

UNDER EMBARGO UNTIL 00.01 ON TUESDAY 20 OCTOBER 2015



# PEEL: Police efficiency 2015

An inspection of Bedfordshire Police



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## Overview – How efficient is the force at keeping people safe and reducing crime?

### Overall judgment<sup>1</sup>



Requires improvement

HMIC found that Bedfordshire Police is partly prepared to face its future financial challenges. The force has achieved all of the savings required to date, but in doing so it has reduced its capacity to respond to the demands on its services, and is now struggling to meet the public's needs. The force recognises the scale of the future challenges and is working hard to address them. However, because of the risks and uncertainties surrounding its future plans, HMIC is concerned that Bedfordshire Police's future financial position is not sustainable for the long term. In last year's value for money inspection, which considered how forces had met the challenge of the first spending review period, Bedfordshire Police was judged to require improvement.

### Summary

HMIC judges Bedfordshire Police requires improvement. The force has improved its understanding of the demands on its services, although it still needs to do further work in order to make the most efficient use of police time, and more effectively plan for the future.

The force has identified that, as part of past cost-cutting measures, it has reduced its police officer strength to a level that is insufficient to meet either current or future demand for police services. It is planning to introduce a new operating model<sup>2</sup> for local policing to tackle the current weaknesses. The force has demonstrated a keen commitment to working collaboratively with other police forces wherever possible, both regionally and within the tri-force collaboration with Cambridgeshire and Hertfordshire constabularies, to secure efficiencies and make service improvements.

There is a significant amount of change planned over the next two years. Although Bedfordshire Police recognises the risks involved, HMIC is concerned that the force will struggle to maintain an acceptable level of service to the public as the changes are implemented.

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<sup>1</sup> Outstanding, Good, Requires improvement or Inadequate – see Annex A.

<sup>2</sup> Operating model - the way in which a police force is organised in terms of its structure and the processes it has adopted and operates in order to achieve its objectives.

Of most concern is the force's future financial position. The savings planned are heavily reliant on the new model being able to operate with fewer staff; and the proposed extended collaboration providing extensive cost savings. There can be no certainty at this stage that either of these two areas will achieve the planned savings. At the same time, the force is planning to use its reserves to balance its budgets. This means that, at the end of this period, reserves will have been reduced to a level that provides only a very limited cushion against future contingencies. HMIC is therefore concerned that Bedfordshire Police's long-term financial position is not sustainable.

<p><b>How well does the force use its resources to meet its demand?</b></p>	<p><b>How sustainable and affordable is the workforce model?</b></p>	<p><b>How sustainable is the force's financial position for the short and long term?</b></p>
<p></p> <p><b>Requires improvement</b></p>	<p></p> <p><b>Requires improvement</b></p>	<p></p> <p><b>Requires improvement</b></p>
<p>The force has improved its understanding of the demand on its services and the relationship between costs and outcomes. However, it still needs to do more work so that it can make the most efficient use of police time, and effectively plan for the future.</p> <p>Bedfordshire Police is currently struggling to meet the needs of the public as it has reduced its capacity and ability to respond flexibly to all areas of demand. However, despite its limited resources, it has worked hard to develop a new model for policing that</p>	<p>Although the current workforce model has been developed to match the finances available, HMIC is concerned that there are weaknesses in its ability to meet demand and organisational requirements. The force has identified that it has reduced its police officer strength to a level that is insufficient to meet either current or future demand for police services. HMIC is encouraged that the force has recognised that it needs to increase the number of frontline police officers available and to place more emphasis on neighbourhood problem-</p>	<p>The force achieved its savings requirement and balanced the budget for the spending review period and in 2014/15. HMIC acknowledges that the force has faced a difficult challenge in that it was already a low spending force with a smaller workforce per head of population than the average, and has some complex policing challenges of a scale not normally experienced by a force of its size.</p> <p>There is sound financial control, the force works constructively with the PCC, and resources are</p>

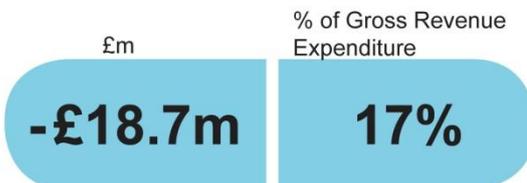
<p>is designed to address the weaknesses in the current structure. It is also working constructively to expand the collaboration with Cambridgeshire and Hertfordshire constabularies, not only to save money but also to provide greater resilience and improve services.</p> <p>There is a significant amount of change planned, including wholesale restructuring of the force. At the same time, there will be a sizeable reduction in police staff and PCSO numbers. The force is also planning major ICT innovations with greater use of mobile technology to enable officers to work more efficiently. The introduction of any one of these changes would present a risk to sustaining effective services during the implementation. Although the force recognises the risks involved, HMIC is concerned that the scale of change will present major challenges for the force.</p>	<p>solving and crime prevention.</p> <p>We also recognise the clear commitment of the force to improving services. It has developed a new operating model for local policing, which aims to tackle current weaknesses. In addition there has been good and constructive work to expand collaboration both regionally with other police forces, and in the tri-force collaboration with Cambridgeshire and Hertfordshire constabularies.</p> <p>However, HMIC is concerned that the force cannot yet be certain that the planned resources will be sufficient to create the capacity to fulfil the force's aspiration for the level of preventative work it wants to do. We are also concerned that the new operating model is being launched when there are a number of areas of risk and uncertainty around its operating model which have yet to be resolved.</p>	<p>directed to the PCC's priorities. The force continues to be strongly committed to achieving efficiencies and service improvements by collaborating with other forces. The proposed operating model has been designed to allow the force to better align its resources to where demand for service is most needed, while reducing costs.</p> <p>However, planned savings are heavily reliant on the new model operating with fewer resources, and on the extended collaboration providing savings. There can be no certainty that either of these areas will achieve the savings needed. At the same time, the force is planning to use reserves to balance its budgets. By March 2020 reserves will have been reduced to a level that provides only a minimal cushion against future contingencies. HMIC is concerned that Bedfordshire Police's long-term financial position is not sustainable.</p>
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## Force in numbers



### Financial position

Forecasted change in expenditure 2015/16 to 2018/19

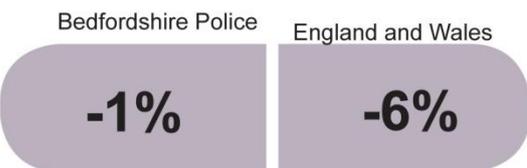


It is important to note that some forces only provided figures for savings they had formally signed off at that point, while others provided estimates for the whole period. As a result, the savings figure above might not reflect the full saving which the force might have to make. 2014/15 GRE has been used here as a baseline.

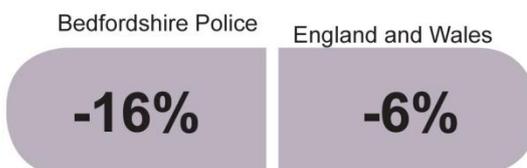


### Providing policing

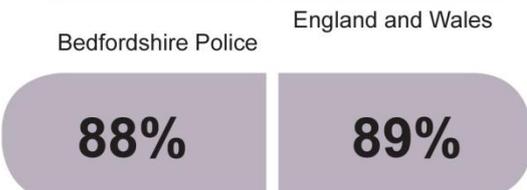
Planned change in police officer numbers 31 March 2015 - 31 March 2018



Planned change in total workforce numbers 31 March 2015 - 31 March 2018



Proportion of police officers on the operational frontline 31 March 2010



Proportion of police officers on the operational frontline 31 March 2015



Planned proportion of police officers on the operational frontline 31 March 2018





## Organisation

Police officer cost per head of population compared to England & Wales (2014/15)

Bedfordshire Police      England and Wales

**£85**

**£115**

Workforce cost per head of population compared to England & Wales (2014/15)

Bedfordshire Police      England and Wales

**£134**

**£165**



## Key statistics

Changes in recorded crime (excluding fraud) 2 months to 31 March 2014 to 12 months to 31 March 2015

Bedfordshire Police      England and Wales

**+8%**

**+2%**

Changes in recorded crime (excluding fraud) 2 months to 31 March 2010 to 12 months to 31 March 2015

Bedfordshire Police      England and Wales

**-6%**

**-16%**

Victim satisfaction 12 months to 31 March 2015

Bedfordshire Police      England and Wales

**82.4%**

**83.8%**

Changes in victim satisfaction 12 months to 31 March 2011 to 12 months to 31 March 2015

Bedfordshire Police      England and Wales

**Increased**

**No change**

**Victim satisfaction:** Bedfordshire confidence interval +/- 0.1 percent. England and Wales confidence interval +/- 0.2 percent.

