STG) and AOS. This position will not be part of the management team. It has a direct operational responsibility and will report to the Operations Services Manager.
<ul style="list-style-type: none"> ▪ The Strategic Traffic and Operations Services Manager may be combined in some Districts subject to the District Manager's discretion and local needs.
<ul style="list-style-type: none"> ▪ District Headquarters locations have been considered and proposals have been made on a selected criteria basis. The criteria included: <ul style="list-style-type: none"> – Demographic profile – Availability of skills – Infrastructure – Stakeholder/Partner consideration – Geography
<ul style="list-style-type: none"> ▪ Any major operational planning/project that has national implications, eg APEC, should be coordinated from the District of the particular location with support from other Districts.

- With the overall approval of the Commissioner, Districts will be responsible for determining **Area boundaries and names** and making **restructuring decisions** to those functional areas beneath the management layer described in the Review Template.

- **Crime Services Managers and investigative capability.** Crime Services Managers will have direct responsibility across each District for selected major crimes (e.g. organised crime, major or complex homicides, etc), advice on wider crime issues (including quality control) and the co-ordination of crime issues between Areas within a District and with national programmes and structures.

To facilitate overall crime management and expertise, additional crime manager positions have been provided within the major metropolitan districts of:

- North Shore/Waitakere
- Auckland City (2)
- Counties/Manukau
- Wellington
- Christchurch (2)

Options for consideration will be to locate these at District level or within one or more areas within the District. Further work on the location of these will need to be progressed by the incoming District Management.

Currently there are 19 Detective Inspectors in Districts and two Detective Superintendents. This equates generally with the proposed Crime Manager positions which under this option will number 20 (including an allocation for one in the proposed Auckland metropolitan Service Centre), supplemented by the three proposed Detective Superintendent positions.

Under these proposals there will be potential for all Districts, other than Christchurch, Auckland, and Otago, to maintain or increase their complement of crime managers.

It is noted, however, that the present Auckland metro complement of eight Detective Inspectors will be retained under this proposal but their proposed location will move north and south of the city as follows: North Shore / Waitakere (2); Counties Manukau (2); and Auckland City (3).

The eighth position will be an operational Service Centre Detective Inspector.

There will be a need to assess structures as a whole below District Manager level to ensure overall investigative capability is not at risk.

- **Intelligence** (Intel) is a generic term describing the wider management of information designed to service management as well as operational needs. It has the potential to be located in Service Centres in some districts. The Operations Manager has been identified as having high level responsibility for Intelligence Groups within the District. There are multi levels of Intel users throughout a District and this Manager will potentially oversee the Intel function on behalf of the full management team.

District Management Teams

106. The table below shows the recommended shape of District management teams. The asterisk (*) denotes positions that are additional to the DHQ Managers.

1. NORTHLAND DHQ Whangarei 8 Managers	Managers: <ul style="list-style-type: none"> • District Manager • Two Area Managers • Human Resources • Business Services • Crime Services • Policing Development • Operations and Traffic Manager (combined option recommended)
2. NORTH SHORE / WAITAKERE DHQ Henderson 13 Managers	Managers: <ul style="list-style-type: none"> • District Manager • Five Area Managers (This includes an Emergency Response/Area option available for both North Shore and Waitakere) • Human Resources • Business Services • Crime Services <ul style="list-style-type: none"> * additional Field Crime Manager option • Policing Development • Strategic Traffic • Operations Services • Complaints
3. AUCKLAND DHQ Auckland 13 Managers	Managers: <ul style="list-style-type: none"> • District Manager <ul style="list-style-type: none"> * Detective Superintendent (reports to Deputy Commissioner Operations) • Four Area Managers (This includes an Emergency Response/Area option available for Auckland City) • Human Resources • Business Services • Policing Development • Strategic Traffic • Crime Services <ul style="list-style-type: none"> * additional Field Crime Managers (2) • Operations Services • Special Operations Manager • Complaints
4. COUNTIES MANUKAU DHQ Papakura 12 Managers	Managers: <ul style="list-style-type: none"> • District Manager • Four Area Managers (This includes an Emergency Response option which is currently being trialed) • Human Resources • Business Services • Crime Services <ul style="list-style-type: none"> * additional Field Crime Manager option • Policing Development • Strategic Traffic • Operations Services • Complaints

<p>5. WAIKATO</p> <p>DHQ Hamilton</p> <p>12 Managers</p>	<p>Managers:</p> <ul style="list-style-type: none"> • District Manager • Four Area Managers (This includes an Emergency Response/ Area option available for Hamilton) • Human Resources • Business Services • Crime Services • Policing Development • Strategic Traffic • Operations Services • Complaints
<p>6. BAY OF PLENTY</p> <p>DHQ Rotorua</p> <p>13 Managers</p>	<p>Managers:</p> <ul style="list-style-type: none"> • District Manager • Five Area Managers (This includes an Emergency Response/Area option available for Tauranga) • Human Resources • Business Services • Crime Services • Policing Development • Strategic Traffic • Complaints (marginal requirement) • Operations Services
<p>7. TARANAKI/ MANAWATU</p> <p>DHQ Palmerston North</p> <p>13 Managers</p>	<p>Managers:</p> <ul style="list-style-type: none"> • District Manager • Five Area Managers (This includes an Emergency Response/Area option available for New Plymouth) • Human Resources • Business Services • Crime Services • Policing Development • Strategic Traffic • Complaints • Operations Services
<p>8. GISBORNE / HAWKE'S BAY</p> <p>DHQ Napier</p> <p>9 Managers</p>	<p>Managers:</p> <ul style="list-style-type: none"> • District Manager • Three Area Managers • Human Resources • Business Services • Crime Services • Policing Development • Operations and Strategic Traffic (combined option recommended)
<p>9. WELLINGTON</p> <p>DHQ Wellington</p> <p>16 Managers</p>	<p>Managers:</p> <ul style="list-style-type: none"> • District Manager <ul style="list-style-type: none"> * Detective Superintendent (reports to Deputy Commissioner Operations) • 7 Area Managers (This includes an Emergency Response/Area option available for both Wellington and Lower Hutt)

