



Valuing the Police

Policing in an age of austerity

HMIC

July 2010

© HMIC 2010

www.hmic.gov.uk

Contents

| | |
|---|-----------|
| Executive Summary | 3 |
| The Challenge | 5 |
| Where are the police | 14 |
| Preparedness | 22 |
| System architecture | 26 |
| Conclusion | 27 |
| Appendix A: BCU Organisational Chart | 28 |
| Appendix B – Dealing with a burglary | 29 |
| Acronyms and glossary | 30 |

Executive Summary

In times of increasing budgets, the police in England and Wales were successful in achieving the measures set for them – reducing crime and improving public confidence. This report considers the effect of budget cuts on policing, and in particular the impact on sustaining the number of police who are visible and available to the public.

Police forces receive between 50 and 90% of their funding from central government, with most of the remainder coming from Council Tax. The Emergency Budget on 22 June 2010 announced that on average there would be a 25% cut in central government budgets between now and 2013/14, and that Council Tax would remain stable for a year. We will not know what this means for policing until it is announced by the Government later this year. However, we do know that a fixed percentage cut applied to all forces would impact disproportionately on those forces that receive a higher proportion of their funding from central government.

Our report with the Audit Commission, *Sustaining Value for Money in the Police Service*, also published today indicates that cost cutting and improvements in productivity could, if relentlessly pursued, generate a saving of 12% in central government funding (see the 'Re-design' section below). But we should not underestimate the challenge in reducing costs and, importantly, retaining a police service that is visibly effective in the eyes of the public.

Police availability

The question the public ask HMIC most frequently is: where are the police? They want the police to be available (contactable by phone or in person on the street), and to turn up when they are wanted.

Our analysis of availability indicates that:

- Public confidence in the service improved when the total number of police staff (including warranted officers and Police Community Safety Officers) working in the community increased. The public associate the presence of policing with the absence of crime, which resonates with Peel's first instruction to the police in 1829: *The absence of crime will be considered the best proof of the complete efficiency of the police.*
- On average, only 11% of total police strength are visible and available to the general public at any one time; and in our sample, more police were available on a Monday morning than on a Friday night. There is scope to improve this by more closely matching shift patterns to demand, and through measures such as police patrolling on their own rather than in pairs. But, faced with large cuts, the actual number available to the general public looks at risk of being reduced further.
- In seeking to reduce every risk to the public and possibility of error, all police officers' work has increasingly become controlled by rules of good practice or guidance. In 2009 alone 2,600 pages of guidance were issued to officers setting out how their work should be done; and there are now 100 processes in the criminal justice system, requiring 40 interventions by police officers, staff and specialists. The cost to policing is estimated at £2.2 billion¹ per year. The effect has been to draw resources into investigation, intelligence and other specialist functions, and away from the public: the number of warranted officers working in

¹ Value for Money profiles <http://www.hmic.gov.uk/PolicePerformance/Pages/Valueformoneyprofiles.aspx>

these areas increased by 3,000 over the last four years, while the number working in the community declined by 1,400.

- This drift towards specialisation, combined with shift arrangements which mean some officers might only work 171 days a year, creates inefficiencies. To illustrate increased specialisation we looked at a burglary case: 30 different officers and staff were involved in getting one case to court. For a rape, 24 people were involved in the first 12 hours.

Impact of budget cuts

A re-design of the system (see below) has the potential, at best, to save 12% of central government funding, while maintaining police availability. A cut beyond 12% would almost certainly reduce police availability unless it were prioritised over and above everything else the police did.

We considered whether the police are ready to manage cuts at the pace that will be needed. Our research shows that police authorities in particular need to significantly improve their capacity and capability for strategic planning and value for money.

We also surveyed forces to identify their own assessment of their funding gaps and how well prepared they were to deal with this gap:

- Just under one force in five was prepared for the scale of the cuts they were predicting.
- Worryingly, nearly one in three were forecasting a large gap that they were not well prepared to manage.

We have also looked at the current framework in which the police operate to see whether this constrains police ability to get the best deal for the public. The current framework was designed for a time of growth. Central targets, an innovative but now cluttered performance regime, uncertainty over the scale of the cut-backs, a lack of comparative financial information, limited incentives to improve value and a governance regime focused on accounting rather than leveraging resources all now risk constraining police ability to optimise their service to the public in the times ahead.

Re-design

A re-design of policing is therefore needed to deliver efficiencies, deal with budget cuts and ensure visible availability. This should include:

- A relentless drive to challenge all spending, not just of support but operational functions, including the way available front-line officers are used.
- Prioritisation of police availability for the public: nurturing the thin blue line with reform of shift patterns and rationalisation of specialist functions, through a mature assessment of the risks they offset.
- Local leadership of reform, taking decisive action to bridge the gap in funding (where pace to date has been slow).
- A new architecture: central government and the sector working together to cut the constraints we have identified, and the Government thinking carefully about the distribution of the cuts.

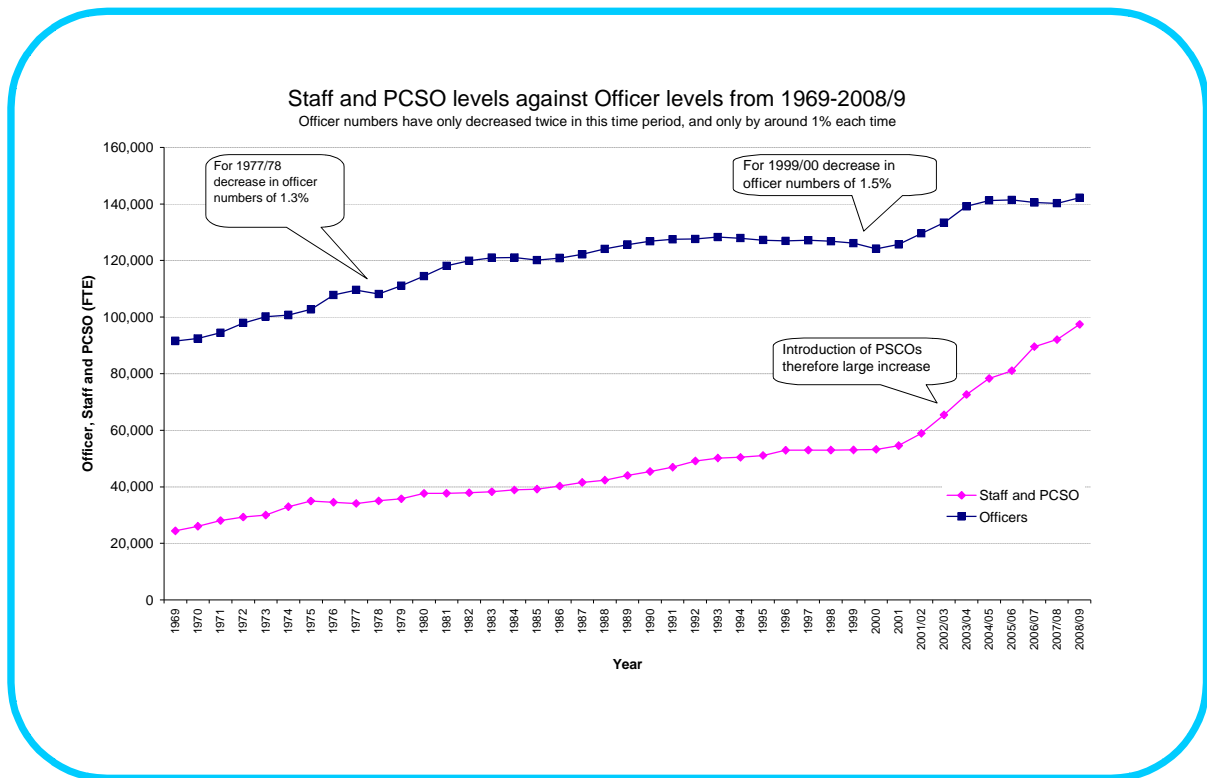
There is no time for a Royal Commission. The police leadership needs to rise to this challenge and the public need to be informed of the hard choices ahead.

The Challenge

Growth

Since 1994, the amount of money spent each year on policing has more than doubled, from £6.45 billion in 1994/95 to £13.7 billion in 2008/09². Around 80% of this goes on staff costs³, which in 2008/09 included £398 million of police officer overtime payments. The police workforce has increased by over 124,000 since 1969: there are nearly 51,000 more police officers, 57,000 more police staff and around 16,000 PCSOs (see **Figure 1**).

Figure 1: Police workforce strength (1969–2009)⁴



Over the last decade, much of the increase in police funding has come from higher local taxation, through the Council Tax. From 1996/97 to 2010/11, the proportion of the Council Tax devoted to policing (policing precepts) across all police authorities increased by 236%, within a range from 168% (Lincolnshire) to 362% (Surrey). Over the same period, general funding from central Government outside specific grants rose by 73%.

The service has also shown some ability to curb its costs. Over the last ten years, forces and authorities have delivered efficiency improvements to meet Government targets. Between 2004 and 2008 alone forces have achieved 1,509 million of efficiency savings, of which 52% were cashable. In the same period all forces achieved at least

² £13.7 billion does not include pension costs and national functions.

³ £7.8 billion on police officers and £3.2 billion on police staff in 2008/09.

⁴ GRE data: CIPFA Police Statistics; Workforce Strength data, ADR.