For full details on the data used in this graphic see annex A in the efficiency national report.

## **Introduction**

In October 2010, the Government announced that central funding to the police service in England and Wales would reduce by 20 percent in the four years between March 2011 and March 2015. Now, in a period of sustained budget reductions, forces need to continue to make efficiencies while focusing on reducing crime and keeping communities safe.

As part of its annual inspections into police effectiveness, efficiency and legitimacy (PEEL), HMIC's Efficiency programme assessed how a force maximises the outcomes from its available resources. We reviewed both the financial and workforce planning of police forces whilst examining wider questions of cost, capability and productivity. Our inspection focused on the overall question, 'How efficient is the force at keeping people safe and reducing crime?'

To answer this question we looked at three areas:

- How well does the force use its resources to meet demand?
- How sustainable and affordable is the workforce model?
- How sustainable is the force's financial position for the short and long term?

During our inspection we collected data and plans from forces, surveyed the public to see if they had noticed any changes in the service they received, and conducted in-force inspections. We interviewed chief constables and the chief officers responsible for finance, organisational change, human resources and performance in each force and held focus groups of officers and staff at different grades and ranks, and made unannounced visits to police stations.

This report sets out the findings from this wide-ranging inspection of Bedfordshire Police.

## **How well does the force use its resources to meet its demand?**

HMIC examined how well the force understands the demand for its service, and how it allocates its staff and financial resources to meet that demand. We then assessed whether these decisions are leading to good results for the public – that the police are visible and that they attend promptly when called, that they are fighting crime and keeping communities safe, and that victims are satisfied with the service they receive.

### **How well does the force understand its demand?**

Bedfordshire Police does not have a full understanding of all the demands on its services. It has improved its understanding through recent work to develop a new police operating model (that is, the way in which it is organised in terms of its structure and the processes it has adopted and operates in order to achieve its objectives). The force recognised last year that its limited understanding of demand was undermining its ability to develop an effective operating model. It decided to bring in external consultants to support the work of its own quality improvement programme; to carry out an analysis of the current demands on services; and from this analysis, to put forward options for restructuring the force in order to make better use of resources to meet demand.

Alongside this internal restructuring, the force has also progressed work to better understand and manage demand through the development of future plans for the collaboration with Hertfordshire and Cambridgeshire constabularies, known as the tri-force collaboration. The three forces already work extensively together to provide jointly a range of police services. They have been working to extend this collaboration to include dealing with calls from the public and recording crimes.

A detailed analysis of seven days of data from all telephone calls (999, 101, and direct calls) into the three forces' control rooms was conducted in June 2014, and repeated four months later. This analysis provided a comprehensive understanding of the demand for police services coming into the control rooms across all the three forces, and has informed the planning of new joint contact centres, in two locations. The three forces agreed on outline plans in January 2014. The ambition is to "meet customer expectations and to ensure the new model delivers a compelling customer experience". To achieve this, the three forces are developing more ways for the public to contact them. These include: an online self-service portal; an online directory; online incident crime reporting and crime tracking; web chat and telephone updates. Making better use of the latest technology is expected to improve the range of options to the public, provide opportunities to free up police time, and to achieve cost savings across the three forces.

However, HMIC is concerned that Bedfordshire Police does not yet have a comprehensive understanding of all the demand for its services. Demand for police services can come directly from other public sector agencies (such as local authorities or health services) referring people on to the police, or because other organisations cannot provide a 24/7 service, leaving the police as the only option out of office hours. The force has not yet engaged with these agencies in order to evaluate fully current and future demand, and to identify areas where time is being spent dealing with issues which should more properly be dealt with by other services.

The force has improved its approach to undertaking its annual strategic assessment (which identifies the most significant risks and issues affecting, or likely to affect, communities in Luton and Bedfordshire). The force uses this assessment to define its priorities, identify emerging high-level threats, and assess the level of resources needed to respond effectively to these priorities (recent examples of this include investments in protecting children and victims of domestic abuse, tackling cyber-crime, and the joint regional approach to counter terrorism). The strategic assessment also helps to inform the force's five-year plan and the annual plan. Examples of targeting resources towards priorities include the force's investment in its response to protecting children and victims of domestic abuse, cyber-crime and the joint regional approach to counter terrorism.

## **How well does the force match resources to demand?**

There are weaknesses in the force's current ability to match resources to demand. Response officers are spending much of their time investigating crimes, and are often not available to respond promptly to calls for service due to a lack of capacity in the local policing teams. This lack of capacity is also hampering the force's ability to engage as effectively as it would like in working with other organisations (such as with local authorities, to address long-term problems and put preventative activities in place which could improve police visibility and reduce demand). It is encouraging that the new operating model has been designed to address these weaknesses, although the large scale of the change that this new operating model represents did not appear to be well understood by the workforce.

There is impressive and purposeful joint operational working with Hertfordshire and Cambridgeshire constabularies, and across the eastern region with ERSOU (Eastern Region Specialist Operation Unit). The force is working constructively to support extending this collaboration with the ERSOU 'plus' arrangements (further improved efficiencies in joint work) and, in particular, on the proposed expansion of the tri-force collaboration of Bedfordshire Police, Cambridgeshire and Hertfordshire constabularies to include organisational and operational support functions.

The force has now recognised that, as resources are continuing to reduce, it needs to develop a more sophisticated approach to matching resources to the demands for

its services, to ensure that it can continue to meet the needs of the public (and particularly of those who are most vulnerable). This is a fundamental change in approach and recognises that not all victims of crime require the same level of service: some need more support from police services regardless of the type of crime, while other incidents can be satisfactorily resolved without police attendance, or with fewer resources. The proposed collaboration of the three forces' contact centres is exploring the opportunities to reduce incidents that do not need an immediate police attendance by dealing with them over the telephone. The force is already undertaking a level of telephone resolution both within the control room and in the crime recording bureau. In this way, the force seeks to resolve non-emergency calls from the public and other agencies at this first point of contact without needing to send an officer.

Currently the force is using a widely-used technique for risk assessment known as THRIVE (threat, harm, risk, investigation, vulnerability and engagement) for calls into its control centre. This provides staff with a way of making a fully-rounded decision about the relative risk to the victim, the level of threat, and the opportunities to investigate a crime. This enables the police response to be more proportionate to the risk and threat to the victim.

The volume and timing of calls into the control room is monitored and the force uses these data to define the staffing requirement within the force control room. Staff work 12-hour shifts, but with flexible start and finish times to enable staffing levels to be better matched to demand.