	<ul style="list-style-type: none"> • Human Resources • Business Services • Crime Services <ul style="list-style-type: none"> * additional Field Crime Manager option (1) • Policing Development • Strategic Traffic • Complaints • Operations Services • Special Operations Manager
10. TASMAN DHQ Nelson 9 Managers	Managers: <ul style="list-style-type: none"> • District Manager • Three Area Managers • Human Resources • Business Services • Crime Services • Policing Development • Operation and Strategic Traffic (combined option recommended)
11. CANTERBURY DHQ Christchurch 15 Managers	Managers: <ul style="list-style-type: none"> • District Manager <ul style="list-style-type: none"> * Detective Superintendent (reports to Deputy Commissioner Operations) • Six Area Managers (This includes an Emergency Response/Area option available for Christchurch City) • Human Resources • Business Services • Crime Services <ul style="list-style-type: none"> * additional Field Crime Managers (2) • Policing Development • Strategic Traffic • Complaints • Operations Services • Special Operations Manager
12. OTAGO/SOUTHLAND DHQ Dunedin 12 Managers	Managers: <ul style="list-style-type: none"> • District Manager • Five Area Managers (This includes an Emergency Response/Area option available for Dunedin) • Human Resources • Business Services • Crime Services • Policing Development • Strategic Traffic • Operations Services

AREAS

107. Areas will be the main service delivery units and will be responsible for the delivery of key policing services, including Emergency Response, Community Policing, Investigations and Road Safety. They will therefore, include General Duties Branch (GDB), Criminal Investigation Branch (CIB) and Traffic Service Branch (TSB) units.
108. Areas will be built around communities of interest. Determining those communities of interest, and therefore the Area boundaries, will be a key task for the new District Managers. It will be critical that such boundaries are matched to Territorial Local Authority and/or Ward boundaries.
109. Although analysis to date has identified 42 Areas, 11 of these have sworn staff complements in excess of 150. Ten of the Areas in question are Auckland City, North Shore, Waitakere, Hamilton, Tauranga, New Plymouth, Wellington City, Lower Hutt, Christchurch, and Dunedin. District Managers of the Districts in which these Areas are located, will have the option of considering alternative ways of managing those Areas, such as reallocating some resources into a dedicated Emergency Response Unit (with an Emergency Response Manager). The eleventh Area is in Counties Manukau, where an Emergency Response group is already being trialled.
110. It must be kept in mind that whilst these Areas currently have in excess of 150 staff, this may change as a result of restructuring. District Managers will be appointed first, then the District Management Teams established (excluding the Area Emergency Response option). Final Area compositions will not be known until these teams have:
 - taken into account the removal of responsibility for staff who are to be reassigned to Service Centres;
 - considered the reallocation of resources through the application of the resource allocation formula;
 - carried out a risk analysis of their respective Districts to ensure staff are assigned appropriately;
 - prepared business cases and had them approved by the Commissioner.

SERVICE CENTRES

111. The concept of Service Centres, originally proposed by Structures Project was recommended for adoption by the Martin Review. Some groups such as Communications Centres, the Commercial Vehicle Investigation Unit (CVIU) and the Police Infringement Bureau (PIB) are already close to functioning as Service Centres (although not yet formally defined as such).
112. Police's 'Consultation Document' (9 September 1998) outlined the criteria for considering functions for Service Centres, possible types of Service Centre, siting, and steps towards their establishment (pp 14 - 17). At present, work is underway on the design of national Service Centres. These would take over administrative and operational support functions currently delivered by PNHQ and Regions, and, in some instances, Districts (e.g. Prosecutions).