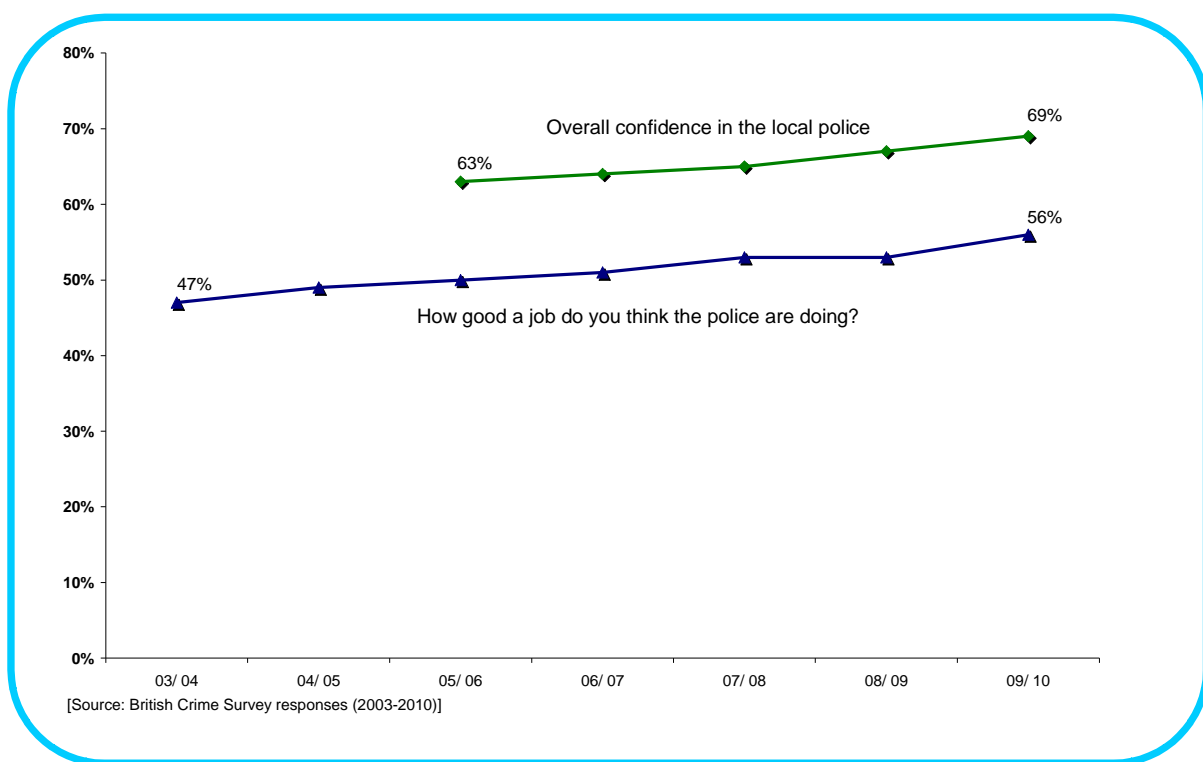
5% cashable savings from their net expenditure, with a lot of forces achieving considerably more. However, these efficiency savings have been delivered against a background of growth.

The perception gap

During the period of growth, crime reduced. Public experience of crime, as measured by the British Crime Survey (BCS) has fallen by 50% since 1995⁵. Crime recorded by police is down by 31% since 2003/04. Confidence in the police has risen steadily since 2003 (see **Figure 2**), which coincides with the introduction of neighbourhood policing (see **Figure 1**)⁶.

Despite these proven achievements, the public are sceptical about whether crime has fallen. Work is underway, in the UK and elsewhere, to find ways of boosting public trust in crime figures, but it is clear the public are likely to be more reassured by contact with police rather than through statistics.

Figure 2: Increase in public confidence between 2003 and 2010



⁵ "Crime in England and Wales 2009/10", Home Office, <http://rds.homeoffice.gov.uk/rds/pdfs10/hosb1210.pdf>

⁶ The increased police presence on the streets of London following the 7/7 bombings provided an opportunity to examine the extent to which changes in police deployment affect recorded crime. Two studies were carried out independently by the Economics and Resource Analysis department of the Home Office and economists at London School of Economics (LSE), using different approaches to account for the possibility that crime might have fallen if people avoided central London following the attacks. Both studies found that the policing response had reduced crime in central London, by between 4 and 9% (Home Office) and 11% (LSE). The LSE results suggest that a 1% increase in police numbers reduced crime by around 0.3%.

How do the public define 'value for money' in relation to the police?

Work on public attitudes illustrates the way the public think about notions of value for money when it comes to policing⁷:

- VFM means, to the public, that the police are effective (rather than that everything is done at the lowest cost);
- By effective, the public mean police should cut crime and anti-social behaviour, through visibility and through intelligently dealing with criminals. This is currently hampered by bureaucracy and social obligations (acquired in recent years).
- Responses to questions posed by Ipsos MORI to members of the public provide an indication of what value for money means, in terms of what the public value:
 - "Visible policing presence."
 - "When they are around, crime does not happen."
 - "It is not about cost but whether they are effective."

Police productivity has never had an agreed definition: some focus on activities and products. A more persuasive interpretation would be to focus on fewer victims and reduced crime. This view bears an uncanny resemblance to Peel's first instruction to the Police in 1829:

*"The absence of crime will be considered the best proof of the complete efficiency of the police"*⁸

Austerity

The Emergency Budget in June 2010 announced a 25% cut in "unprotected" departmental budgets between now and 2013/14. Central government currently fund the police to the tune of £9.6 billion. This means that if the full 25% cut were passed on to the police, their funding would fall by £2.4 billion.

Variation in Police Funding

Police authorities and the forces differ in the risks and duties they are responsible for. They start from widely varying positions when it comes to dealing with the future financial environment, as can be seen from the Figures 3 and 4 below:

⁷ *Public Attitudes to VFM in Policing* Ipsos MORI / HMIC focus groups 2010 (following larger scale research by Ipsos MORI in 2009)

⁸ *Instruction to Police Officers, 1829*, Metropolitan HMSO on behalf of J Hartnell, Fleet Street

Figure 3: Police Authority Gross Revenue Expenditure 2010/11

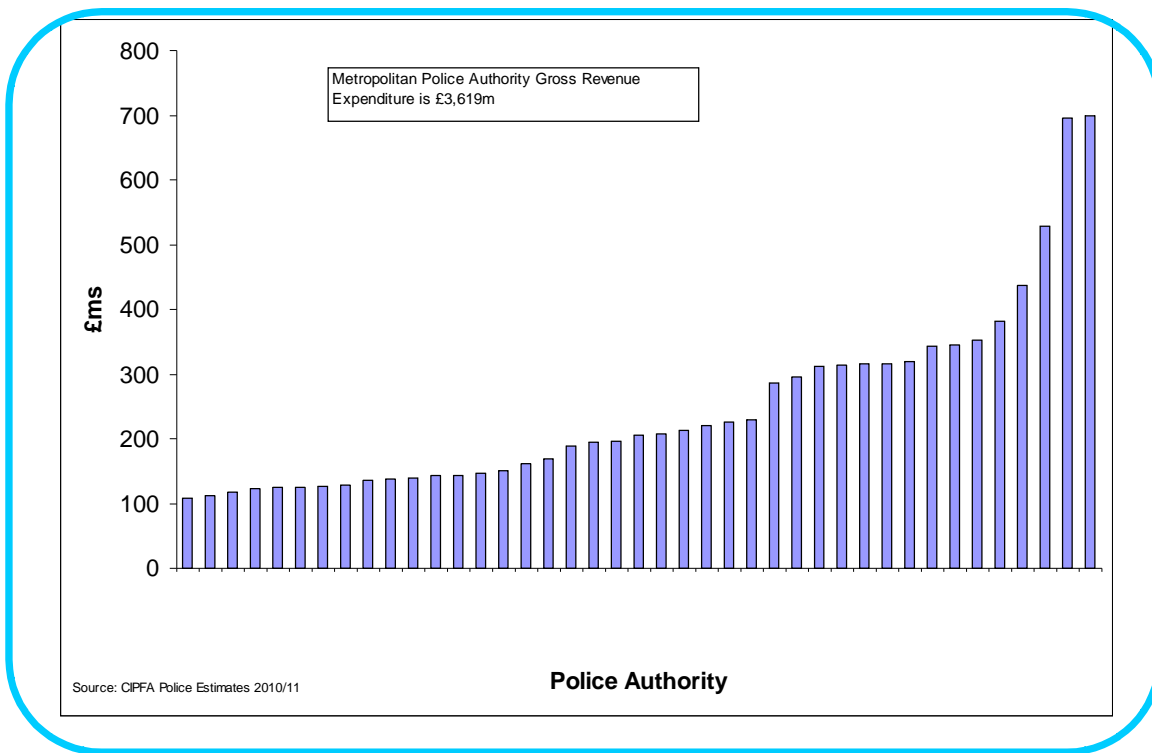
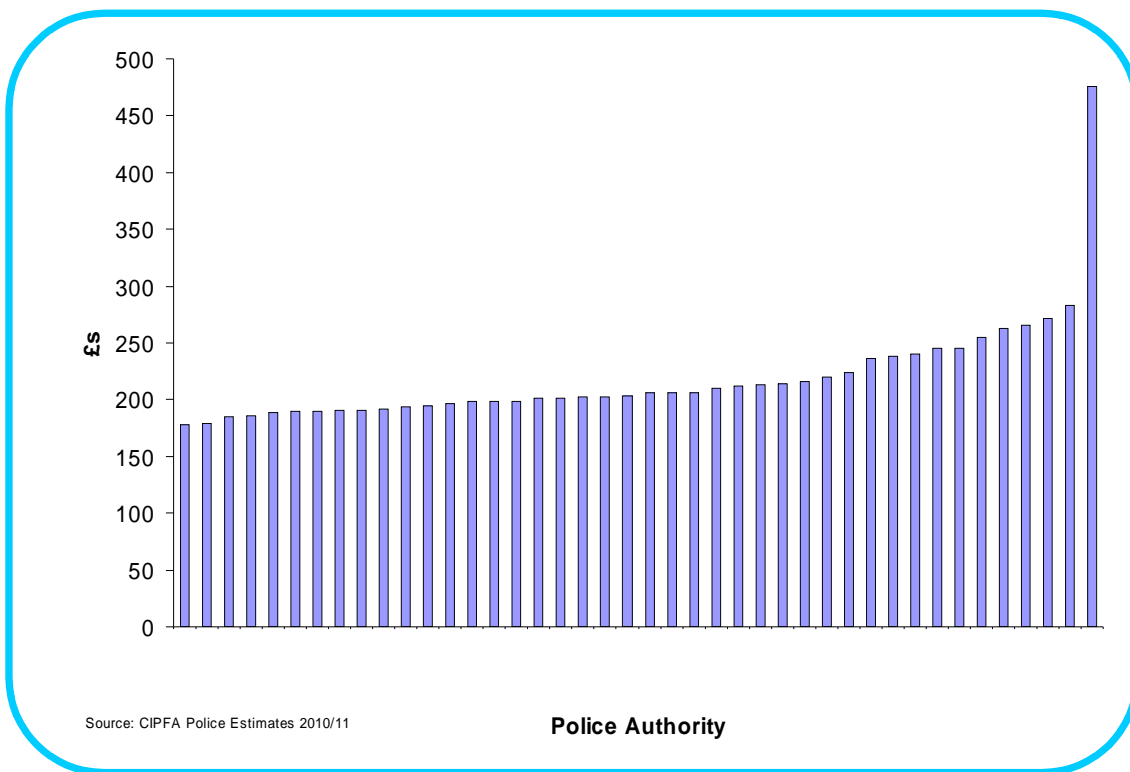