## **How well are the force's services meeting the demand from the public?**

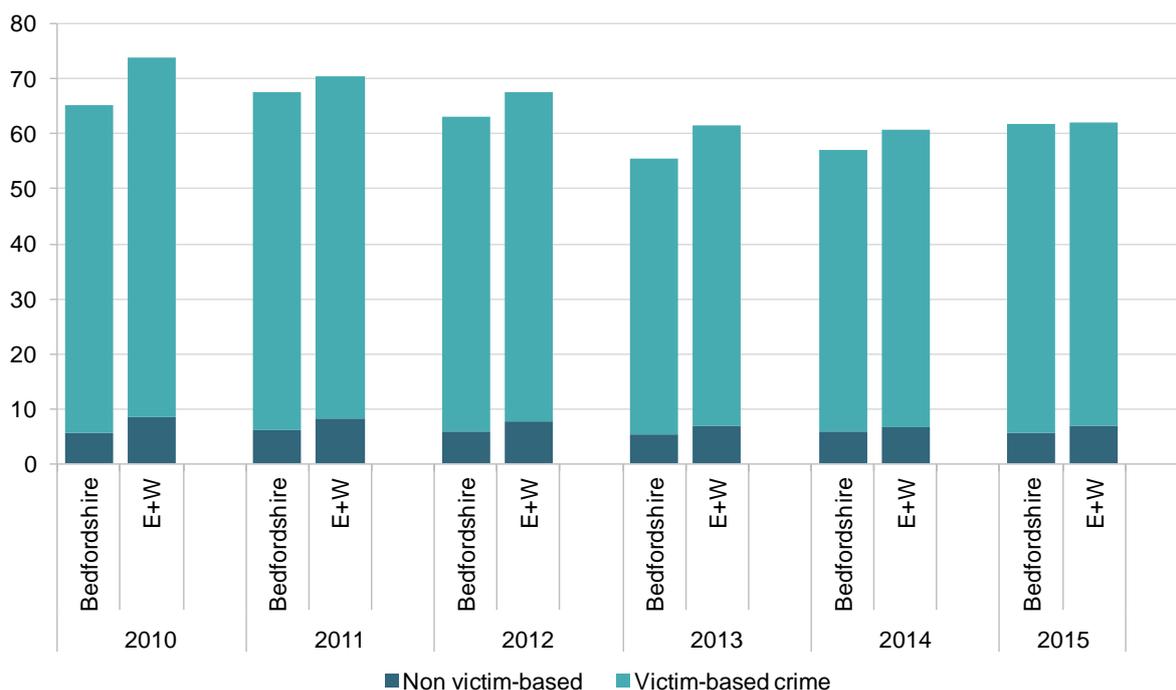
To assess the force's response to public demand, HMIC considered crime figures and rates in Bedfordshire; victim satisfaction levels; and whether the force is using different ways to communicate with and engage the public.

Although police recorded crime is by no means a complete measure of the totality of demand a force faces, it does provide a comparable performance indicator across all forces. Crime rates are reported as a number of crimes per 1,000 population in each force area to enable comparison between areas. Total police recorded crime is made up of victim-based crime (e.g. theft) and non victim-based crime (e.g. possession of drugs) Two-thirds of forces showed an annual increase in total police recorded crime in the year ending 31 March 2015. This increase in police recorded crime may have been affected by the renewed focus on the quality and compliance of crime recording since HMIC carried out a national inspection of crime data integrity in 2014.

In the 12 months to 31 March 2015, Bedfordshire had a victim-based crime rate of 56.0 and a non victim-based crime rate of 5.7 per 1,000 population. This represents

a decrease (6 percent) in the victim-based crime rate and a increase (2 percent) in the non victim-based crime rate since the start of the spending review in 2010. During the same time period, England and Wales had a victim-based and non victim-based crime rate of 55.2 and 6.9 per 1,000 population respectively. This represents a decrease in both crime rates by 15 percent and 19 percent respectively since the start of the spending review. The scale of the change in crime rate can be seen in Figure 1.

**Figure 1: Police recorded crimes per 1,000 population in Bedfordshire in the 12 months to 31 March 2010 to the 12 months to 31 March 2015, compared to England and Wales**



**Source: Home Office crime statistics and ONS mid-2013 population estimates (2013 population data are used across multiple years to reveal actual change in recorded crimes, rather than changes due to population change)**

Bedfordshire is a small police force compared with others in England and Wales, and faces an unusually high level of serious threats and criminality compared with most forces of its size. However, despite reducing police officer numbers by a higher percentage than the average in England and Wales, the force has continued to try and provide the same level of service as it did before these cuts. This has resulted in a lack of response capacity, as well as a lack of effective partnership working (both of which are described previously in this report), which have meant that Bedfordshire Police has struggled to meet demand from the public. .

Of those who have been a victim of a crime in Bedfordshire in the 12 months to 31 March 2015, 82.4 percent<sup>3</sup> were satisfied with their whole experience with the police.

<sup>3</sup>Bedfordshire, confidence interval +/- 0.1 percent.

This remains lower than the national victim satisfaction rate of 83.8 percent<sup>4</sup> over the same time period. However, there was a significant increase in victim satisfaction between the 12 months to 31 March 2011 and the 12 months to 31 March 2015 in Bedfordshire.

The force has recognised that it needs to move away from a target-driven approach to reducing crime, to one that focuses on protecting the most vulnerable people. It has made strenuous efforts to improve victim satisfaction. For example, it has established a process whereby all victims are contacted seven days after they have used police services, to discuss their experience.

HMIC monitored how the force engages with the public as part of the inspection. Figure 2 shows that Bedfordshire Police uses a range of methods (including Facebook, Twitter, and email) to engage with the public.

**Figure 2: Methods of public engagement used by Bedfordshire Police over the 12 months to 31 December 2014**

<b>Are the following communication channels being used by the Force?</b>	
Facebook	Yes
Twitter	Yes
Email	Yes
Text message	Yes
Web forum	Yes
Instagram	No
Local phone (not 999 or 101)	Yes

**Source: HMIC Efficiency data collection**

The developing approach to public contact through the tri-force collaboration is expected to broaden the range of channels for the public to access and engage with the force, making better use of information technology and improving services to the public.

## **How well is the force managing demand?**

The force has recognised that it needs to improve the way it manages demand on its services. Earlier work to change shift patterns to match demand has not succeeded because the force has lacked a sufficiently comprehensive understanding of its

<sup>4</sup>England and Wales, confidence interval +/- 0.2 percent.

demand. In light of the improving understanding of the nature of demand, and with the introduction of a new operating model, the force has reviewed its shift arrangements and agreed a new shift pattern with staff, which balances the need to ensure that more officers are available during periods of highest demand with their wellbeing.

Bedfordshire Police also recognised that a considerable amount of police time had been devoted to investigating some less serious crimes, which have no realistic prospect of being solved, or which could be dealt with without a court prosecution, using a restorative justice approach<sup>5</sup>. It therefore recently changed its approach to deciding which crimes are allocated for further investigation (after the initial police attendance). Although this approach has only been in place for a very short period of time, the force estimates that it is already providing efficiency savings. This approach is designed to enable officers to concentrate their efforts on cases involving vulnerable victims and those which they have a realistic prospect of solving.

The force has done little to understand or reduce the volume of requests it currently receives for police attendance at incidents which should more properly be dealt with by another organisation, such as the local council or health services. The force recognises there are, for example, opportunities to reduce demand and improve services to vulnerable people suffering from mental health issues. However, the force has not yet introduced the practice adopted by other forces for working jointly with mental health professionals to provide the most appropriate service.

The recent introduction of the THRIVE risk assessment for call handlers, together with a new focus on identifying calls that may not need a police attendance, are positive steps forward in better managing the demands. It is, however, too early to assess the effect of these changes.

The force also recognises that the current approach to neighbourhood policing allows only limited capacity for proactive policing. Working to tackle the underlying causes of crime and intervening at an early stage to prevent offending and anti-social behaviour can result in reduced crime and demand for police services in the longer term. HMIC is encouraged that the proposed operating model has been designed to provide greater opportunities for better crime prevention and problem solving activities, through the new community function that will be fully implemented in March 2016.

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<sup>5</sup> Restorative justice brings together people harmed by crime or conflict with those responsible for the harm, to find a positive way forward.

## **How well does the force monitor and understand outputs, outcomes and costs?**

The force has carried out limited work to analyse and understand the relationship between costs and outcomes (i.e. the link between the way it provides services and how well it protects local people and fights, and what the impact would be on those results if more (or fewer) resources were used). This makes it difficult for the force to be certain that its services are providing value for money. The sampling of activities as part of the recent demand analysis has given the force some more detailed data on how much police time specific tasks take. This data will provide a foundation upon which to build a better understanding of costs and thus an assessment of value for money.

The force has clear governance, accountability and processes in place to monitor how well it is doing. A monthly strategic performance board is led by the deputy chief constable. Weekly operational performance meetings and daily management meetings are used to make decisions to allocate resources to priority areas. There is a range of information routinely available and used at all levels to improve service provision. Bedfordshire Police compared its costs with other forces to identify areas where it may be able to reduce costs or improve efficiency in line with better performing forces.

The work undertaken with the external consultants to understand demand for police services and develop a new way of providing policing has helped to develop skills within the force, so it can now better analyse and understand the relationship between costs and outputs. The analysis carried out earlier this year sought to understand the tasks carried out and time spent in several separate areas of police activity. For example, in the control room the team sampled 500 records of calls received and reviewed the police response to identify whether the risk was assessed effectively, and the right level of response was deployed. The analysis then looked at how long the task had taken and how much police officer time had been involved.