113. Some preliminary options for the management of Service Centres were considered, for example:
- a national Service Centres Manager who would report to the Deputy Commissioner Operations;
 - managers of individual Service Centres reporting to the relevant Deputy Commissioner;
 - managers/team leaders in individual Service Centres reporting to the relevant function manager in the Office of the Commissioner.
114. Noting that these reporting relationships were not very different from the current structure, an alternative proposal was that each Service Centre has its own management 'board', consisting of three or four directors. The executive director could be the functional manager from the Office of the Commissioner, who would also be responsible for mentoring and supporting the Service Centre Manager. The other directors would be District managers (appointed for finite terms on a rotational basis) to represent customer interest.
115. This proposal was also examined by members of the 1998 Inspectors' Qualifying Course, who undertook a special assignment on Service Centres as part of the course. Course members considered four management/control options:
- Service Centres responsible to a board, as outlined above;
 - Service Centres responsible to the functional manager within the Office of the Commissioner (as shown in the Consultation Document);
 - Service Centres responsible to a board consisting of the most appropriate senior managers, e.g. the three proposed Detective Superintendents;
 - Service Centres responsible to a board consisting of appropriate managers drawn from the ranks of district management teams (e.g. Inspector/second tier level).
116. Their report indicates a preference for the first option. However, Course members noted that management of the Service Centres could place unexpected and heavy demands upon otherwise busy District Managers and Office of the Commissioner managers.
117. This matter, along with other ideas proposed by Inspectors' Course members in relation to Service Centre functions, siting, operational autonomy, relationships with Districts, and so on, was referred to the Police Executive Committee. While the management group ('board') concept was approved, in principle, for use on a national basis, the Executive agreed that during the establishment phase, Service Centres should come under the supervision of the function head at the Office of the Commissioner.
118. The 'board' concept has already been approved for the Service Centre that will replace the present Auckland Services. The resourcing, structure and services to be provided from a locally-based Service Centre such as this, will be decided by the local District Managers, as board members and key clients. However, decisions around locally-based Service Centres must be consistent with Police's national strategy, structures and operational objectives.

Availability of Staff for Operational Needs

119. The Inspectors' Course highlighted an area of concern from managers, in relation

to the final paragraph of page 14 of the Consultation Document. This stated that: *“The specialised nature of their work would make it unlikely that staff would be required to operate as a corporate resource and be assigned to cross-functional teams on a regular basis, as would generalist staff.”* While not anticipating that Service Centre staff would be available as a regular resource, managers pointed out, quite correctly, that Service Centre staff, particularly those locally based, should be available if circumstances demanded their inclusion on particular operational activities.

OUTSOURCING

Background

120. The Reviewer held the view that there was considerable potential within Police to outsource a number of non-core support activities. To investigate the feasibility of this view, he asked Police to provide information on possible outsourcing candidates. The subsequent list presented by the Reviewer in his Preliminary Draft Report (June 1998) was modified in his final report (August 1998) on the basis of submissions he received on the subject, including one from the Commissioner. His final report recommended that twenty specific activities be considered by Police for outsourcing, and estimated that the eventual outsourcing of these activities could realise savings in the region of \$22.5 million.
121. Since the initial Review period, a designated team has worked extensively with the Police Executive to progress the outsourcing issue. Amongst other things, a workshop facilitated by Deloitte Touche Tomatsu was held on 14 September 1998. At the workshop, the term ‘core business’ was discussed and the overall outsourcing strategy was determined, as were the high level objectives of the outsourcing programme and the agreed criteria to be applied to potential outsourcing candidates.

Desired short and long term outcomes

122. It was determined that the desired short term outcomes of the programme were that the outsourced activities must include a number of the following elements:
- Provide access to staff and skills that are in short supply.
 - Achieve cost reductions.
 - Match supply and demand where there is a backlog or unsatisfied demand.
 - Introduce shared risk/reward to create a partnering relationship whereby both risk and rewards can be shared.
 - Upgrade or maintain service levels without the capital investment currently required and reduce lead times for these changes.
 - Improve quality.
 - Achieve greater flexibility.
 - Reduce staff levels and thereby minimise staff turnover and training costs.
 - Achieve rationalisation of contracts.
 - Achieve benefits from the process of planning for outsourcing.
 - Make the costs of operations transparent.
 - Providing appropriate accountability.

- Improve results by a better focus on core business.
 - Utilise Service Level Agreements (SLAs) and management reporting.
123. At the same time, it was determined that the desired long term outcomes of the programme were that the outsourced activities must include a number of the following elements:
- Enable a strategic focus through cutting the effort required to manage day-to-day tactical operations.
 - Contribute to cultural change through the introduction of competition, new work practices and an outcome orientation.
 - Enable a customer focus, either external or internal customers, by cutting the effort required to manage day-to-day operations.
 - Improve change management and organisational flexibility.
 - Improve information and systems by providing integrated information and systems across regions and taking advantage of central information systems.
 - Improve risk management.
 - Improve demand and capacity management through better use of resources.

Barriers to outsourcing

124. For the purposes of analysis, situations have been identified that, either singly or in combination with others, represent barriers to outsourcing. These are situations where:
- The activity has been identified as core to the Police.
 - The public is likely to have an adverse reaction to the outsourcing of the activity, resulting in lost loyalty or advantage currently maintained by Police.
 - Unique organisational knowledge or assets are currently required to perform the activity effectively.
 - Industrial relations or regulations present a hindrance to outsourcing.
 - The outsourcing of the activity will be prevented by political influences.