Figure 4: Spend (£s) per Head of Population, by Police Authority



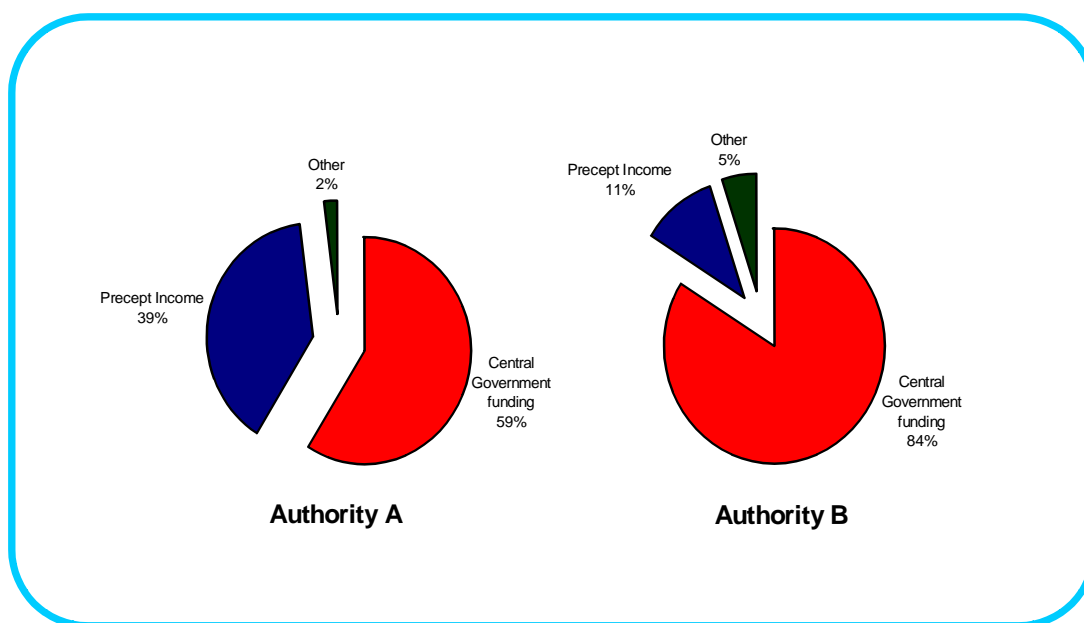
How the police are funded

Police funding comes from:

- **Central government** comprising the Home Office Police Grant, Specific Grants, National Non-Domestic Rates (NNDR) and Rate Support Grant (RSG);
- **Council Tax** (precept income); and
- **Income generated by police forces** which includes sales, fees, charges, rents, reimbursed services, special police services, funding from local authorities including for PCSOs and miscellaneous other income.

A 25% cut in central Government funding does not therefore translate into a 25% cut in total police funding. On average, central government funding accounts for around 70% of total police income⁹. However, funding profiles across individual authorities vary considerably. A flat rate reduction in central government funding reduces the funding to police authorities by different proportions. In the illustration below (**Figure 5**), a 25% cut in central government funding equates to just under a 15% reduction of income in Authority A, compared to around a 21% reduction in Authority B. **Figure 6** demonstrates the impact of a 25% reduction in central government funding on all police authorities. The overall reduction in funding varies from just under 14% to just over 22% of income¹⁰. Of course this does not deal with reduction in income from other authorities / agencies to the police which is likely in the future.

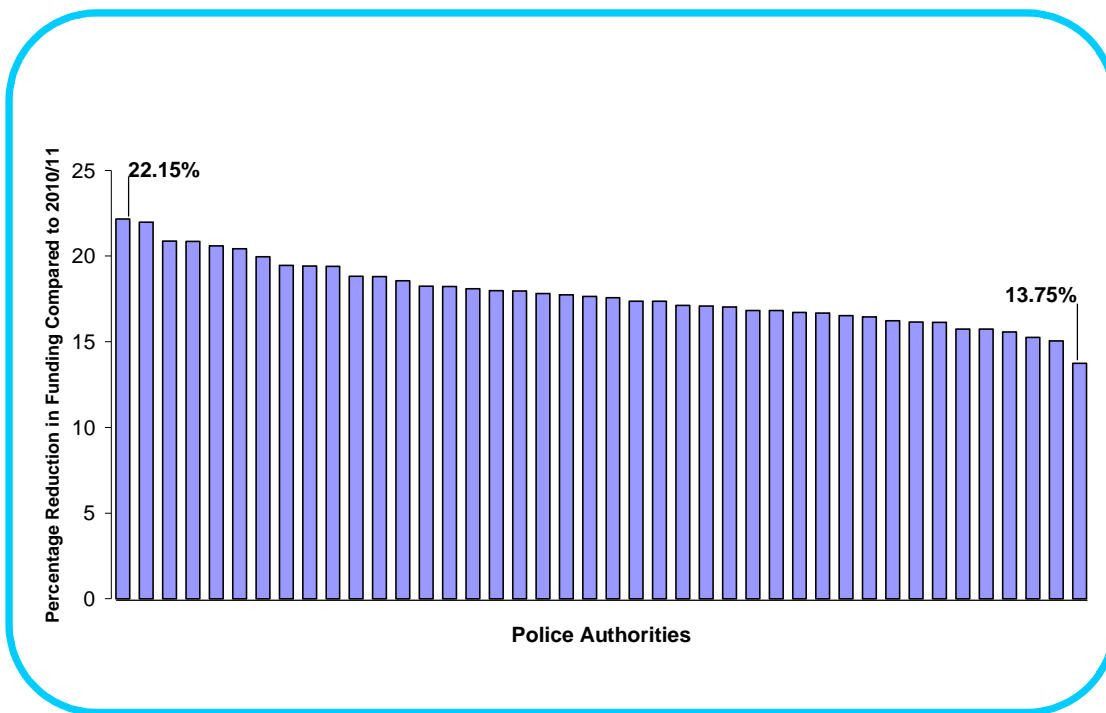
Figure 5: Current funding profile of two police authorities



⁹ Excluding income generated by the force

¹⁰ Excluding income generated by the force

Figure 6: The impact of a 25% reduction in central government funding on individual police authorities (excludes other income)¹¹



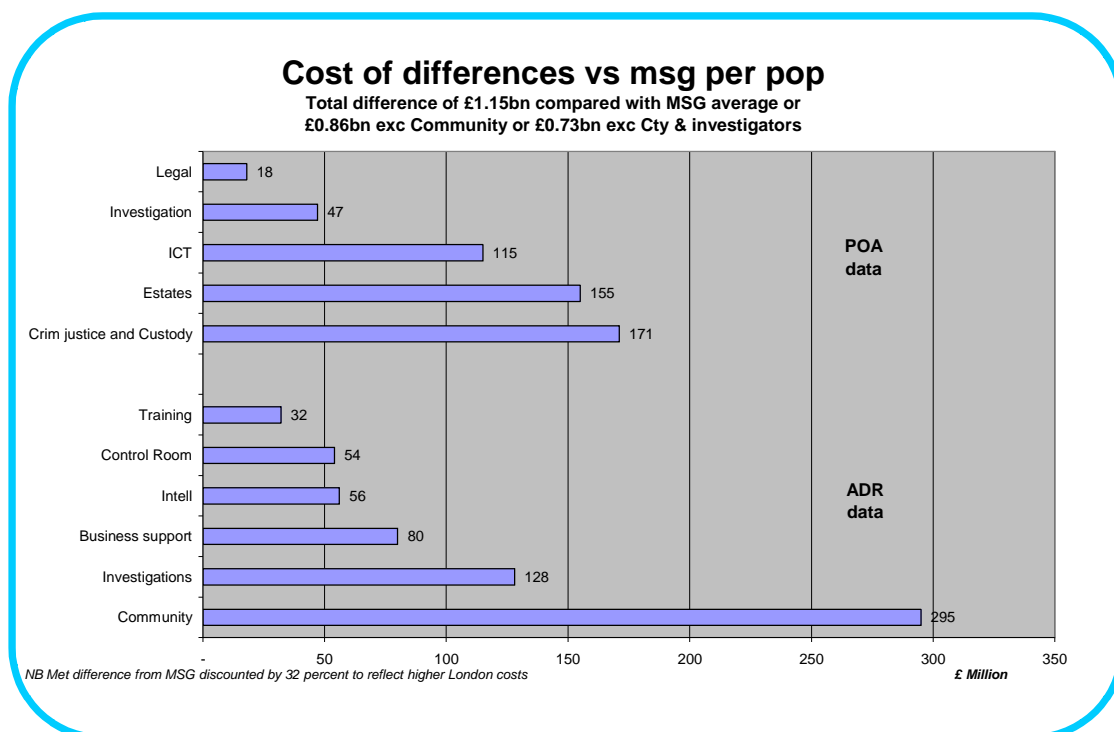
The Government's decision to freeze Council Tax this year means that police authorities will not be able to off-set reduction in Home Office funding nationally by raising taxation locally. Where police authorities and forces do have some flexibility, however, is in controlling costs.