The three forces in the tri-force collaboration recognised a year ago that although the governance arrangements for the collaboration had been improved, there remained a risk that they were not effectively identifying the benefits that were expected from collaboration. This means that they were unable adequately to measure the impact of working in collaboration. A benefits realisation officer was appointed, who leads a programme to ensure that all new collaboration projects clearly identify the measurable benefits that they have the potential to achieve, and to provide a mechanism to routinely monitor that these benefits are being realised.

## **How well is the force using new working methods to improve services?**

The force has demonstrated a keen commitment to working collaboratively with other police forces wherever possible, both regionally and within the tri-force collaboration, to secure efficiencies and service improvements. There is impressive and purposeful joint operational working with Hertfordshire and Bedfordshire, as well as with the other forces across the Eastern region through ERSOU (the Eastern Region Specialist Operations Unit). The force is actively working towards the further expansion of this collaboration with the ERSOU+ arrangements. The tri-force collaboration is also progressing well, with a proposal for organisational and operational support collaboration.

The latest planned expansion to the collaboration with Cambridgeshire and Hertfordshire is in back office functions that provide organisational support. A significant step forward in providing efficient joint support services will be the planned procurement of a new IT support system known as an enterprise resource planning system (ERP). The ERP system will link the HR and the finance systems for all three forces, with a view to ensuring improved data quality and greater control and understanding of costs and staffing. The ERP system is expected to enable more efficient working, as it will reduce the number of support staff required to carry out administrative functions (with managers and staff expected to do more of these themselves, using 'self-service'). It is estimated that the system will be implemented across the three forces from 2016/17.

Projected funding gaps across each of the three forces are understood and each force has identified what collaborative working will achieve, where local savings plans will contribute, and where it plans to make use of reserves. This demonstrates a high level of maturity across the collaboration through an understanding of both the individual force and the joint challenges.

There is a good, clear structure for this complex collaboration change programme, and the force understands the impact of the change plans both on Bedfordshire and across the tri-force collaboration. There is clear governance in place, with regular meetings between key individuals. PCCs and chief constables from all three forces meet monthly to scrutinise the plans and review progress.

Detailed collaboration implementation plans show target savings, implementation dates, current financial savings data, total staff numbers affected, number of staff consulted, inter-dependencies, benefits, and risks. This information is used with a 'pressure chart' that identifies where and when the risks are likely to occur and shows the impact on staffing levels, along with a priority red, amber, green status, which denotes risk and complexity in HR terms.

There have been more limited efforts to explore other opportunities for joint working across Bedfordshire. It is disappointing to note, for example, that the force has had

limited involvement with the troubled families' programme, which provides an opportunity to join up with other public services to prevent offending and help young people turn their lives around. Similarly, the force has not involved integrated offender management (IOM) units in any discussions on either demand management or the impact of the new operating model on the IOM arrangements. IOM deals with some of the most prolific offenders, whose behaviour causes significant harm to communities.

The force has made good progress in developing its agile working plans. Along with Cambridgeshire and Hertfordshire, it has made good use of the Police Innovation Fund to enable it to invest in the technology that will make mobile data available to all frontline staff. This will enable frontline staff to undertake a range of activities on-line and on the street, without the need to return to a station. The investment in a new information technology system (Athena) across the collaborated forces is also expected to offer a significant step forward and a real opportunity to improve the force's processes and link up much more effectively with the other two forces.

There is a significant amount of change planned over the next two years, with a wholesale internal restructuring of the police force providing a much stronger focus on community policing and earlier intervention to prevent crime. The force is also planning to expand collaboration with Cambridgeshire and Hertfordshire constabularies to join up support services and specialist police units. At the same time, there will be a significant reduction in police staff and PCSO numbers in Bedfordshire.

As described, the force is planning a number of extensive changes to its structures, processes and ways of working. In addition, cultural change will be needed to adapt differently to the new ways of working. It is not clear that the force has a robust plan to lead and direct the cultural change, or an overarching programme management plan that will help the force to mitigate the risks and interdependencies between the various strands of change. The force introduced a new people strategy in April 2015, which is intended to address cultural change. However, the force plans to implement the first phase of the new operating model just two months after this was launched, in June 2015. HMIC is concerned that, as the workforce has not been fully engaged in the design of the operating model and the impact of the people strategy will not have yet been realised, the challenge may have been underestimated.

There has been a recent improvement in the force's approach to internal communication. We found some good examples of effective engagement. Staff we spoke to are clear about the force's high level vision for the future and the rationale behind the change planned. There has been less progress in communicating and engaging with other agencies (such as local authorities) about the future shape and direction of the force. This means that opportunities to join up services locally to better meet the needs of the public may have been missed. Perhaps of more concern, the lack of engagement with other agencies in discussions on managing

demand and increasing preventative work may actively undermine the force's ability to make the new operating model work as intended.

## Summary of findings



**Requires improvement**

The force has improved its understanding of the demand on its services and the relationship between costs and outcomes. However, it still needs to do more work so that it can make the most efficient use of police time, and effectively plan for the future.

Bedfordshire Police is currently struggling to meet the needs of the public as it has reduced its capacity and ability to respond flexibly to all areas of demand. However, despite its limited resources, it has worked hard to develop a new model for policing, designed to address the weaknesses in the current structure. It is also working constructively to expand the collaboration with Cambridgeshire and Hertfordshire constabularies, not only to save money but also to provide greater resilience and improve services.

There is a significant amount of change planned, including wholesale restructuring of the force. At the same time, there will be a sizeable reduction in police staff and PCSO numbers. The force is also planning major ICT innovations with greater use of mobile technology to enable officers to work more efficiently. The introduction of any one of these changes would present a risk to sustaining effective services during the implementation. Although the force recognises the risks involved, HMIC is concerned that the scale of change will present major challenges to the force.

### Areas for improvement

- The force should undertake further work to gain a fuller understanding of current demand for its services, and likely future changes in demand. This is so it can make best use of its resources to meet the needs of the public and should include working more closely with other organisations.
- The force should develop an overarching programme management plan, which identifies and addresses all of the risks and interdependencies associated with the scale of change. The plan should include the transition to the new operating model, reducing the size of the workforce, managing the extended collaboration plans and mitigating the impact of the planned ICT developments.

## **How sustainable and affordable is the workforce model?**

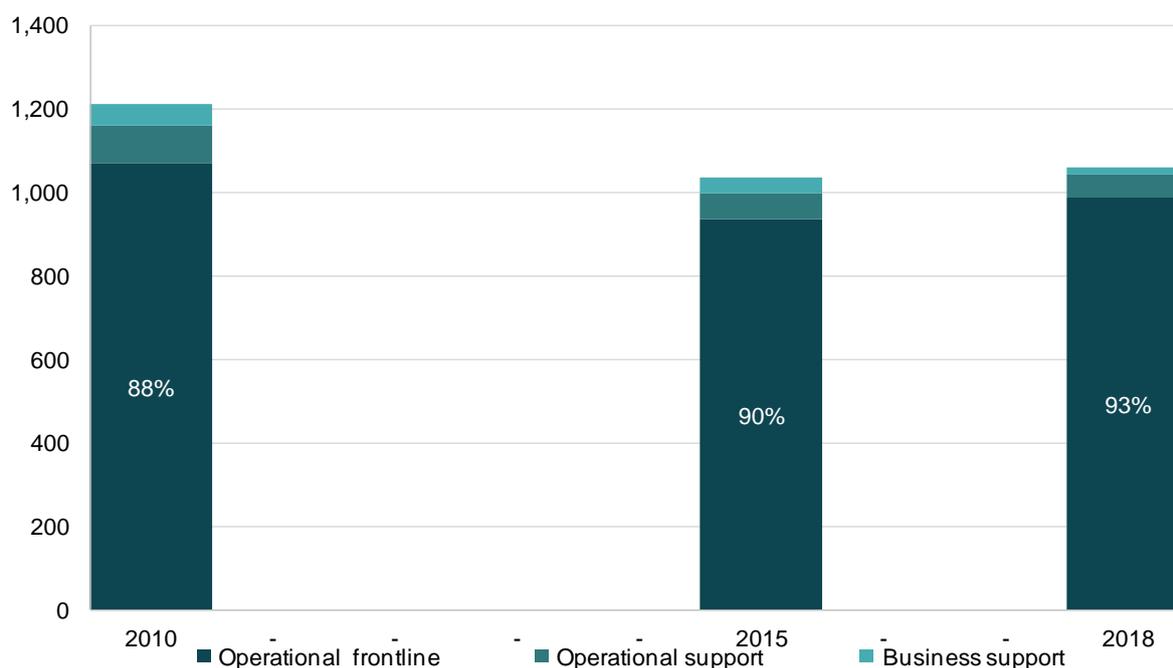
HMIC examined how Bedfordshire Police has structured its workforce (i.e. its mix of police officers, staff and PCSOs, and the proportion of all these groups working in frontline positions), and assessed whether this was affordable and sustainable as the force responds to its financial challenge. We also considered what the force is doing to ensure the workforce has the right skills and capacity to fight crime and keep communities safe now and in the future.