Methodology

125. Outsourcing methodologies are fairly uniform across the industry and the common features of these will be applied to the Police outsourcing programme. The steps are shown on the next page, and include:

OUTSOURCING METHODOLOGY

1. Identifying opportunities. This is the first step in determining whether or not activities should be promoted for assessment as outsourcing candidates.	<ul style="list-style-type: none"> ▪ Assessing congruence with Police Strategy. This determines what is, and what is not, considered core business and therefore which activities can be considered for outsourcing. ▪ Identifying activities for potential outsourcing determined and ranked on the basis of set criteria. ▪ Defining the scope of selected activities to determine whether the whole activity or part(s) of it will be considered for outsourcing. ▪ Preparing a proposal for each activity. This is a high level look at the factors that will determine whether the activity is worth looking at in some depth by way of a business case.
2. Preparing Business Cases. This step takes a close look at the existing activity and seeks to establish whether the activity could be better provided by an outside organisation.	<ul style="list-style-type: none"> ▪ Conducting market analysis ▪ Preparing a business case ▪ Setting quality standards ▪ Developing an evaluation model ▪ Issuing an RFP (Request for Proposal)
3. Selection. This is the phase for establishing a new supplier.	<ul style="list-style-type: none"> ▪ Evaluating service provider proposals ▪ Selecting and appointing service provider ▪ Appointing Contract Manager ▪ Preparing the draft contract
4. Transition. In this step the organisation moves from the current supplier to a new one.	<ul style="list-style-type: none"> ▪ Negotiating the outsourcing contract ▪ Developing an implementation plan ▪ Preparing for handover ▪ Moving to service provider
5. Contract Management. With the service now being delivered by an outside organisation the key tasks in this step involve managing the outsourcing contract.	<ul style="list-style-type: none"> ▪ Liaising with user groups ▪ Managing service levels ▪ Monitoring performance ▪ Administering contract
6. Contract End. At this point the contract terminates and decisions are made about the future of the service.	<ul style="list-style-type: none"> ▪ Reviewing the relationship ▪ Reviewing the success of contract ▪ Re-tendering as required ▪ Bringing back in-house as required

Timing

126. It is anticipated that it will take about 8 weeks to undertake the analysis into a selected activity before a decision can be made as to whether or not it should be outsourced. A further period of 8-16 weeks will be required to select a provider, finalise contractual details and develop the relationship to the stage of implementation. Implementation will be a customised activity for each candidate.

Management

127. Overall management of the outsourcing programme will be the responsibility of an Outsourcing Programme Steering Group formed out of the Project Georgia Steering Group and supported by *Policing 2000* and some external advice. The Outsourcing Programme Manager will be the Deputy Commissioner Resource Management.
128. Responsibility for the application of sound project management techniques to the project will sit with the *Policing 2000* Strategy Group initially, then be transferred into the Policing Development Group at a later stage. Project Managers will be appointed to lead each business case and will report to the Outsourcing Project Manager.

Resourcing policy

129. A critical success factor for the outsourcing programme will be the availability of resources to fund the implementation of projects and/or the development of further business studies. This funding has been sought as part of the Project Georgia implementation costs from the Government.

Staff implications

130. It is recognised that implementation is likely to attract a number of highly variable costs, including those involving staff. Whilst details of exact numbers of positions affected by outsourcing will not be known until the respective business cases have been completed, the progressive nature of the outsourcing programme means that the subsequent reduction in the number of positions, (and hence, potential staff severance costs), will occur over three years rather than as a single occurrence.

Variable costs

131. Implementation is also likely to attract variable costs in relation to:
- contract management (these costs are frequently underestimated);
 - the systems restructure (the systems relating to outsourced activities will need to be disengaged from remaining business);
 - project close out.

Recent developments

132. Deloitte Touche Tohmatsu has provided independent advice on work undertaken by Police to further examine potential outsourcing options. This type of advice will continue to be sought on the programme and in the preparation of individual business cases.
133. Government has agreed to the prioritisation of a number of activities for immediate business cases and requires Police to report back to Ministers on the likely extent and timing of outsourcing savings and costs by 30 November 1998.

Staff in the relevant areas are being fully consulted as part of the process.

Purchasing Strategy

134. Police have also examined benefits likely to be derived from a more efficient and accountable national Procurement Management programme. The preliminary assessment suggests that significant efficiencies could be made in this area. Work is progressing on this issue and includes developing national purchasing contracts for consumable supplies and other purchased items.

HUMAN RESOURCES MANAGEMENT APPROACH

APPROACH TO RESTRUCTURING

Overview

135. The revised Policy for People and Restructuring (PPR) will be the primary reference document for the restructuring that will arise from Project Georgia along with existing employment contract obligations and other policy commitments. The revised PPR has been through several phases of consultation with staff and unions, and is close to being finalised. The draft revised PPR has been made available to all staff as a resource to assist with understanding the process and identifying potential options.
136. It should be noted that the revised PPR is a generic document and is designed to be used as a general guide in any restructuring situation. In a restructuring situation such as that envisaged by the Review, the human resource processes that will be followed in this exercise will be released as soon as practicable to staff. It is possible, however, at this stage to provide commentary on a number of human resource issues.

Cascade Approach

137. A cascade approach will be adopted in relation to the restructuring anticipated to arise from this Review. That means that a variety of Human Resources (HR) processes such as writing job documentation, evaluating positions, advertising and selection will be carried out at Executive and Senior Manager level first before cascading down through the organisation. It is expected that as many of these positions as possible will be filled by mid December 1998.
138. This approach has been taken so that once the Executive and Senior Managers are appointed, they will play a role in appointing the staff that report to them.
139. District Managers and Office of the Commissioner Managers will be responsible, within overall approval of the Commissioner, for their structures and for finalising staffing within their areas of responsibility. The Project Georgia working group will assist them with this process. This is expected to be completed by 31 March 1999.