¹¹ CIPFA 2010/11 Estimates; The Police Grant Report (England and Wales) 2010/1, Amending Report 2010/11, HC47. Excludes other income.

Cost control

Over time, savings of around £1.15 billion (equating to 12% of central government funding) may be achievable by improving productivity and cutting costs. Benchmarking of costs, using HMIC's Value for Money profiles¹² and Police Objective Analysis¹³ data identifies high variation in spend per force across a range of functions and services, (see **Figure 7**). Figure 6 shows the sum of costs for police forces that exceed those of forces in similar circumstances. Field work in four sample forces suggests that, in most cases, variation could translate into savings through business change.

Figure 7: Variation in spend from average, by all Forces¹⁴



It is important to recognise that the potential for savings is not spread evenly and forces all start out from different places. Forces have different contracts and histories which do not make elimination of large variation in cost straight forward or achievement of the lowest spend, in short order, easy.

Chief Officers and Police Authorities have stated that there are problems with availability of consistent benchmarking information which limits their ability to make comparisons to determine the best value for money. However, even when good data exists they have not always been quick to act. For example forensics, where despite a review by the (late) Home Office Police Standards Unit, wide ranging variation continues to exist and the overall productivity appears low. Between 2003/04 and 2008/09 detections made by both fingerprints and DNA have fallen¹⁵ whilst total costs

¹² Published March 2010; <http://www.hmic.gov.uk/PolicePerformance/Pages/Valueformoney.aspx>

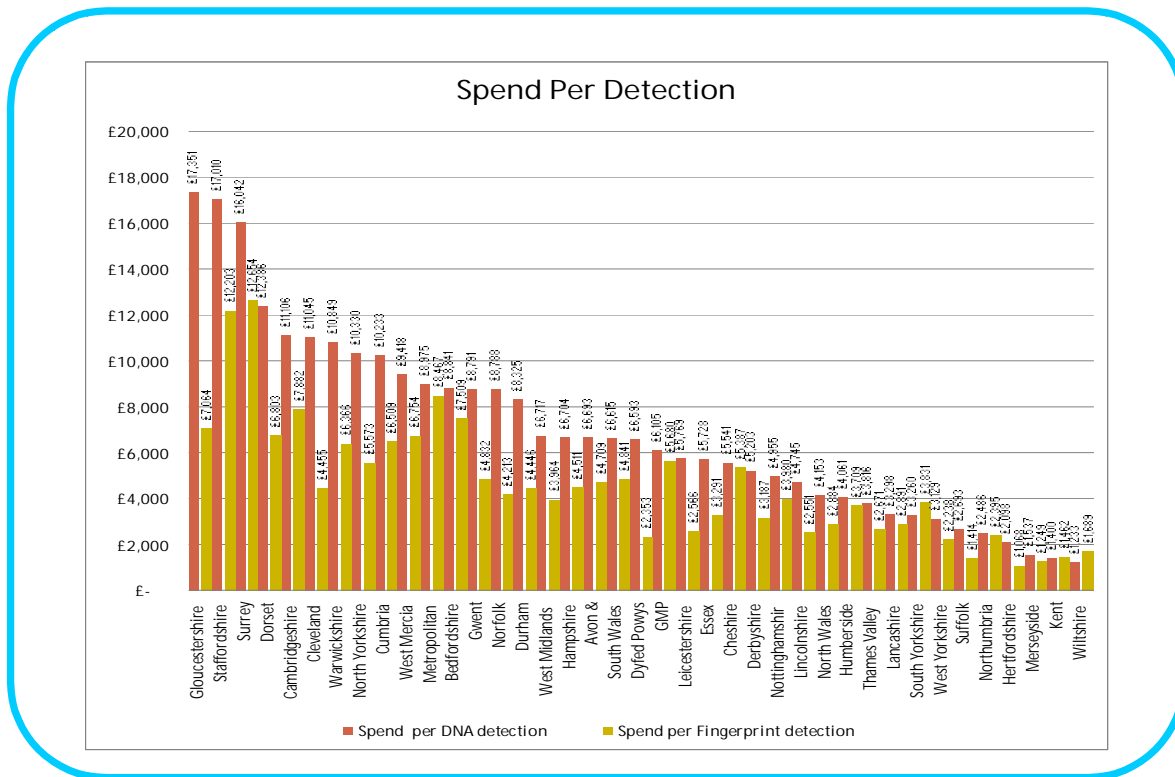
¹³ Police Objective Analysis (POA) - comparative survey based data, ACPO

¹⁴ Desk-based research based on Home Office ADR staffing returns (March 09) and Police Objective Analysis for 09/10 estimates (this is a new dataset collected by the sector)

¹⁵ From the peak in 2005/6 (93,996) to 2008/9, (74,683) detections by fingerprints and DNA have dropped by 19,313. This includes both primary detections and TIC falling by 20.5%

have risen by 21% to just under £350m in 2008/09¹⁶. There is wide variation across the service in the cost of producing a forensic led detection (see **Figure 8**). Self evidently, some forces obtain more than others from their forensic investment.

Figure 8: Spend per DNA and Fingerprint detection¹⁷



On the 20th July 2010 the Audit Commission, with HMIC, published the joint report *Sustaining Value for Money in the Police Service*, identifying in greater detail potential cost savings. Even if these savings are realised - something which will not be easy and success is by no means certain - a significant funding gap may remain.

Collaboration as a vehicle for savings

Collaboration, or joint working, has been a feature of policing for many years¹⁸. In 2006, following the then Government's decision not to proceed with compulsory amalgamation of police forces, the police were encouraged by the Home Office to see collaboration as a viable alternative to amalgamation. Progress on collaboration since then can at best be described as patchy and has focused not on cash savings but primarily on improving skills and 'strength in depth' in the 'protective services', such as major drugs and people trafficking, and the ability to investigate complex murders.

There are notable exceptions to the general trend. The Counter Terrorism Network of three CTUs plus the London CT Command was developed 18 months ahead of schedule and has been successful in inhibiting terrorists, but it was built on growth of

¹⁶ Comparing 2004/5 against 08/09 the total cost of forensic science (from ADR) has risen by £59,969,680 from £289,399,046 in 2004/05 to £349,368,726 – an increase of circa 21%.

¹⁷ Total cost of forensic science 2008/09 (from ADR)

¹⁸ HMIC's 'Subsidiarity Scoping Exercise', conducted between November 2008 and March 2009 identified at least 720 collaborative arrangements, from 'handshakes' (14% of all collaborations) to structured, long-term agreements (around 27% of all collaborations).

£240m¹⁹. Hertfordshire and Bedfordshire forces anticipate savings of £1.576m in 2010 from joint work on scientific support, major crime, firearms, a single dog unit and a single professional standards department. In the main though, there is very little evidence of a significant return from collaboration where it is not supported by government funding. For example, the approved budget for joint Welsh operational units for 2009/10 is £9.474m, of which £6.487m is external funding²⁰. Taken overall, a review in 2009²¹ revealed that collaboration accounted for 9.5% of all business, but a significant proportion was funded by government.

Looking forward, the situation does not appear to be improving. ACPO and the APA produced a progress report on anticipated police savings from collaboration for the period 2010/11 to 2013/14. Their assessment, based on replies from 37 forces²², identified anticipated cashable savings from collaboration of only £5.7m in 2010/11. Whilst collaborative work alone will not deal with the financial challenges currently faced by the police service it can help. Our work provides evidence that forces and authorities have been slow in seizing opportunities that work. The variable spends on operational and support units have not been explored.

Bridging the gap

New challenges will emerge over the next five years that require police attention, which will place further pressure on limited resource. Therefore, unless the police can find further improvements in productivity or cost reductions, a different level of service from the police can be expected. If the number of officers available to the general public is not to be cut the police will need to look elsewhere for savings, not just at support but operational functions, including the way available front-line officers are used.

¹⁹ In October 2007 the comprehensive spending review saw an extra £240m allocated to the police service over 3 years to provide more staff across the CT Network and to fund specific PREVENT activity

²⁰ National Policing Plan for Wales 2009-12.