### **How well does the force's current workforce model match demand, organisational and financial requirements?**

Bedfordshire Police forecasted a total savings requirement over the first four years of the spending review as part of the Valuing the Police programme (2011/12 to 2014/15) of £20.82m, the equivalent of 17 percent of the 2010/11 gross revenue expenditure for the force. Savings were made in both the pay and non-pay budgets. Since 2010, Bedfordshire Police has seen a reduction of 173 police officers and 11 PCSOs full time equivalents (FTE), while there has been a net increase of 16 staff FTE.

In Bedfordshire, there has been a decrease in the total number of police officers FTE over the period 2010 to 2015, as shown in figure 3. During this time period the proportion in frontline roles has increased from 88 percent in 2010 to 90 percent in 2015. The force expects to increase this proportion looking forward to 2018.

**Figure 3: Actual and planned changes to police officer full time equivalents (FTE) in operational frontline, operational support and business support roles in Bedfordshire Police, from 31 March 2010 to 31 March 2018**



**Source: Home Office annual data return and HMIC efficiency data collection.**

**For further information about the data for figure 3 please see Annex B**

Although the current workforce model has been developed to match the finances available, HMIC is concerned that there are weaknesses in its ability to meet demand and organisational requirements. The force has achieved its savings early on in the spending review period by significantly reducing police officer numbers, to a level that has put at risk the force's ability to provide effective policing. Its approach to having fewer officers has been to focus police officers on responding to and investigating crime, removing them completely from neighbourhood roles. This focus has meant that neighbourhood teams consist solely of PCSOs, limiting the range of services (including preventative activity) provided to the public. PCSOs do not receive the same extensive training as police officers and do not have the same legal powers. This has had a significant impact on performance and the service being provided to the public. The force has recognised this risk and returned a small number of police officers to a neighbourhood role and plans to increase this number in the new model.

The force is clearly aware that the current workforce model is not sustainable and does not provide the force with the capacity or capability to effectively protect people and fight crime in line with its five-year plan and the police and crime plan. It is planning to introduce a new operating model which will not be fully implemented until February 2016.

## How well does the force's projected workforce model match demand, organisational and financial requirements?

**Figure 4: Actual and planned changes in workforce FTE from 31 March 2010 to 31 March 2018 for Bedfordshire Police compared to England and Wales**

	March 2010	Difference between 2010 and 2015		March 2015	Difference between 2015 and 2018		March 2018
		Force	England and Wales		Force	England and Wales	
Police Officers	1,246	-14%	-12%	1,073	-1%	-6%	1,060
Police Staff	880	2%	-19%	896	-30%	-6%	627
PCSOs	116	-10%	-27%	105	-56%	-11%	46
<b>Workforce total</b>	<b>2,243</b>	<b>-8%</b>	<b>-15%</b>	<b>2,075</b>	<b>-16%</b>	<b>-6%</b>	<b>1,733</b>

Source: HMIC Efficiency inspection data collection and Home Office workforce statistics

For further information about the data for figure 4 please see Annex B

HMIC is encouraged that the force has recognised that it needs to increase the number of frontline police officers available and to place more emphasis on neighbourhood problem solving and crime prevention. The force has identified that, as part of its past cost-cutting measures, it has reduced its police officer strength to a level that is insufficient to meet either current or future demand for police services. The new operating model requires additional police officers and a recruitment programme has been in place since 2014/15 to build up the numbers of police officers to the level needed. The new operating model will not be at full strength until February 2016 as the police officer recruits will not be fully trained and operational until that time.

The first phase of implementation combines the local criminal investigation and community functions. The force's vision is to create a 'One Team Bedfordshire', where all staff will work together towards the common good, rather than working for discrete departments. However, this approach represents a very different way of working and will require a major shift in organisational culture if it is to become a reality.

HMIC recognises the commitment of the force to reduce spending in-line with future budget cuts. There has been good and constructive work to expand collaboration both regionally with other police forces and in the tri-force collaboration with Cambridgeshire and Hertfordshire. This commitment to reduce spending is also

apparent in developing the new operating model for policing, which aims to improve the capacity and capability to respond to demand for police services in the future. A phased implementation of the model is taking place between June 2015 and February 2016. The model has been designed to meet the force's current demand and reflects priority policing areas such as child safeguarding and counter terrorism, together with a preventative, problem-solving function performed by the community teams.

However, HMIC remains concerned that the force cannot yet be certain that the planned resources will be sufficient to create the capacity required for the level of preventive work that the force aspires to carry out.

HMIC is also concerned that when the new operating model was set to be introduced in June 2015, there were still a number of areas of risk and uncertainty concerning how the new structure would work in practice, which had yet to be resolved. A broad cross-section of officers and staff from different ranks, grades and disciplines has been actively involved in the development of the new operating model. However, there has been a lack of wider engagement with staff at all levels, including some senior leaders. This lack of engagement presents a risk that the force has missed opportunities for example the integrated offender management (IOM) function has not been involved in the design, yet plays a key role in crime prevention. There is a risk that there may be greater resistance in accepting the change from staff who have not been involved in the design phase of the new model.

There is a lack of clarity over specific roles and responsibilities within the new structure and the division of responsibilities between response and local policing. This may lead to conflicting priorities and unintended behaviours which could undermine the model. There are no clear operating procedures to provide the clarity over responsibilities for responding to various types of calls for service. HMIC acknowledges the force's aspiration for a 'One Team Bedfordshire' approach. However, we remain concerned that the cultural change needed to make this a reality will not happen without clear leadership, direction and robust planning. There is limited evidence of planning to bring about this significant culture shift.

The force acknowledges that there are risks in implementing the new model. There are a number of identified skills gaps, for example in investigation. Additionally, the full complement of police officers will take some time to be recruited, trained and in place. These changes are planned at the same time as the force is introducing a major ICT change (Athena) and during a time when it will need to make reductions in police support staff numbers. There is a particular risk to service quality and performance in the interim phase until the new model is fully resourced. The force has identified 'robust management' as key to making the new model work and minimising the risk. The appointed consultants and the QIP team have identified 40 performance indicators to be monitored and reported to a specially established strategic oversight group on a daily basis during implementation.

Since November 2013, a clear collaboration programme of activity has been developed. A statement of intent on the future aspiration of the tri-force collaboration provides the structure for the scope of collaborative working over the next four years. Sharing resources across three forces has provided not only additional cost savings, but also greater resilience in a range of specialist police services, and has limited the impact of budget cuts on local policing. Senior managers are heavily involved in this work and performing more than one role is now common, for example, the Bedfordshire Police head of finance is responsible for the resources function in the force and is also responsible for developing and managing the tri-force finance plans.

The challenge of cultural change across the collaborated forces and the associated risks are clearly understood. The force acknowledges the need for close working and transparent relationships, and recognises the priority to address staff concerns about future roles and job security. As a result, time is being invested in communicating collaboration change plans and engagement across the three forces. The commitment to the tri-force collaboration is evident in terms of the capacity and capability of the change team which has been established.