Job Documentation

140. Draft position descriptions have been prepared for District and Office of the Commissioner senior management positions. They include the purpose of the position, the major accountabilities and a person specification which is written in

competency terms. Competencies are the skills, knowledge, abilities or attributes necessary in order to perform successfully in the position. Once job documentation is completed, it is envisaged that all of the new position descriptions will be available through the Police intranet which is currently being rolled out nation wide.

Job Evaluation

141. The new job evaluation system, called Job Evaluation Leader, will be used to evaluate the new positions. This system which has been jointly developed with the Police Managers' Guild and the Police Association, is based on six factors through which all jobs in Police can be differentiated. The system generates an overall evaluation score.
142. The evaluation scores will be used to place positions in the appropriate remuneration range. At this stage, these ranges have been settled for Constables and Non Commissioned Officers only. It is hoped to confirm the ranges potentially applying to other staff as soon as collective and individual employment contract talks have been concluded.
143. Once the positions have been evaluated the Police Executive will approve the final job documentation for Executive and Senior Manager positions.

Job Comparison

144. Once job documentation has been approved, a comparison will be made between positions in the new structure and positions in the existing structure. This comparison will be based upon the criteria developed in the PPR. Various options will result from this exercise as follows:
 - Some positions will be substantially the same as those in the current structure and these position holders will be reconfirmed.
 - Some positions will have changed significantly and these position holders will not be able to be reconfirmed.
 - Some positions will be completely new and no comparison will be possible.
 - Some positions will be disestablished and no comparison will be possible.

Reconfirmation

145. With implementation of Government recommendations beginning on 1 November, it is expected that a large number of staff will be reconfirmed in their existing positions soon after. These are expected to be staff working in directly operational or external service delivery areas. This is consistent with the focus of the Review being on administrative and management systems and structures. This does not mean that operational areas will remain exactly as they are now, as there may in the future be changes to structures, processes and positions within existing operational areas.

Reassignment

146. Staff whose positions have been disestablished or significantly changed will be able to apply for positions through the reassignment process. Staff who are affected by restructuring will have the options available to them that are outlined in the PPR. In the first instance, positions that are advertised will only be available to staff who are affected by restructuring.

147. Under reassignment, applicant pools may be determined by factors such as the same rank or grade, similar positions, the same geographical location or merged district boundaries, or, in some cases, staff may apply where they believe they have a suitable skill-match to a position. Should applicants who are affected by restructuring not be able to meet all of the competencies, then the position will be advertised internally to all permanent staff. External advertising may also occur concurrently with internal advertising. Temporary staff will only be able to apply for a position that is advertised externally.

The Selection Process

148. In order to better focus the selection process, questions have been specifically designed to elicit information in a functional curriculum vitae about the applicant's skills, knowledge and attributes. Applicants will be asked to address these questions on paper when they apply for the position. This methodology is based on the well-researched principle that past behaviour is the best predictor of future performance.
149. A rating guide is being developed which outlines the graduating levels of competencies. Everybody has some competencies in some form or level. It is the extent to which each competency is demonstrated that will determine success in a position. The rating guide will help ensure an applicant's response to a question can be assessed against criteria that have been specifically designed for each position. One member of the selection panel will be a person with human resources expertise who will ensure the correct application of ratings.
150. The necessary consistency in the process is aided by ensuring that each applicant goes through the same process for each position and answers the same questions. This is a more robust and fair process. It is also considered to be best practice and to have the greatest validity in a selection situation.
151. Staff will receive training on how to apply for positions using this procedure. Potential panel members will also receive training on how to evaluate and score applicants.

Redundancy

152. Implementation of the Review recommendations will mean redundancies in some areas. Permanent nonsworn staff have redundancy provisions available in their collective or individual employment contracts, and although the nonsworn collective employment contract has expired, the provisions are deemed to continue on an individual basis for those staff who were party to it until a new collective contract is settled.
153. At the present time, there are no redundancy provisions for sworn staff. Whilst Police have sought to speedily establish such provisions for sworn staff, subsequent Employment Court proceedings initiated by the Police Association have delayed progress. Currently, Police are appealing the Employment Court decision.
154. However, sworn staff on senior individual contracts can negotiate voluntary severance packages with the Commissioner. Where appropriate, reassignment options will be explored for sworn staff in positions declared surplus.

Employee Support

155. While support for staff is important at any time, there is a need for special consideration during major restructuring such as will occur through this Review. Managers will remain the primary source of support and should be the first to be contacted by staff who require assistance. Staff Welfare Officers are also available throughout the country and KPMG will be providing specialist support services to staff affected by restructuring. Any difficulties arising from accessing support should be taken up with Kathleen Gavigan, Co-ordinator of Welfare Services at Police National Headquarters.

Timeframe

156. Depending on Ministerial decision making, it is planned to have as many Executive and Manager positions filled as possible in the Office of the Commissioner and the Districts by the end of 1998. Structures and staffing below these levels should be finalised as far as possible by March 1999.