²¹ "Getting Together: a better deal for the public through joint working", HMIC, June 2009

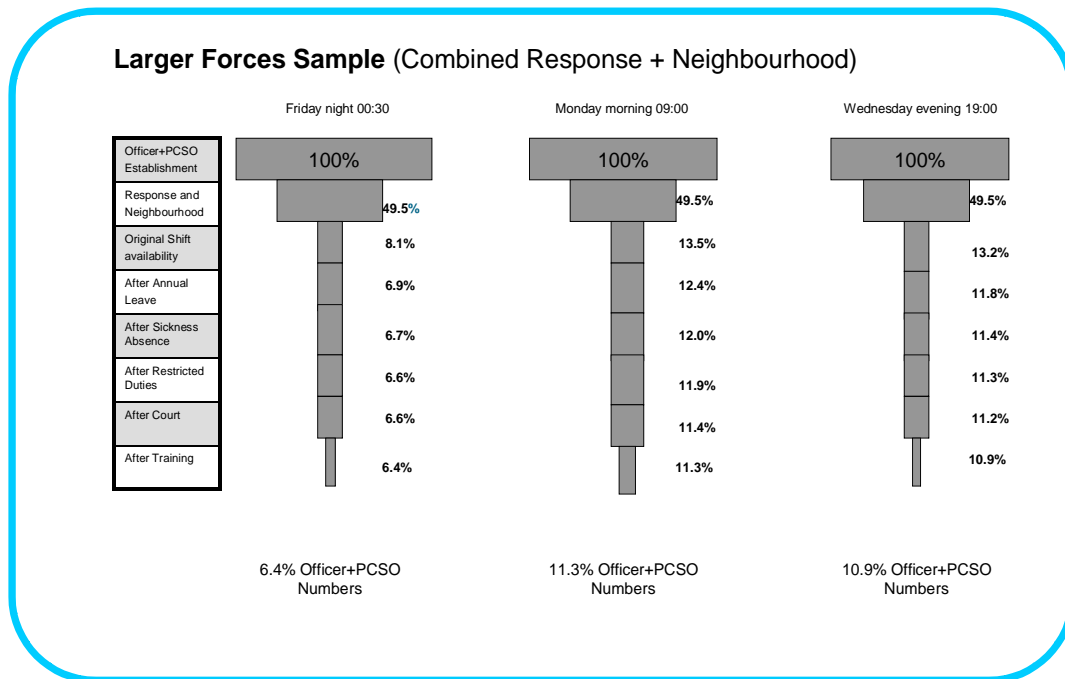
²² Data excludes Cambridgeshire, Cleveland, Essex, Gwent, Lincolnshire and Wiltshire forces.

Where are the police

Visibility of policing is a key issue: this emerges every time HMIC talks to the public. We found, in a study of five forces, an inconsistent approach to ensuring police officers and staff are on duty at times when the public need them most (for example, responding to anti-social behaviour in the evenings). Some are alert to this demand; others less so. This is despite increases in investment and a commitment to neighbourhood policing teams over the last five to six years and very clear evidence that, for the public, anti-social behaviour is important. There has for a long time been an accepted wisdom that simple visible uniform presence and patrol has little impact on crime levels. However, recent research shows that may not be the case²³.

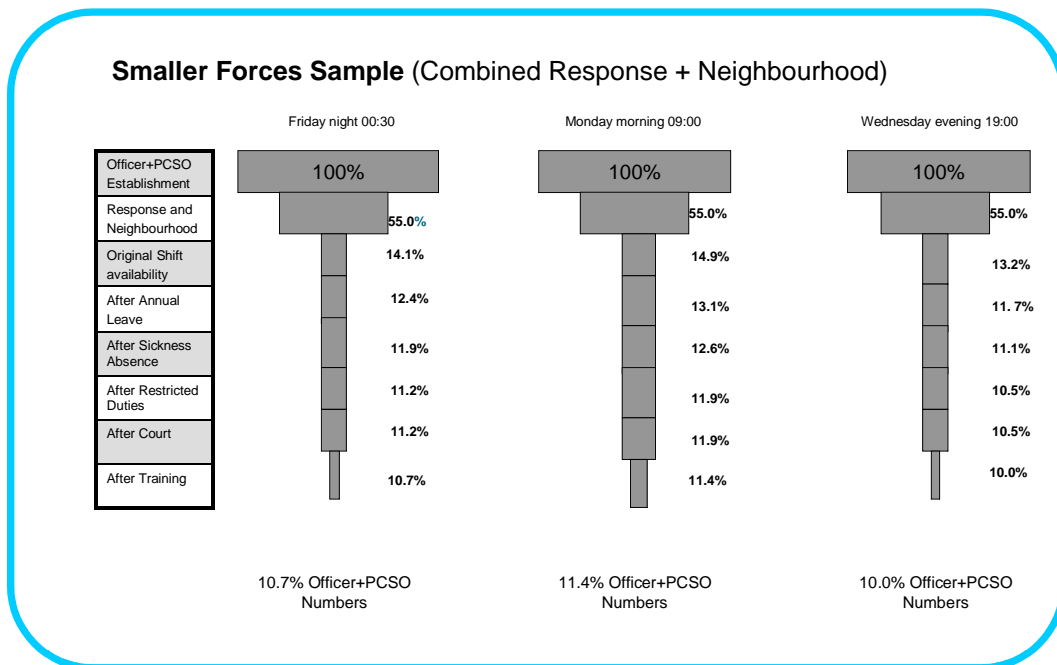
We reviewed the visible availability of officers and PCSOs in five sample forces at three periods during the week: Friday night (with a night-time economy), Monday morning (regarded as a quiet time) and Wednesday evening (a potential time for anti-social behaviour). **Figure 9** shows the percentage of uniformed staff available to the public in the larger forces sampled and **Figure 10** the percentage in the smaller forces sampled. They show the reduction of police resource from 100% (the total 'establishment', or workforce) to the relatively small percentage available for front-line publicly visible duties, as the result of: the organisation of resources (workforce allocated to functions other than response and neighbourhood, for example, investigation and intelligence); shift systems to meet 24/7 needs; and the inevitable attrition through annual leave, sickness absence, restricted duties, court attendance and training arrangements.

Figure 9: Combined percentage of officers and PCSOs visibly available to the public in two larger forces sampled



²³ CEP Discussion Paper No 852 Draca, Machin and Witt 2008

Figure 10: Combined percentage of Officers and PCSOs visibly available to the public in three smaller forces sampled



It is true of both the larger and smaller forces sampled that fewer police officers and PCSOs are available for work on Friday night than during the quiet period of Monday morning. In the larger forces, less than 7% of officers and PCSOs are available to the public on Friday night. Arguably, this may be symptomatic of increased reliance over recent years on PCSOs to fill the frontline gap as PCSOs, typically, do not work after 8 o'clock in the evening. If so, this may serve as a good example of the limits of the current phase of 'modernisation'.

In June 2010, HMIC contacted a Basic Command Unit (BCU), i.e. local area in each force to ask how many police officers were on response duties at a given time on a weekday morning. This information was then used to calculate the number of officers likely to be on response duties, at this time. From a total workforce in England and Wales of 143,835 officers, we estimate that just over 5,000 officers (=3.5% of total workforce) are on response duties across the entire country on a typical weekday morning²⁴. There was significant variation across all forces: at worst, 1.2% of the total number of warranted officers were readily available for response; at best this was 8%.

The fact is that general availability, in which we include neighbourhood policing and response, is relatively low. Several factors have combined to produce this 'thin blue line' of which shift patterns, risk management, bureaucracy and specialisation are the most significant.

²⁴ BCUs were asked to provide actual numbers for officers on duty at 9:00 on Tuesday, 22 June 2010

Shift patterns

Whatever shift pattern is chosen, all police officers work the same number of contractual hours over the year. Most forces surveyed used 8-10 hour variable shift patterns – one used 12 hours widely. There was considerable variation in shift arrangements within a sample of six forces, which can be seen in analysis of officer days at work, per year (see **Table 1**).

Officers in four of the six the forces had more days away than at work. Consequently, there can be a lack of continuity for the public, as it is harder for them to maintain contact with individual officers. Additionally, it can reduce operational flexibility and increase overtime costs.

Table 1: Officer days at work per year

| | Days at work | Days away |
|--|-------------------|------------|
| Response/Neighbourhood Officers (range from 6 sample forces) | Best: 208 | 157 |
| | Worst: 171 | 194 |

Days away = rest days + annual leave + bank holidays only (not sickness, court appearance or training)

The contrast between the significance given to the logistics of public order policing, (which are done well) compared to the management of availability to the public in neighbourhoods could hardly be sharper. Major businesses set store by smart logistics, supporting their units on the ground with a dynamic analysis of what is needed at any time. Given the spectrum of operations and dependencies in policing, an improvement to the systems for matching supply to demand is overdue.

There are, however, complexities in modern policing that did not arise in previous generations. For example, response officers may live a considerable distance outside their force area, have second jobs and only be available part-time.

A number of forces have introduced single patrol (or single crewing). It is apparent that there are varying degrees of resistance about putting this policy into practice, yet there are clear benefits to the public in doing so. A senior police commander said:

“All our officers are more than capable and adequately trained to go out and engage with the public on single patrol – which makes them far more approachable and familiar”²⁵

Pay and conditions

There are also issues around pay, conditions and working practices that contribute to this picture. Such factors need consideration, but should not stand in the way of improvement. “The Police Regulation and Determination 2003²⁶” were designed for a different era of Policing. This legacy legislation does not provide a flexible framework to provide a dynamic and responsive workforce for the public. Any changes to those

²⁵ p8, *The Job*, MPS, February 2010

²⁶ Police officer terms and conditions are contained in the Police (Amendment) Regulations and Determinations 2003 and the Police (Amendment) Regulations 2007

regulations are required to go through a process of consultation, negotiation and legislation. The Police Negotiating Board is the vehicle by which this takes place and meets 4 times a year. Consequently, the time taken for changes to be made is lengthy.

