

## Summary: Intervention & Options

<b>Department /Agency:</b> Home Office	<b>Title:</b> Impact Assessment of QUEST	
<b>Stage:</b>	<b>Version:</b> 1.2	<b>Date:</b> 19 May 2008
<b>Related Publications:</b>		

Available to view or download at:

<http://www>.

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### What is the problem under consideration? Why is government intervention necessary?

The Police Service has to deliver challenging Value for Money (VFM) savings worth 9.3% over the Comprehensive Spending Review period (2008/09 - 2009/10) in addition to meeting the demands of increased customer expectations and performance. Research evidence from pilot activity related to Operation QUEST has proven that focusing on streamlining processes can help the police to work more effectively and produce VFM savings with productivity improvements worth 20-30% in a BCU. Rolling out QUEST across the service should help the police to achieve the target VFM savings.

### What are the policy objectives and the intended effects?

QUEST is process improvement that rapidly lifts performance and effectiveness. QUEST will support all forces over the next 3 years in gaining access to the skills and learning generated by this approach. All forces should put in place programmes of work to ensure that they are to take forward the principles of process improvement. Through introducing QUEST across all police forces this will deliver the objective of improved performance, reduced unit cost and increased understanding across the service so that they can deliver this self-sufficiently over time.

### What policy options have been considered? Please justify any preferred option.

We are considering a number of possible options for the delivery of QUEST.

1. Deliver QUEST to 4 forces on a 6 monthly cycle (current model)
2. Deliver QUEST to more forces on a 6 monthly cycle (faster model)
3. Deliver phased QUEST (2:2:2) over 8 months (semi-fast model).
4. Stop QUEST

When will the policy be reviewed to establish the actual costs and benefits and the achievement of the desired effects? As part of the QUEST model, each project is evaluated at a series of points during the initial 6 months to check that the benefits are accruing.

**Ministerial Sign-off** For consultation stage Impact Assessments:

*I have read the Impact Assessment and I am satisfied that, given the available evidence, it represents a reasonable view of the likely costs, benefits and impact of the leading options.*

Signed by the responsible Minister:

..... Date:

## Summary: Analysis & Evidence

**Policy Option: QUEST**

**Description: Improving basic processes in the Police Service**

<b>COSTS</b>	<b>ANNUAL COSTS</b>		Description and scale of <b>key monetised costs</b> by 'main affected groups'  QUEST costs £900k per force which covers external consultancy and training costs. We expect to cover 8 forces / annum. QUEST is currently funded centrally with a 30% contribution from forces. This cost will reduce over time as capability builds within forces.
	<b>One-off</b> (Transition)	<b>Yrs</b>	
	£		
	<b>Average Annual Cost</b> (excluding one-off)		
	£ <b>7,200,000</b>	4	<b>Total Cost (PV)</b> £ <b>23,772,000</b>
Other <b>key non-monetised costs</b> by 'main affected groups'			

<b>BENEFITS</b>	<b>ANNUAL BENEFITS</b>		Description and scale of <b>key monetised benefits</b> by 'main affected groups'  QUEST has so far delivered a return on investment of 5:1. This has been tested in 7 BCUs. Benefits are realised 1 week post implementation (i.e. week 13) and the discounted payback period is 9 months.
	<b>One-off</b>	<b>Yrs</b>	
	£ 0		
	<b>Average Annual Benefit</b> (excluding one-off)		
	£ <b>36,000,000</b>		<b>Total Benefit (PV)</b> £ <b>118,859,000</b>
Other <b>key non-monetised benefits</b> by 'main affected groups'  Forces will benefit from the skills transfer in proven problem solving techniques that should reduce overall reliance on external consultancy.			

**Key Assumptions/Sensitivities/Risks** The cost numbers are dependant on the QUEST model existing in tis current state. The largest risk is that by changing this model we will affect the ROI numbers that drive the benefit. Estimates are claculated based on 4 forces for the final half of 2008/09 and 8 forces for each of the following 3 years.

Price Base Year 2008	Time Period Years 4	<b>Net Benefit Range (NPV)</b> £	<b>NET BENEFIT (NPV Best estimate)</b> £ +95m
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What is the geographic coverage of the policy/option?	England & Wales			
On what date will the policy be implemented?	September 2008			
Which organisation(s) will enforce the policy?	Home Office			
What is the total annual cost of enforcement for these organisations?	£ 0			
Does enforcement comply with Hampton principles?	No			
Will implementation go beyond minimum EU requirements?	No			
What is the value of the proposed offsetting measure per year?	£ 0			
What is the value of changes in greenhouse gas emissions?	£ 0			
Will the proposal have a significant impact on competition?	No			
Annual cost (£-£) per organisation (excluding one-off)	Micro	Small	Medium	Large
Are any of these organisations exempt?	No	No	N/A	N/A

<b>Impact on Admin Burdens Baseline</b> (2005 Prices)		(Increase - Decrease)	
Increase of    £ 0	Decrease of    £ 0	<b>Net Impact</b>	£ 0

Key:    Annual costs and benefits: Constant Prices    (Net) Present Value

## Evidence Base (for summary sheets)

[Use this space (with a recommended maximum of 30 pages) to set out the evidence, analysis and detailed narrative from which you have generated your policy options or proposal. Ensure that the information is organised in such a way as to explain clearly the summary information on the preceding pages of this form.]