Roles and Responsibilities

157. A preliminary description of roles and responsibilities for the Office of the Commissioner are outlined earlier in this document. Position descriptions incorporating competencies for the Office of the Commissioner Office and District management positions have now been released for further consultation.

GOVERNANCE

158. In considering the issue of governance, two central themes have emerged. The first concerns the better definition of the constitutional relationship between the Commissioner of Police and the Minister. The second focuses on a strengthening of accountability mechanisms.

Ministerial direction

159. Officials consider the former could be achieved by specifying in legislation the areas which the Commissioner is, and is not, subject to ministerial direction. The legislative formula should be based on the following three propositions:
- The Commissioner is subject to the direction and written instructions of the Minister in matters of overall resourcing and general administration of the Police.
 - The Commissioner must have regard to the general policy of the Government in relation to the maintenance of public safety, public order and in respect of the delivery of police services.
 - The Commissioner is not subject to ministerial direction in relation to the enforcement of the criminal law either in particular cases or classes of case, or in relation to matters protected by constabular independence; namely the duty the police are under to obey and enforce the law (as determined by Parliament and the courts) within the resources available to the police (as determined by Parliament), with both the law and the resources influencing the decisions they make regarding their operations, namely the disposition of staff, the detection of crime, the maintenance of peace, and the apprehension and prosecution of offenders.

Accountability

160. As emphasised by the Reviewer and many respondents in the consultation process, there is a need for greater clarity and definition of policing roles and responsibilities and lines of accountability. Discussion centres on the most appropriate means of achieving this; for example, through the State Sector Act or through amendments to the Police Act.
161. Since accountability should apply right through the Police organisation, the opportunity exists in updating the Police Act to remove the cumbersome disciplinary process contained in the Act and substitute it with a procedure consistent with modern management practice similar to that which exists for nonsworn staff in addressing misconduct or poor performance. Currently the Police administration is hamstrung by arrangements that are not only unsuitable but also expensive and time-consuming to administer.
162. Consideration of these issues is being given by the State Services Commission, Ministry of Justice, and the Department of Prime Minister and Cabinet. The work is still in progress but will be submitted to Ministers for consideration by 30 November 1998.

TRAINING REVIEW

Background

163. A Review of police training commenced in late 1997 (CAB(98)193; STR(98)M9/11) and work on options is well advanced. The Review has progressed to the stage that the following have been developed/identified:
- A strategic plan for police training over the next three years;
 - The results of analysis for improving the efficiency and effectiveness of police training;
 - The future role and functions of the Royal New Zealand Police College;
 - The degree to which Police recruits should or should not be treated like other tertiary students;
 - Options available consistent with the aims; and
 - Potential savings from any changes to current arrangements.
164. Although this work was completed by 30 June, the Minister of Police requested that consideration of the options be deferred until the outcome of the main Police Review was decided. Notwithstanding this delay, the Training Directorate has followed a recommendation in the Martin Review to progress a management regime to advance the Review's indicated savings of up to \$3 million per annum. Section N of the Reviewer's report (6 August 1998) indicates a saving of \$1.5 million in year one and discussions are in hand as to how to effect this.

Current developments

165. Analysis is being carried out, and will continue for the next year, of ways to advance areas of savings potential. There is an immediate requirement to establish an indicative cash flow plan in an effort to map out potential investment and return requirements to achieve the savings.

166. Specific issues currently under consideration are as follows:
- The potential disposal of the Trentham Annex and consequent relocation of training staff to the Royal New Zealand Police College at Porirua. If a decision could be arrived at either to release office space (cost of \$900,000) in the Memorial Block or to provide \$1.8 million capital, then Police will be in a position to advance the project. Disposal options include sale or swap of the asset to the Ministry of Defence.
 - The provision of College Services. The Review has exposed a number of potential migration issues, which, again, require funding decisions to be made.
 - The Strategic Plan. The draft Training Strategic Plan was released to staff for consultation in August. On the basis of feedback, the plan is undergoing a some changes and a further draft is expected to be finalised by the end of October 1998.
167. Whilst work on the Training Review has progressed in parallel to the overall Review, the identified savings of up to \$3 million per annum have been incorporated into the financial considerations for the overall Review. A separate paper on the Training Review will be submitted to the Cabinet Strategy Committee on 18 November 1998.

OTHER ISSUES

168. Change of the magnitude being undertaken by the Police brings with it numerous questions by those likely to be affected. Many such questions were raised in the submissions to the Reviewer's Preliminary Draft Report (June 1998); others were raised in the subsequent months, particularly after the release of the Commissioner's Consultation Document (September 1998). This final section will attempt to deal with some of the issues raised, which have not already been covered in other parts of this report.

Staff Allocation

169. There has been a degree of misunderstanding over recent figures relating to staff allocation for Districts. For the 1998/99 year, staffing allocations will continue to be aligned with the target set for June 1998. It is noted that some districts have exceeded their targets while others were noticeably short of theirs. All but two recruit wings due to graduate in 1998/99 have either done so already or are now in training with their district positions determined. The remaining two wings, as well as the first wing graduating in 1999/00, will consist of recruits for the Auckland area to assist with APEC and Americas Cup requirements.
170. The Review of Police recommended, and the Government has agreed to, the disestablishment of the four current Regions. As a result the Commissioner has been exploring methods to decide the best means to allocate staff directly to districts. With staff for 1998/99 already determined by the current recruit wing placements, there is time in which to decide the most appropriate allocation methodology for the 1999/2000 year.