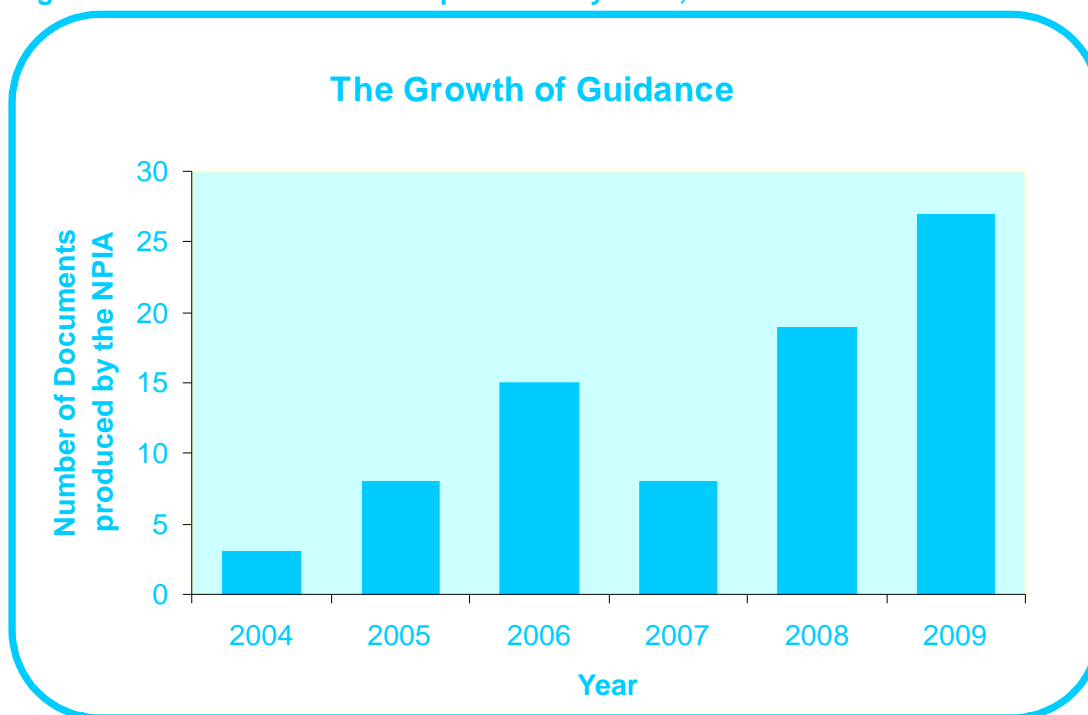
While shifts can never match demand perfectly, good logistics in the Police Service could engineer a more effective 'fit' of supply to demand, whilst recognising appropriate work-life balances. Indeed, with reduction of funding, this is essential if we are to avoid moving from a thin to invisible front line.

Risk management and bureaucracy

The response to the seemingly open-ended range of potential risks and threats identified in modern society has been conducted in silos. In each isolated case, there will be a compelling justification for action. However, we have reached a point where the scale of guidance and expansion of specialisation to support is no longer sustainable. This is a significant driver of bureaucracy, whether associated with 'standards' or the regulatory response to events or training. Most importantly, it can generate a false promise to the public about what police can achieve. As resources become tighter, the 'police promise' to the public about what it can realistically deliver needs to be re-visited.

In 2009 alone, there were 52 guidance documents produced by ACPO and the NPIA, comprising more than 2,600 pages and over 250 recommendations. **Figure 11** shows that in 2009 guidance material from NPIA alone landed in forces and authorities, on average, once a fortnight.

Figure 11: Guidance documents produced by NPIA, between 2004 & 2009



Some guidance, of course, is necessary. Any service affecting the rights of the citizen must be accountable and the mechanisms of accountability require a certain level of bureaucracy, in terms of shaping and monitoring of performance. This is to protect the rights of individuals and the integrity and quality of the service, which is especially important when it involves the use of coercive force or the denial of liberty. However,

the application of these requirements taken together is unnecessarily burdensome to access, understand and implement whilst allowing any space for preventative patrol.

Ideas, concepts and processes that started out as simple checklists for doing business – such as ‘intelligence led policing’ – have become cottage industries, generating doctrine, guidance and a plethora of supporting documentation. The National Intelligence Model (NIM) is a ‘super-outputter’ of documents: the guidance now runs to 213 pages, with nine volumes of supporting documents that together comprises 816 pages. In addition to this, there are the requirements of Government (for example, Laming, RIPA) and legislation – not only criminal, but workplace and task-related guidance (for example, the integrated competency framework, which has spawned paperwork on an industrial scale).

The number of organisations and regulatory bodies that place requirements on the police has doubled since the early 1990s. Alongside HMIC, there are now 16 other organisations that can make regulatory demands on the police. Collectively, this has increased oversight and scrutiny of forces and has diverted police resources away from serving the public. All, including HMIC, will have to review demands and expectations on police forces across the full range of inspection activity. For example, HMIC’s programme of police custody inspections²⁷ is primarily focused on conditions within which detainees are held but recommendations impact across the business of police custody. The most recently published report (Wandsworth Borough in the Metropolitan Police Service – published on 22nd June 2010) had 31 recommendations.

The police find it hard to say ‘no’ to compelling cases where more can be done to reduce risk to the public. A great premium is placed on anticipating risks through collecting information; for example, by documenting every encounter with missing persons, mentally troubled individuals, victims of domestic violence and children. All are deserving but ignore the consequences for the remainder of the public for whom other benefits are foregone. **The police need a new touchstone on risk management where they are only judged against the most probable risks that arise routinely, that they can reasonably be expected to deal with.** There is no equivalent of the NHS’s National Institute for Health and Clinical Excellence that can give a view on the balance of risk and use of resources, and nobody is keeping the overall account. This can be the only explanation for the year-on-year increases in guidance issued by the NPIA and ACPO in the last three years.

For the moment, ACPO and NPIA have agreed a moratorium while the Service reviews the validity of much of the guidance and the costs of implementation and training, whilst refocusing the service on the needs of the public. The President of ACPO chairs the Policing Portfolio Group. This high-level strategic group has oversight of the NPIA work programme but, to date, it has had limited impact on the issuing of guidance. The President of ACPO has signalled his intent to constrain the production of guidance in future. Given that we are already aware of a further 62 guidance documents in the pipeline, a commitment to cull and control vigorously at national and local level is absolutely essential.

²⁷ HMIC’s programme of custody inspections is carried out jointly with HMI Prisons and the Care Quality Commission and forms part of UK Government obligations under the Optional Protocol to the United Nations Convention on the Prevention of Torture and Inhumane or Degrading Treatment (OPCAT). An ongoing review of the impact of the custody inspection regime is currently taking place.

Specialisation

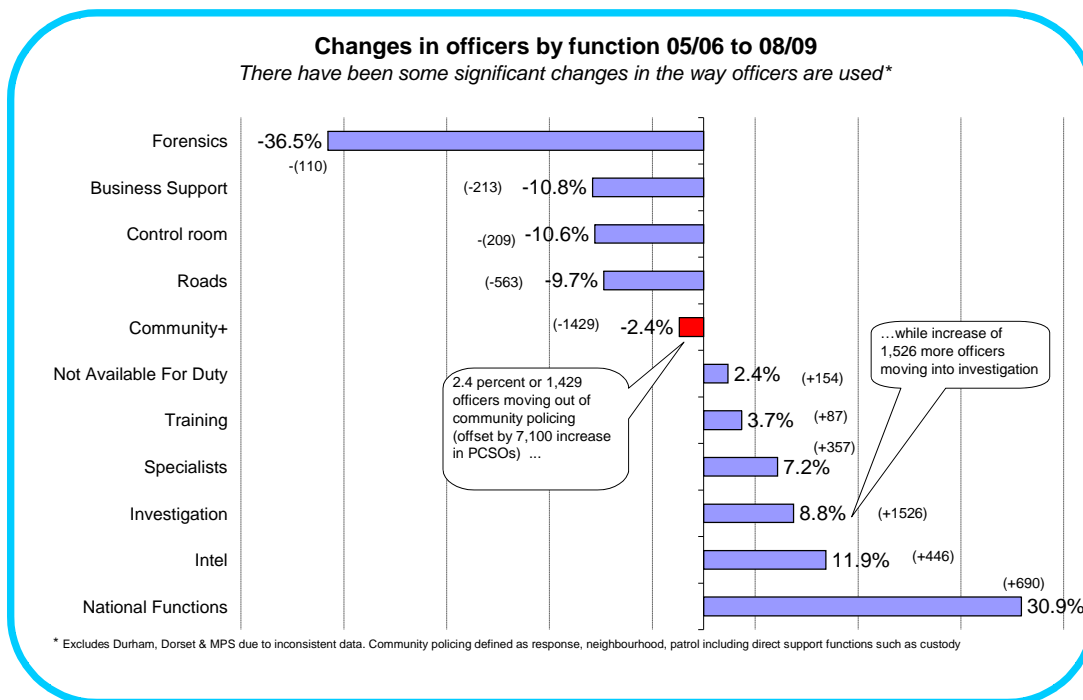
The prevailing influences in the policing system – the priorities and incentives from the centre – have had the effect of focusing force attention on increasing the capacity to deal with particular, specialist risk functions. To illustrate this, an organisational chart of a large urban Basic Command Unit (BCU) is attached (see **Appendix A**). This shows the range and complexity of policing functions it is required to perform. These include having a problem-solving sergeant; an anti-social behaviour unit; an information manager; partnership teams; public protection (child protection); and a range of intelligence and analytical functions. This presents a dramatically different picture of a police division compared to 20 or 30 years ago. This is a reflection that in a growth environment functions can become roles and indeed provide a more sophisticated and comprehensive service. But in the difficult times ahead such provision may not be sustainable and a return to a more multidisciplinary workforce may be inevitable.

The investigation of serious collision on our roads illustrates the change and growth of specialist functions. In the 1970s a traffic or uniform response officer would deal with most aspects of the investigation of a collision. At best, he or she would have done a “drawing plans” course. Now a team of officers utilising sophisticated equipment and representing a number of disciplines will investigate such incidents. Whilst the number of officers dedicated to roads policing has dipped in the last 5 years (see **Figure 12**), the investment is still significant. Even a small force can have around 20 such officers.

The trade-off from growth in specialist units has, in many places, been a reduction in the number of warranted officers available to the public. **Figure 12** identifies a swing over the last three years away from community policing²⁸ towards specialist units and investigative roles. It shows that there were 1,429 fewer officers working in community roles in 2008/09 than in 2005/06. However, this is not a uniform pattern across the country; of the 41 forces that supplied data, 15 have actually increased the number of officers working in the community, (two have remained broadly stable, whilst 24 have reduced this number).

²⁸ Community policing is defined as response, neighbourhood, patrol including direct support functions such as custody

Figure 12: Changes in officers by function 2005/06 to 2008/09²⁹



Forces now need to consider the balance they strike between making resources available to the general public and responding to individual risks and priorities.