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## Summary of findings



Requires improvement

Although the current workforce model has been developed to match the finances available, HMIC is concerned that there are weaknesses in its ability to meet demand and organisational requirements. The force has identified that it has reduced its police officer strength to a level that is insufficient to meet either current or future demand for police services. HMIC is encouraged that the force has recognised that it needs to increase the number of frontline police officers available and to place more emphasis on neighbourhood problem-solving and crime prevention.

We also recognise the clear commitment of the force to improving services. It has developed a new operating model for local policing, which aims to tackle current weaknesses. In addition, there has been good and constructive work to expand collaboration both regionally with other police forces, and in the tri-force collaboration with Cambridgeshire and Hertfordshire constabularies.

However, HMIC is concerned that the force cannot yet be certain that the planned resources will be sufficient to create the capacity to fulfil the force's aspiration for the level of preventative work it wants to do. We are also concerned that the new operating model is being launched when there are a number of areas of risk and uncertainty around its operating model which have yet to be resolved.

### Areas for improvement

- The force should assess whether there are any capacity and capability shortfalls in the current workforce to find ways of overcoming the risk this poses to the service it provides, especially in public protection.
- The force should engage as widely as possible with the workforce and the other organisations it works with to ensure the proposed operating model and 'One Team Bedfordshire' approach is fully understood. This will assist in directing the cultural change needed and overcoming any resistance which might undermine performance.
- The force should disseminate detailed operating guidance to the workforce so it has a clear understanding of how the new structure is expected to function, so that all are clear what is expected of them in the new operating model.

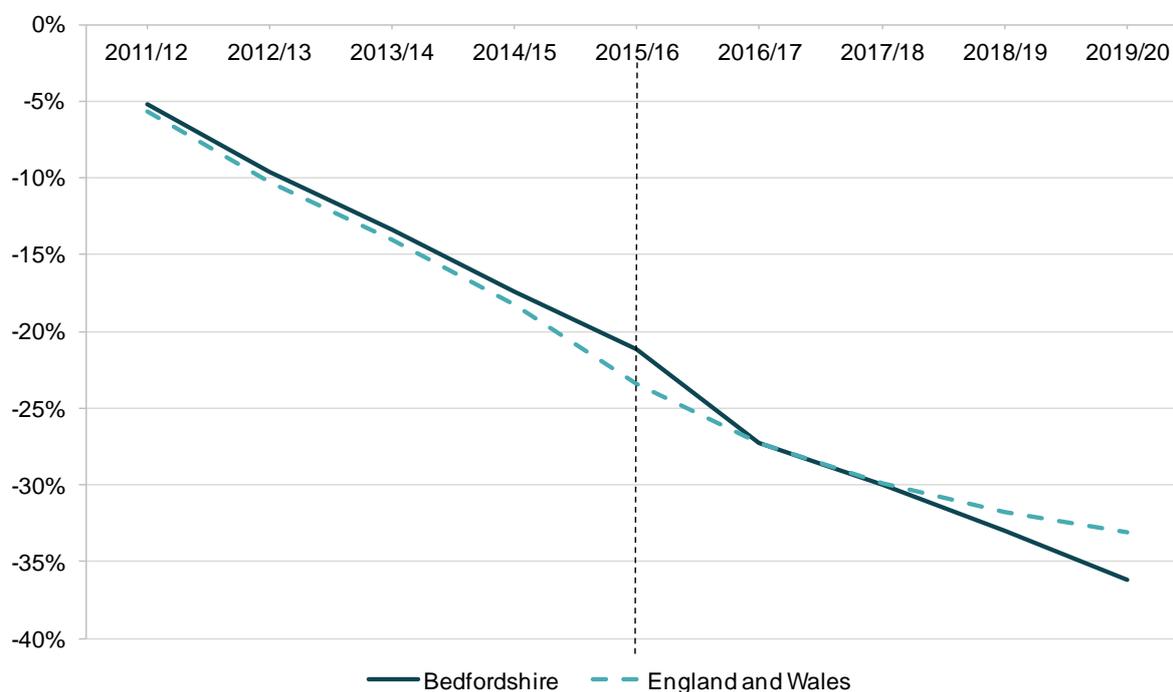
## **How sustainable is the force's financial position for the short and long term?**

HMIC examined how forces have achieved savings over the spending review period, the saving plans that forces have developed for the future, and the assumptions forces have made in the understanding of the financial challenges ahead. We also assessed whether forces have good financial controls and governance, and if spending reflects the priorities outlined in the police and crime plan.

### **Has the force achieved its saving requirements and balanced the budget for the spending review period and 2014/15?**

Bedfordshire Police forecasted savings of £20.82m over the first four years of the spending review (2011/12 to 2014/15), the equivalent of 17 percent of the 2010/11 gross revenue expenditure for the force. Over the period, savings were made in both the pay and non-pay budgets, so as to balance budgets by 2014/15. Over the same period all forces across England and Wales forecasted a total savings requirement of £2.53bn, the equivalent of 18.2 percent of the 2010/11 gross revenue expenditure for England and Wales

**Figure 5: Estimated change in expenditure from 2011/12 to 2014/15, and forecast planned savings for 2015/16 to 2019/20, against the 2010 gross revenue expenditure baseline for Bedfordshire and England and Wales**



**Source: HMIC policing in austerity data, HMIC efficiency data collection and The Chartered Institute of Public Finance & Accountancy (CIPFA) Police Objective Analysis data**

**For further information about the data for figure 5 please see Annex B**

The force has achieved its total savings requirement over the spending review period. It has faced a comparatively difficult challenge because it was already a low spending force with a smaller workforce per head of population than the average as well as some complex policing challenges of a scale not normally experienced by a force of this size.

A performance and change fund has been earmarked to enable the force to invest in the cost of future change. This was increased to £3.25m at the start of 2015/16 and is intended to be used over the next four years to smooth budget gaps and pay for the change needed to maintain the force in a sustainable position until 2019/20.

## **How well has the force achieved a balanced budget for 2015/16?**

Bedfordshire Police has planned a balanced budget of £111.9m for 2015/16, which includes a cut in spending of £4.6m. It is forecast that the reduction will be split between £1.6m from the pay budget (35 percent) and £2.6m (57 percent) from the non-pay budget in this year's savings. The remainder of their spending reductions are being met by a use of reserves. Collectively the forecasted reductions since the 2010 baseline (at the start of the spending review) to 2015/16 represent savings of 21 percent.

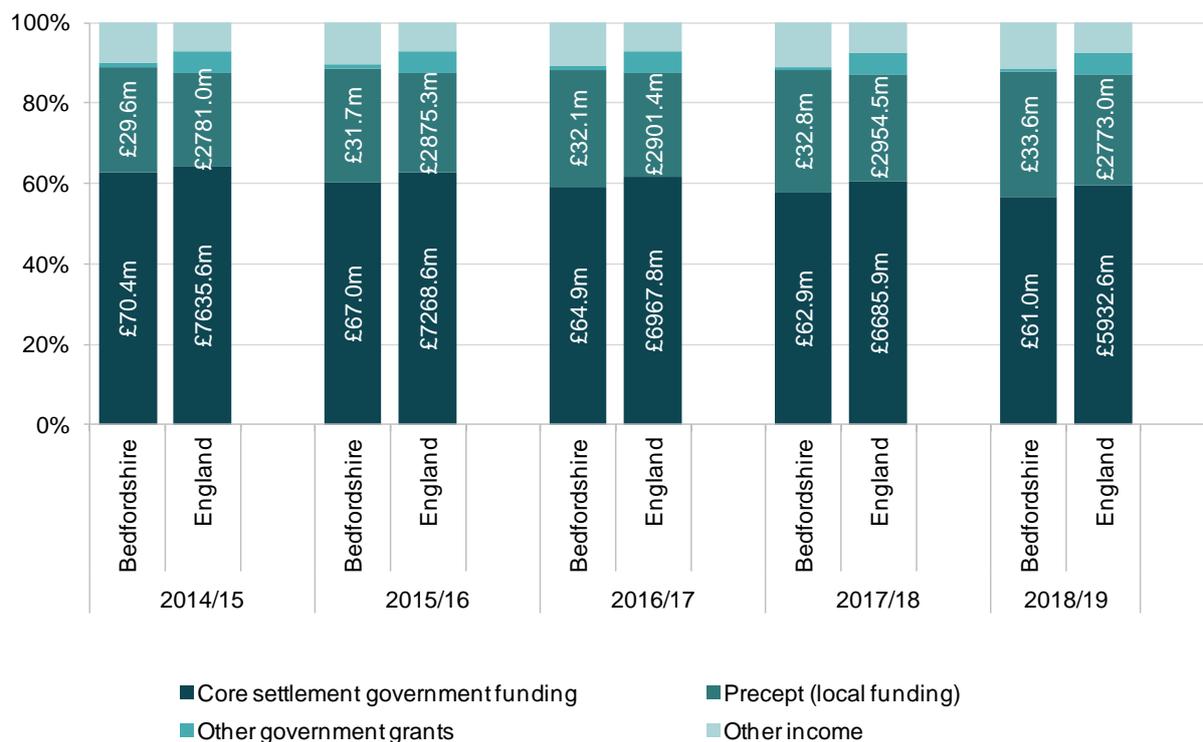
The savings in 2015/16 are planned to be delivered through a combination of internal budget reductions, additional savings from both regional collaboration and extending Bedfordshire, Cambridgeshire and Hertfordshire collaboration, and reductions in staff pay through workforce changes. At the same time there has been a 2 percent increase in the council tax element for policing.