171. To begin this process, feedback was sought from district management teams on the feasibility of applying the current region staff allocation model at a district level. It was understood that while some regions already used this model at a district level it may not be suitable for all areas within the country.
172. In a recent workshop to consider various staff allocation proposals and alternatives, the Police Executive came to general agreement on an overall methodology. However, further work is required to confirm the validity and feasibility of the preferred approach. In particular, the Executive must be assured that individual Districts can manage any risks arising from pressure on the allocated resources. In this respect, it is expected that the 120 extra sworn officers requested in the Review recommendations, and agreed to by Government, will make a difference.

Front line policing - sworn/nonsworn mix

173. The term 'front line' as it applies to staff numbers has increasingly come to be synonymous with the number of sworn staff. In particular, debates about resources and Police capability tend to focus on sworn staff numbers. Police believe the term 'front line' should include all staff, both sworn and non sworn, whose roles require them to provide a service directly to the public for a significant rather than an occasional part of their duties. Furthermore, 'front line policing' should be seen as including sworn staff, nonsworn staff, and the equipment that is necessary to the carrying out of front line duties. Thus, the Police view is that the focus on the level of sworn officers as a measure of police resourcing or capability is increasingly inadequate, and that there are a number of other means of measuring Police capability and the efficiency and effectiveness of Police.
174. Accepting these arguments in principle, Government has directed Police, in consultation with other officials, to report back to the Treasurer, Minister of Justice, Minister of State Services, and Minister of Police on alternative measures of Police capacity, efficiency and effectiveness to encourage less reliance on the number of sworn officers as a measure of Police capability, by 31 January 1999.

APPENDIX I

Goal 1: To improve stakeholder confidence through successful implementation of the Review

CSF	Risk
<ul style="list-style-type: none"> Clear understanding of what is proposed and expected by Government/Ministers Shared agreement and support across all parties Strategic and operational levels well integrated Effective engagement of internal and external stakeholders 	<ul style="list-style-type: none"> Perceptions as distinct from reality (eg. Assumptions about operational performance unsubstantiated) Conflicting messages (Police Administration, Police Association, Guild, Politicians) Georgia delivers short-term gain at the expense of long-term benefits Senior managers do not buy in to the changes (external stakeholders lose trust in Police)
Measures	
<ul style="list-style-type: none"> Improved trust and confidence in Police management by Ministers and other key stakeholders Achieving the stated benefits (quantum and timing) Quarterly update on strategic plan; operations and projects, interfaced with strategic plans Stakeholder risks managed 	
Deliverables	
<ol style="list-style-type: none"> Stakeholder strategy and baseline stakeholder audit Georgia Change Management Strategy Georgia Implementation Plan Interagency Steering Committee, Consultative Committee, Region Commanders, District Managers, PNHQ senior managers and staff consulted and briefed Project communications strategy and issues management approach developed and implemented – linked to industrial strategy Method to identify and manage oncoming operational risks. 	

Goal 2: To actively use the implementation of the Review to achieve alignment of the strategic direction, capability and delivery

CSF	Risk
<ul style="list-style-type: none"> Agreement and commitment by all (including stakeholders) to our strategic direction Linkage of Georgia with Milestones (MS) 9 & 10 of Police Business Strategy: <ul style="list-style-type: none"> MS 9: Improve efficiency and reduce costs MS 10: Continually improve processes Best person for the job/sound selection through clear processes and specification of roles Sound, proactive communications plan Meeting the expectations of policing ideals, political expectations and the resources to meet those expectations 	<ul style="list-style-type: none"> Perceived lack of commitment to Police Strategic direction. Georgia is implemented and delivers short term improvements in isolation of the police business Strategy Best people not appointed; organisation performance impacted Lack of coherent communication plan and continual environmental scanning Conflict between public media, stakeholder and union perceptions and activities
Measures	
<ul style="list-style-type: none"> Align with strategy and linkage to project deliverables and plans Demonstrated use of effective appointment process Ongoing surveys of stakeholder expectations and perceptions 	
Deliverables	
<ol style="list-style-type: none"> New updated strategic plan, communicated and accepted by all key stakeholders Best practice job description, selection and appointment processes Executive and Senior Management acceptance of communication strategy Stakeholder survey analysis and action plans to close any gaps Programme Navigation Plan for Police which integrates all business projects and aligns with Police Strategy 	

Goal 3: To Manage the Georgia Project of Work
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CSF	Risk
<ul style="list-style-type: none"> ▪ Agreement and commitment by the Executive to Georgia Strategy (Business Case), and its integration with the Police programme of projects ▪ Ownership by the Executive of all national projects including Georgia ▪ Feasible and sustainable Georgia project plan. ▪ Effective benefits recovery and retention strategy, methodology and process 	<ul style="list-style-type: none"> ▪ Business benefits will be fragmented and overlapping between projects, resulting in poor achievement of intended organisation results ▪ Inability to deliver the business benefits which are owned and resourced by the Executive ▪ Inability to deliver on time, within cost, and to stakeholder expectations ▪ Georgia could deliver but the benefits could rapidly be dissipated unless the Executive and senior management take responsibility
Measures	
<ul style="list-style-type: none"> ▪ Achievement and retention of the Review benefits ▪ Achievement of project deliverables (which enable the benefits to be captured) ▪ Contribution towards the business Milestones 9 & 10 ▪ Improved service delivery resulting from the implementation of the Review 	
Deliverables	
<ul style="list-style-type: none"> ▪ Georgia Strategy (Business Case) ▪ Georgia Implementation Plan integrated with the Police programme of work ▪ Year 1 benefits delivered 	