Operation QUEST aims to support forces in getting right the nuts-and-bolts of operational process to enable forces and their staff to provide excellent public service.

Operation QUEST was inspired by a range of examples, from the most successful organisations in the UK and overseas, in which those bodies had set out to achieve a programme of continuous improvement based on systematic reform of nuts-and-bolts processes. A characteristic of success was deliberate adoption of a management style and culture in which working level staff were expected constantly to identify new ideas for improvement, and in which managers were expected to seek out those ideas and act upon them. This strong focus on internal cooperation, with its implied reversal of traditional hierarchy and unremitting focus on quantified analysis and implementation of what works, is fairly uncharacteristic in large UK organisations generally, including in the public sector and in the Police Service.

Like parallel examples in manufacturing, financial services and defence, QUEST has shown in policing the substantial benefits that this kind of approach can bring. Where it has been rolled out QUEST has successfully delivered:

- Increased customer satisfaction by improving the processes and interfaces between the service and the public;
- Increased detection rates by making it easier for officers to follow prescribed operational processes (in Avon and Somerset contact with victims of ASB reduced from 11 days to 1);
- Capacity within response functions that can be deployed to priority activities by reducing operational bureaucracy on officers and improving tasking processes;
- Reduced unit costs because reformed processes can be carried out with less resource.

QUEST has been run in 11 police forces and currently costs £800k per force. This buys external resource plus significant input into training and capability building. Forces must then invest a team of approximately 6 people (including a Super, Chief Inspector, Inspector, PC and staff analyst) at a cost of £100k for 6 months. At a total cost of £900k and based on current roll out of 4 forces this would mean £3.6m cost to run QUEST over a 6 month period.

Where it has been rolled out, QUEST has shown a return on investment is 5:1 over a 6 month period, which is equivalent to £4.5m per force, with the benefits realisation beginning at week 16 of the programme.

Four options have been considered for taking this work forward:

## **1 Roll out existing programme nationwide**

In order to achieve national awareness of QUEST we estimate that it would need to be run in 30 police forces. This would build enough capacity across the forces to enable QUEST practices to be disseminated naturally. 11 forces have already taken part in QUEST which means that 19 more forces need to be engaged.

The team has the capacity to run QUEST in four police forces every 6 months at a cost of £3.6m (£900K x 4). Running it in 24 forces from September 2008 will cost £3.6m in 2008/09, and £7.2m pa for each of the subsequent 3 years.

Assuming the existing return on investment is maintained as the programme is extended, the cost/benefit ratio for the programme shows that the net financial benefit of running QUEST in a further 28 forces from September 2008 will be £14.4m in 2008/09 and £28.8m in each of the subsequent 3 years.

## **2 Roll out existing programme nationwide faster**

Cost per force would not increase but costs would be incurred sooner. This would see benefits accrue faster and to a greater extent but at the risk of reduced return on investment. We would need to be clear that there is capacity in the market to support this.

## **3 Deliver phased QUEST (2 / 2 / 2) over 8 months**

This option allows us to flex resources and thus cost as part of a faster nationwide roll out. We could more easily share resource between QUEST forces and estimate this may reduce the cost by c.10%. This model is untested and there is a risk that changing the model that would impact on benefits. Benefits for participating forces would be delivered over a slightly longer timeframe [2 months] but nationwide the programme would be completed sooner.

## **4 Stop running QUEST**

The final option is to do nothing and finish QUEST at the end of September when budgeted funding runs out. This would mean that 15 forces have taken part in the programme. It would require no additional funding but would mean that the police and Home Office miss out on potential savings of £63m (as calculated in option 1).

**The preferred option is Option 1: National roll-out of the QUEST programme. Whilst it requires upfront investment evidence so far shows that this can deliver considerable future saving. The benefits are clearly measurable and would be experienced very quickly. The risk to delivering benefits under the faster rollout options is unknown and, given the performance of the existing process, we do not consider that these are worth pursuing.**

## Specific Impact Tests: Checklist

We have carefully considered the related impacts of this specific proposal and have concluded that it will not affect the private sector nor will it raise any issues around the other impacts listed. An Equality Impact Assessment has been produced for the Green Paper which can be seen at [\[link/page\]](#). We have considered whether a Privacy Impact Assessment was necessary and decided it was not.

<b>Type of testing undertaken</b>	<b><i>Results in Evidence Base?</i></b>	<b><i>Results annexed?</i></b>
Competition Assessment	No	No
Small Firms Impact Test	No	No
Legal Aid	No	No
Sustainable Development	No	No
Carbon Assessment	No	No
Other Environment	No	No
Health Impact Assessment	No	No
Race Equality	No	No
Disability Equality	No	No
Gender Equality	No	No
Human Rights	No	No
Rural Proofing	No	No

## Annexes

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