However, we note that the plans included a saving from further collaboration of operational and organisational support functions of around £0.4m. There is already a known delay in progress on this collaboration and this saving will not be achievable during this year. The force is expecting to underspend in other areas of the budget this year and is intending that this will be used to compensate for the shortfall.

## **How well has the force maximised other funding opportunities?**

Figure 6 demonstrates the amount of funding that the force received from a central government grant, as precept from local councils through council tax, and from other sources, such as Home Office special grants. Bedfordshire Police is expecting the proportion of its funding that comes from core settlement government funding to decline over the coming years, whilst anticipating that the proportion of its funding that comes from precept (council tax funding) will increase over the same period. It should be noted that the core settlement government funding, both monetary values and proportions of total funding, detailed in figure 6 are from force estimates collected as part of HMIC's efficiency inspection data collection. These data should not be considered as an official projection. At the time of writing, the Home Office is consulting on changes to the forces' funding formula, and therefore any current projections may change over the time period highlighted.

**Figure 6: Forecast mix of funding for Bedfordshire Police in the 12 months to 31 March 2015 to the 12 months to 31 March 2019, compared to English forces**



**Source: HMIC efficiency data collection**

HMIC is impressed by the ambition of Bedfordshire Police to secure efficiencies from collaboration with other forces. We are particularly encouraged that the force is willing to pursue collaborative ventures even where there are no financial savings but where the joint arrangements provide a better, more resilient police service for Bedfordshire, such as with the joint public contact proposals. We found positive and constructive collaboration with other forces in the eastern region (through ERSOU) and with Hertfordshire and Cambridgeshire constabularies, where financial savings and increased resilience are already being realised and where more joint work is planned. The force is planning to increase its spending in collaborated functions with other police forces from £20.2m in 2014/15 to £24.5m by 2018/19. There has been more limited work with local agencies to explore joint working, and there is no predicted increase in spending on this type of collaboration.

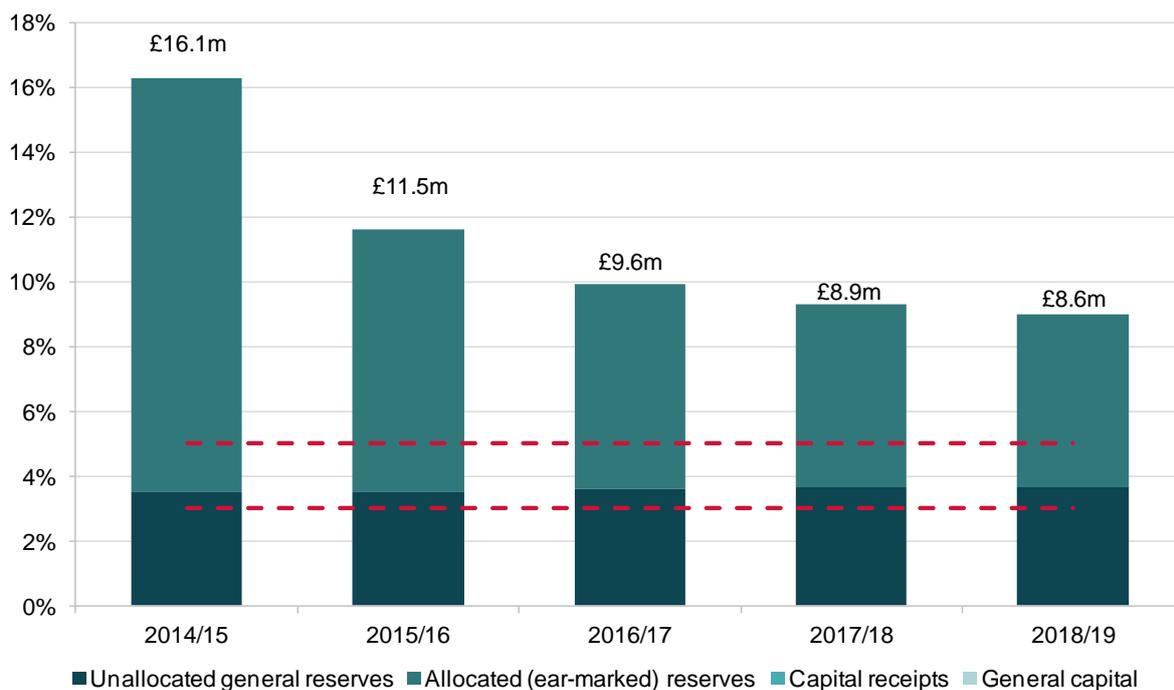
The force, in conjunction with Hertfordshire and Cambridgeshire constabularies, has been particularly successful in securing grant funding from the Police Innovation Fund over recent years. For instance, the three forces were given £8.4m in grant to pay for ICT developments to support collaboration. This funding has enabled the force to invest in the technology which allows frontline staff to have remote access to police information, and so to carry out a range of tasks and duties without having to return to a police station. This technology has supported the proposed operating model by enabling staff to work more efficiently.

## How well does the force control expenditure?

The force’s level of reserves is shown in figure 7, together with how this is forecast to change over time. Bedfordshire Police reported that total reserves were £16.1m in 2014/15. These are broken down into several categories:

- unallocated general reserves – a sum to cushion the impact of unexpected events or smooth uneven cash flows;
- allocated (ear-marked) reserves – these are reserves set aside for specific capital purposes;
- capital receipts reserves – these are proceeds from the sale of assets which can only be used for specific capital purposes; and
- general capital to support future planned capital expenditure.

**Figure 7: Breakdown of reserves remaining as a proportion of in-year net revenue expenditure, and total reserves remaining (£), for 2014/15 to 2018/19**



**Source: HMIC efficiency data collection**

**For further information about the data for figure 7 please see Annex B**

The force has a robust approach to controlling expenditure and the chief finance officer ensures that there is a rigorous approach to financial management through strong financial controls across Bedfordshire Police. There is effective financial governance in place for the force, and for the collaboration programme.

All force and collaboration programme plans have comprehensive, detailed financial plans. This is evident in the tri-force four-year financial plan, which highlights a combined funding gap of £60 million across all three forces between April 2016 and March 2020.

The tri-force collaboration hopes to achieve still greater control through integration of the HR and financial planning functions when the new IT enterprise resource planning (ERP) system is developed and implemented in all three forces in 2016/17. This integrated working is expected to support the extended collaboration and provide greater resilience for all three forces in these business areas.

The force is currently planning to use its reserves to balance the budget every year from 2017/18 until 2019/20. This is clearly not sustainable and the force's total reserves are set to fall from £16.1m in 2014/15 to £7.1m in 2019/20. This plan presents a risk that if the additional Bedfordshire, Cambridgeshire and Hertfordshire collaboration savings are not realised, or are only partly realised, or if the new operating model requires any additional resource to function effectively, the force will have very limited reserves to fall back on.