Impact of the Criminal Justice System

The police contribution to the Criminal Justice System through investigations, processing suspects in custody and case preparation, is estimated to cost around £2.2 billion³⁰. Emerging findings from desktop research about the route criminal cases follow within the justice system suggest that a better return can be achieved for the public, by removing avoidable bureaucracy and extending the use of less bureaucratic ways of dealing with minor offending.

We have analysed in three forces the progress of suspects from arrest to final outcome at court and identified 100 different processes requiring 40 interventions by various police officers, police staff and specialists at different times. We tested these findings against real cases:

- We tracked a burglary investigation and found that from the point of reporting to police through to suspect arrest, charge and court appearance there were at least 30 different people involved in the investigative, administrative and preparation process (a flow chart setting out this process is attached at **Appendix B**).
- We also tracked a rape investigation from point of reporting to investigative stage, without charge, where 24 different people were involved in a 12-hour period.
- A randomly chosen and completed case of common assault took 242 days to pass through the system with an active processing time of 44 hours, generating five

²⁹ Home Office Annual Data Return 601. National Functions are resources that can be attributed to a range of functions that may cross force boundaries including those deployed on national security functions. These officers are therefore unavailable for local duties.

³⁰ Value for Money profiles <http://www.hmic.gov.uk/PolicePerformance/Pages/Valueformoneyprofiles.aspx>

copies of case papers across three IT systems that were unable to talk to each other.

Over the last 30 years legislation and policy initiatives have proliferated, accelerating in recent times to ensure that offenders are brought to justice and the victims of crime are treated properly. Against the background of a diminishing resource the question arises of whether police will be able to align the resource to meet the requirements to deal effectively with both serious crime and less serious crime effectively, while meeting the different needs of victims.

This point is starkly drawn out by the current profile of cases entering the criminal courts: 40% of all defendants entering the system are accused of traffic violations (mostly speeding and document related offences). The public rightly expect police officers to bring bad driving and drivers to the attention of the court, particularly when drivers have ignored other options to deal with their case, but the processing costs even for these cases which tend to have simpler processes and do not usually involve the arrest of the perpetrator, are conservatively estimated at £200m. We ask the question whether the balance of cases entering the criminal justice system is right.

As a result, we are now taking a clinical look at achieving more from less across the police contribution to criminal justice by:

- scrutinising the potential for transforming the way cases enter the criminal justice system;
- realising the leadership potential to bring about change; and
- shining a spotlight on the degree of collaborative effort required to identify and specify realistic opportunities to improve as well as the barriers to success.

Preparedness

The scale of the reductions over the next few years will require a more radical approach than many in the policing sector have considered until now, if significant savings are to be achieved and public-facing services improved (or at the very least maintained).

Police authority inspections between September 2009 and June 2010 found police authorities have many responsibilities. Most police authorities need to significantly improve their capacity and capability on strategic planning and value for money. Of the police authorities inspected to date, 14 out of 15 have been judged as only meeting the most minimum requirements in this area.

A key concern identified across authorities is the absence of effective benchmarking of costs compared with performance – in particular, how to achieve a standard of policing that offers the public a good deal on public safety while, at the same time, ensuring the taxpayer gets value for money.

The police authority thematic report, published in March 2010, found that:

*Police authorities lack a comprehensive understanding of the resources available to deliver sustainable policing and are not setting sufficiently challenging targets for improved efficiency and productivity to respond to the economic climate in front of us. **Benchmarking of costs ought to be the order of the day. It is not.** Little or no assessment is made of efficiencies that can be achieved from workforce deployment, redesigning business processes, streamlining support services, collaborative and partnership working³¹.*

In the transition period police authorities will need to use the comparative benchmarking information available now to provide the degree of focus on value for money in forces that at present does not routinely exist.

Workforce restructuring

Around 80% of police budget goes on workforce costs and the ability of forces to restructure the workforce, in a timely way, will be important to bridge any funding gap. The precise mix of staff and turnover rates varies from one police force to another. Preliminary modelling, based on a 25% cut in central Government funding, suggests that if forces rely on turnover of officers as the mechanism for achieving the reduction in costs required, it may take over seven years for some forces to achieve the required levels and the vast majority will not be able to reach them within four years. In other words, a uniform 25% cut in central government funding will generate significant levels of redundancy. In this scenario, it would be very hard to maintain even the current level of availability.

This suggests that managing a restructuring of the workforce in each police force would require careful workforce planning and significantly larger proportionate reductions in police staff and PCSOs than could be achieved through turnover alone. The situation modelled here would get more difficult if turnover rates slowed.

³¹ 'Learning Lessons' HMIC and Audit Commission, March 2010, para 53.

Survey of force financial plans

In June 2010, HMIC conducted a survey of all 43 police forces to:

- collect a high-level snapshot of force financial plans;
- identify what preliminary steps have been taken to prepare for cuts (specifically, changes to recruitment patterns); and
- measure savings predicted through change programmes already in place

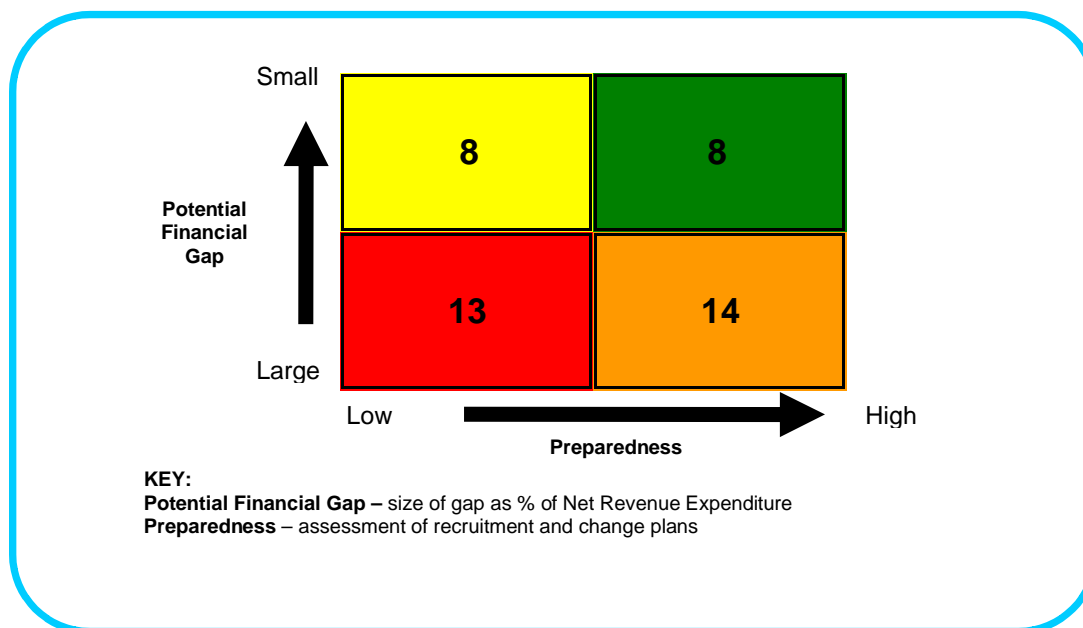
Whilst some forces are taking preliminary steps to prepare for cuts, most are holding off on committing to reductions until the scale of the cuts required is clearer. Eighteen forces have decided already not to recruit any police officers this year and seven forces are recruiting a reduced number. However, 18 forces had not stopped recruiting at the time of the survey.

The large majority of forces surveyed (34 forces) have an unplanned funding gap of between 2% and 27%. Only nine forces indicated that they had costed change programmes to bridge the gap identified. The assumptions underpinning these plans are different in each case and have not been subject to validation.

Analysis of the survey suggests there is wide variation in both the preparedness and scale of the challenge currently being envisaged by forces. **Figure 13** summarises the overall position for the 43 forces against two dimensions financial gap and general preparedness.

We plotted the size of the potential financial gap (identified by forces themselves) and compared this to their preparedness to 'bridge the gap', through consideration of the steps already taken to prepare for reduced income. Our survey suggests that only eight forces out of 43 – less than one in five – could be considered to be well prepared for the scale of cuts they predict. We considered 27 out of 43 forces to show a large potential financial gap, of which 13 forces – nearly one in three - appeared to have low levels of preparedness for addressing the financial shortfall.

Figure 13: Analysis of relative preparedness and financial gap across 43 forces in England and Wales



Resilience

Arguably, police authorities can mitigate some of the funding reductions through use of reserves. Again, they start from widely varying positions. Total reserves as a proportion of gross revenue expenditure range from 0.3 to 13.3%. A significant proportion of police authority reserves are earmarked for specific purposes such as insurance. These are not available to mitigate funding cuts. General reserves range from nothing to 7.8% of gross revenue expenditure. These are available to mitigate funding cuts but cannot be used in their entirety to do this as police authorities do need some reserves in hand. A benchmark for reserves of between 2 and 5% is generally regarded as prudent³². Reserves can only be used in the short run as part of a planned reduction to lower the net budget requirement to allow time to reduce the underlying base budget, and they can only be used once.

The extent to which individual police authorities and forces are at risk from reductions in central government and other funding streams is not predictable. Those most likely to be at risk are those with:

- low spend compared to their peers. They are already cheaper, although this does not mean there is no scope for further cost cutting;
- higher reliance on central government funding as opposed to precept income. They will see proportionately larger reductions in funding;
- smaller budgets. There is generally less room for manoeuvre in small budgets;
- less funding relative to their need (as the result of police grant damping mechanism)³³;
- low levels of reserves. They will not have the flexibility to cushion funding reductions; and
- low workforce turnover rates and higher proportions of police officers in their workforce.

Silver Bullets?