APPENDIX II - MILESTONES

MS Descripton	Due Date
Design and Consultation	
<i>Government releases Reviewer's preliminary report</i>	11/6/98
<i>Commissioner of Police consultation for Reviewer complete</i>	2/7/98
<i>Commissioner of Police submission to Reviewer</i>	30/7/98
<i>Ministerial consultation – Project Georgia and INCIS split of benefits agreed</i>	20/7/98
<i>Interagency Steering Committee established</i>	11/8/98
<i>Consultative Committee established</i>	12/8/98
<i>Commissioner of Police releases revised Martin Report</i>	12/8/98
<i>Commissioner of Police releases more detailed Police Report for consultation</i>	9/9/98
<i>Outsourcing workshop and first projects agreed</i>	14/9/98
<i>Benefits recovery approach developed</i>	15/9/98
<i>Redundancy provisions agreed</i>	Under appeal
<i>Draft Cabinet Paper to OSC (Officials Steering Committee)</i>	2/10/98
<i>Implementation Proposal</i>	7/10/98
<i>Draft Final report</i>	8/10/98
<i>Final Cabinet paper to Ministers (Commissioner's Recommendations)</i>	14/10/98
<i>Government adopts recommendations and directs Commissioner of Police to implement</i>	21/10/98
<i>Final Report</i>	30/10/98
<i>Communications to organisation and external stakeholders on new organisation structure</i>	30/10/98
Implementation of Recommendations	
<i>Commissioner begins implementation</i>	1/11/98
<i>Senior Managers Performance agreements established</i>	1/12/98
<i>Executive and Senior Managers Office of the Commissioner and Districts appointed</i>	15/12/98
<i>Communications to organisation on new Senior Manager appointments</i>	16/12/98
<i>Commencement of redundancy process</i>	2/1/99
<i>Office of the Commissioner and Service Centres changes complete</i>	11/1/99
<i>Group Managers In Districts appointed</i>	31/1/99
<i>Specific District and Service Centre design complete</i>	22/2/99
<i>Develop District transition and Ops plan</i>	28/2/99
<i>District structures and staffing finalised</i>	31/3/99
<i>Region dismantling complete</i>	31/3/99
<i>Re-structuring complete</i>	31/3/99
Transformed Organisation	
<i>Completion of redundancies</i>	30/4/99
<i>New FIMS complete and live</i>	30/4/99
<i>Disband Project Georgia team</i>	24/5/99
<i>Benefits progress report to Government</i>	31/5/99
<i>District Managers report to Commissioner of Police on restructure</i>	30/6/99
<i>Year 1 benefits realised</i>	30/6/99
<i>Audit/evaluation of restructure complete</i>	30/6/99
Executive and Line Managers responsible for Yr 2 and Yr 3 Benefits Achievement	

APPENDIX III - COMPSTAT

Compstat is a process introduced in New York City in 1994 by the then Police Commissioner William Bratton. It is a powerful mix of technology, accountability, communications, and openness which acts as a means of holding managers accountable for changes in performance, both positive and negative. In short, Compstat requires that every manager drill down into his or her area of responsibility's data exhaustively, and that they commit to extensive dissemination of that data, arrayed in ways that are clear and related to performance. New Zealand Police envisage developing an accountability framework that draws on the Compstat experience.

Technology	Technology helps organise information in ways meaningful to management and decision-making. District Managers will be expected to regularly engage unit heads (e.g. Area Managers) in 'show and tell' sessions in which recent results of unit activities are laid out, the percentage variations are shown, and the unit head is required to explain what is being done to correct negative results and build upon positive results. In turn, District Managers will be expected to report to the Police Executive through the Organisational Performance sub committee in the same way.
Accountability	Holding people accountable for results takes courage and perseverance. An organisation cannot be changed without a willingness to confront those who may want things to stay much the way they are, or who may say they cannot provide information with the detail or frequency that Compstat requires, and so on. The Police Executive is willing to meet these challenges and in the process send a message that Compstat is for real.
Communications	The importance of communications in Compstat is demonstrated by the success in New York in winning the compliance of most managers as innovative and enthusiastic participants in unit self-evaluation and improvement. Even more importantly, the successors to the original cohort of managers had heard the message clearly and ascended in rank ready and willing to engage with Compstat. The Police Executive will be seeking to emulate this success with their own adaptation of the Compstat process.
Openness	The openness of Compstat is crucial to its success. In particular, it acts to dissipate much of the negative organisational impact of rumour and innuendo. For example, solid and public information about performance through Compstat means that managers can be held accountable for poor results that he or she can neither adequately explain, nor effectively change, without rumours being spread that may focus attention away from where it should rightly lie.