### **How well do the force's financial plans reflect the objectives set out in the PCC's police and crime plan?**

The financial plans directly reflect the PCC's objectives. The plans are developed in conjunction with the office of the police and crime commissioner (OPCC) and are designed to reflect the priorities in the police and crime plan. The key objectives of the PCC link closely with the force's annual strategic assessment and control strategy. They are translated into a five-year plan for the force with an annual plan for policing. The medium-term financial plan and the annual police budgets are designed to support these plans by enabling resources to be directed at those areas of greatest priority and which pose the most risk to local communities. For example, additional resources have been invested in the priority areas of protecting vulnerable people and tackling cybercrime.

### **How well does the force provide timely and relevant financial information to the office of police and crime commissioner (OPCC), and are shared assumptions used to develop current and future plans?**

The force's chief officer for finance is also the PCC's chief finance officer. This helps the two organisations work jointly on financial planning, using the same assumptions for current and future plans. Scrutiny and challenge is provided by an independent audit committee and the PCC has access to independent financial advice from a local authority finance director, should he need it. There is regular monitoring of reports by both the force executive and by the PCC.

## **How well developed are the force's plans for possible further savings?**

This is an area of concern. The force's plans for further savings through to 2020 are reliant on the new operating model and on extending collaboration through the tri-force collaboration. Whilst there may be uncertainty about whether the new model will fully meet the policing needs, the financial savings from the restructure to the new model are relatively secure. The plans are well developed and the transition to the new structure is due to commence in June of this year, with a view to it being fully operational by February 2016. The majority of the savings from this model will be achieved by reducing police staff numbers by 80 and PCSOs by 62 posts the following year (by March 2017).

However, HMIC is concerned that the projected savings from collaboration with Cambridgeshire and Hertfordshire constabularies are less well developed, with discussions still at an early stage for some elements. In 2016/17, the force is anticipating that it will achieve £1.56m from collaborating across the three forces in organisational and operational support. There can be little certainty at this stage that this level of savings is achievable. For later years, this risk is even more acute, since business cases for the proposed collaboration have not yet been agreed but Bedfordshire Police plans to meet much of its savings requirement from the arrangements. In 2017/18, the force is planning on saving a further £1.8m from collaboration, which represents 56 percent of its total savings requirement that year. In subsequent years, Bedfordshire plans to achieve an even higher proportion of its savings from collaboration (around 90 percent in 2019/20).

Hertfordshire Constabulary has built a contingency into its savings plans, to mitigate the risk that the savings will take longer to achieve. Cambridgeshire Constabulary is not assuming any savings at this stage due to the degree of uncertainty over what the savings will be, and when they will be achieved. Bedfordshire Police has no such contingency plans in place.

In addition, Bedfordshire Police is planning to use reserves to balance its budgets until permanent reductions in spending can be achieved. This means that at the end of this period reserves will have been reduced to a level that provides only a very limited cushion against future contingencies. HMIC is, therefore, concerned that Bedfordshire Police's long-term financial position is not sustainable.

## Summary of findings



Requires improvement

The force achieved its savings requirement and balanced the budget for the spending review period and in 2014/15. HMIC acknowledges that the force has faced a difficult challenge in that it was already a low spending force with a smaller workforce per head of population than the average, and has some complex policing challenges of a scale not normally experienced by a force of its size.

There is sound financial control; the force works constructively with the PCC, and resources are directed to the PCC's priorities. The force continues to be strongly committed to achieving efficiencies and service improvements by collaborating with other forces. The proposed operating model has been designed to allow the force to better align its resources to where demand for service is most needed, while reducing costs.

However, planned savings are heavily reliant on the new model operating with less resource, and on the extended collaboration providing savings. There can be no certainty either of these areas will achieve the savings needed. At the same time, the force is planning to use reserves to balance its budgets. By March 2020 reserves will have been reduced to a level that provides only a minimal cushion against future contingencies. HMIC is concerned that Bedfordshire Police's long-term financial position is not sustainable.

### Areas for improvement

- The force should develop clear and realistic plans for achieving the likely savings required beyond 2015/16, to provide greater assurance that should the planned collaboration savings not be achieved or take longer to be realised, the force can continue to balance its budget.

## Annex A – HMIC judgments

The categories are:

- outstanding;
- good;
- requires improvement; and
- inadequate.

Judgment is made against how efficient the force is at keeping people safe and reducing crime. In applying the categories HMIC considers whether:

- the efficiency of the force is good, or exceeds this standard sufficiently to be judged as outstanding;
- the efficiency of the force requires improvement because it is not yet performing at a good level, and/or there are some weaknesses in the organisation; or
- the efficiency of the force is inadequate because it is considerably lower than might reasonably be expected.

## **Annex B – Further information about the data**

### **Figure 3**

Planned changes to police officer full time equivalents (FTE) in operational frontline, operational support and business support roles in the force/constabulary, 31 March 2010 to 31 March 2018.

The data used in figure 3, for March 2010 and March 2015 is taken from the Home Office annual data return 601 and does not include workforce allocated under category '62 other' whereas the data used in figure 4 for March 2010 and March 2015 is taken from the Home Office annual data return 502 and is inclusive of this category. Therefore totals data may not match exactly.

### **Figure 4**

Planned changes in workforce FTE from 31 March 2010 to 31 March 2018 for the force/constabulary compared to England and Wales. The figures in table 4 are rounded to the nearest whole person, full time equivalents (FTEs), and therefore may differ slightly to the exact figures quoted within the report.

For data as at 31 March 2010 and 31 March 2015 we have used Home Office annual data return data which is an 'actual' FTE, whereas for projections for March 2018 are budget based projections and therefore are likely to take into account a vacancy rate depending on a force's/constabulary's planning strategy. In some instances therefore an increase in budgeted posts may not actually indicate the force/constabulary is planning to increase its workforce. In other cases, forces may be planning to reduce their workforce but have a current high vacancy rate which masks this change.

Due to the complex and continually evolving picture of workforce collaboration between neighbouring forces, not all changes in workforce figures are real in terms of the workforce available. Involvement in strategic alliances and/or regional organised crime units (ROCU) would be an example of where changes over time are likely to be skewed. Therefore sharp increases or decreases over time need to be considered with caution as they may simply represent accounting changes related to how staff are allocated to forces, not real changes in staffing levels.

At the time of the inspection, the future financial climate was uncertain. Several forces were in a position where they did not have confirmed/signed-off plans for workforce projections. It is important to note that figures provided are in many instances unconfirmed estimates provided to assist HMIC in its inspection programme and should not be seen as a concrete plan for the future landscape of policing. These comments apply to figure 3 and figure 4.

## **Figure 5**

Estimated change in expenditure from 2011/12 to 2014/15, and forecast change in expenditure for 2015/16 to 2019/20, against the 2010 GRE baseline for the force and England and Wales

Figure 5 shows how force expenditure has changed over the period of the spending review, relative to the total change in expenditure for all forces across England and Wales. For 2015/16 onwards there has been a change in methodology in comparison to the value for money inspection. The savings requirement is no longer inflated gross revenue expenditure (GRE) minus expenditure but the sum of planned savings and use of reserves to bridge an in-year funding gap. This change is indicated by the vertical dashed line on the chart. The chart shows planned savings (including use of reserves to bridge an in-year funding gap) in future years, calculated using the planned savings for pay and non-pay budgets provided to HMIC at the time of the data collection (February 2015). Some forces only provided figures for savings they had formally signed off at that point, while others provided estimates for the whole period. Therefore small savings requirements do not necessarily equate to a small savings challenge for the future.

## **Figure 7**

Breakdown of reserves remaining as a proportion of in-year net revenue expenditure, and total reserves remaining (£), for 2014/15 to 2018/19

According to a survey of financial directors conducted by the Audit Commission,<sup>6</sup> it is commonly considered that three percent to five percent of net revenue expenditure is a prudent level of unallocated general reserves for risk-based planning purposes. This range is shown on the graph by the two horizontal red dotted lines.

Please note that all categories of reserves for the force/constabulary are held by the PCC apart from City of London and the Metropolitan Police Service where reserves are held by the City of London Corporation and MOPAC respectively.

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<sup>6</sup>*Striking a balance: Improving councils' decision making on reserves*, Audit Commission, December 2012. Available from <http://webarchive.nationalarchives.gov.uk>