The factors HMIC has examined show the complex nature of the management challenge faced by chief officers and police authorities. This is not unique to the police and will be replicated across the public sector. There will be questions asked of a whole generation of leaders and managers who have not operated in such a challenging environment.

Although there has been some attention in forces and authorities over recent years to value for money, approaches have focused on incremental annual cost reduction rather than pursuing significant efficiencies in major areas of policing. Managing change on the scale needed will challenge even the best forces and in this the police cannot succeed alone.

Some in ACPO argue for a simplification of crime recording which has become overly complicated and time consuming; for more flexibility in police officer terms and conditions of employment which constrain recruitment, deployment and dignified exits; a reduction in public sector regulation such as health and safety; and governance arrangements that balance democratic oversight with additional overheads.

It is clear that the scale of the change in prospect will not be remedied by a single initiative e.g. removal of targets, reduction in regulation, or re-focusing governance by

³² CIPFA

³³ Recommendation 5 of *The Review of Policing – Final Report* (2008) by Sir Ronnie Flanagan proposed that, “The allocation of grant funding to police authorities should be based transparently on objective need in order to better match resources to threat and demand. To achieve this, the Home Office should move towards a fuller application of the funding formula in future Spending Reviews, phasing out the existing damping mechanism of floors and ceilings”

reducing the 60+ statutory responsibilities police authorities currently have. Although public sector rules around procurement and risk management are not well suited to dynamic management of innovation, risk and resources, it is not the case that police leaders have been entirely constrained during recent years. For example, ACPO championed neighbourhood policing before it was fashionable and the MPS have nurtured criminal justice reform. However, the framework or “system architecture” of policing does need to change in order to enable dynamic entrepreneurial leadership.

System architecture

The environment that the police have operated in has shaped the Service's approach on how to succeed, where to invest and what matters most to the public. The police would argue with conviction that they have succeeded in reducing crime and raising confidence within the confines of the system around them. Features of the system are:

- **Central constraints on local priorities.** Although these have lessened in recent years, central constraints including targets and performance requirements have overlapped with or led to less space for local priorities. ACPO have made this case strongly³⁴.
- **A cluttered performance regime.** The focus on performance produced results initially, but progressively there have been too many players and uncertainties about responsibilities. It has been hard to see the wood for the trees: for example, APACS³⁵ covers the full range of performance indicators, from anti-social behaviour to serious risks or harm, all of which were considered at local, regional and national level
- **Risk.** An open-ended approach to mitigating risk that ignores the consequences for the remainder of the public for whom other benefits are foregone. This has led to an increase in precautionary guidance from the centre and locally with a consequential increase in specialisation.
- **Lack of credible comparative financial information.** This has been helped by the provision of VFM profiles and Police Objective Analysis data for forces in the autumn of 2009.
- **Limited incentives to improve value.** Central standards and subsidies have been used to drive change but there have been no penalties for expensive choices on costs and contracts and very little transparency for the public on spending choices. Central government grant has been provided on an unqualified basis.
- **Governance around accounting for, rather than leveraging of, resources.** Police authorities have secured audit of resources but not focused strongly on following the money or reshaping spend in the medium term.
- **Uncertainty on the scale of cutbacks.** Cuts have been the subject of speculation in the police service, although without much reference to the range suggested independently, e.g. by the Institute for Fiscal Studies. Communication from government to date has relied on a 'trickle down' that hasn't trickled: the only direct communication has come with the 'in-year 2010 cut of £135m from policing budgets'.

Leadership of business change has had limited recognition, is poorly defined and even less well supported. Operational delivery and excellence appear to take precedence over increasing the efficient use of resources. Arguably, this is a system of control for a time of growth. The police were asked to reduce crime and improve public confidence. They have used increased resources to achieve both. Now expectations are changing and the service will need to be smaller and better in some key areas. To achieve an improved outcome, new rules of engagement on value for money need to be defined, supported and acted upon. Redesign of this system is necessary to enable transformation in the way policing is delivered. If the issues outlined here were dealt with, then they could become enablers to sustained improvement.

³⁴ In June 2010, the Government announced that the single confidence target, PSAs and the Policing Pledge would be removed

³⁵ Assessment of Policing and Community Safety.

Conclusion

The evidence suggests to us that, following a prolonged period of expansion, much of the current system – in terms of central support, governance and incentives – is geared towards growth, not austerity. British policing has been successful on these terms of trade, but these terms cannot be maintained. The opportunity of the time lapse between the realisation that the economy is in trouble and the downstream consequences impacting on the sector has not been fully grasped. The sector will need to accelerate its work on value for money rapidly if cuts are not to unduly affect service to the public.

The whole dynamic around value for money architecture needs to adapt, including the tempo, focus and imperatives. This applies to forces, authorities (whilst they remain), regulators and the Home Office. All bear some responsibility for the current deficit in preparedness for austerity. It will help greatly if the broad ambition set by Government is more than managing either cuts or (as some would see) decline.

If a better visible balance for the public can be achieved with less and this can be organised by the service and enabled from the centre, it may serve as a worthwhile ambition in the tough times ahead. All, including regulators, will have to review what they do to support such an ambition.

Key findings

We have found four areas that we believe, if tackled with pace and vigour, would enable the sector to reduce cost significantly at the same time as improving service in some key areas that the public value. These four areas are:

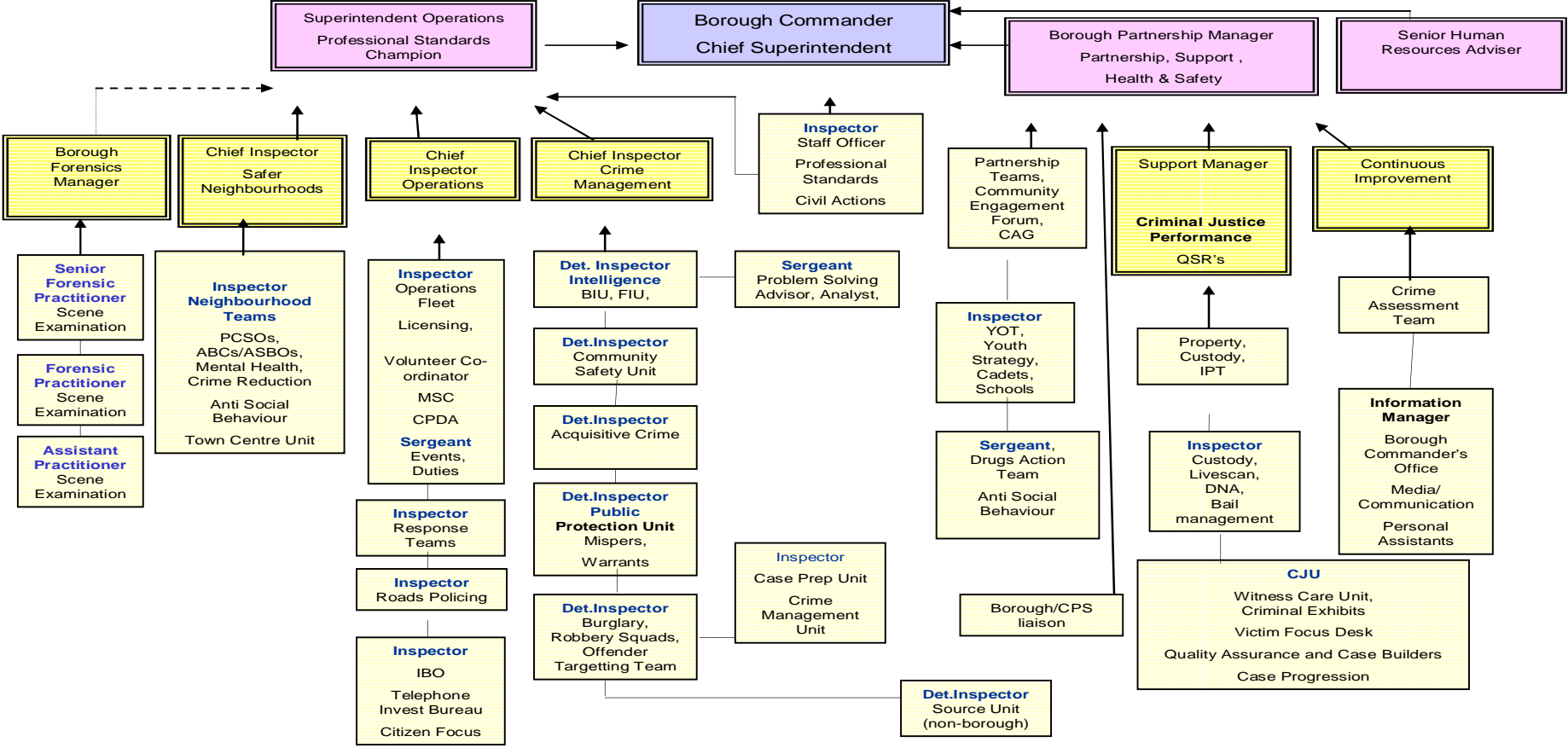
1. Cost control – benchmarking costs between forces indicates significant variation and the potential for large savings.
2. Staff availability – this is not currently aligned to public priorities for visible policing due to the configuration of shift patterns, the increasing burden arising from risk adversity and bureaucracy and the associated drift towards specialisation.
3. Preparedness – many forces and authorities are not well prepared for the challenge. Even where the arguments for change have been strong, the pace to date has been slow.
4. System architecture – these are the rules of the game that influence behaviour in the service. They include central targets, a cluttered performance regime, a lack of comparative financial information, limited incentives to improve value, a governance regime focused on accounting rather than leveraging resources and uncertainty over the scale of the cut-backs.

The service got better by being bigger: albeit with some public scepticism, particularly in relation to the fall in crime. Now the game has changed and the police must continue to decide where to get better whilst getting smaller. Incremental cost savings driven by an annualised planning cycle will not be enough. Transformation of police forces and the wider system surrounding them is essential in order to deliver public expectations for policing in the years ahead.

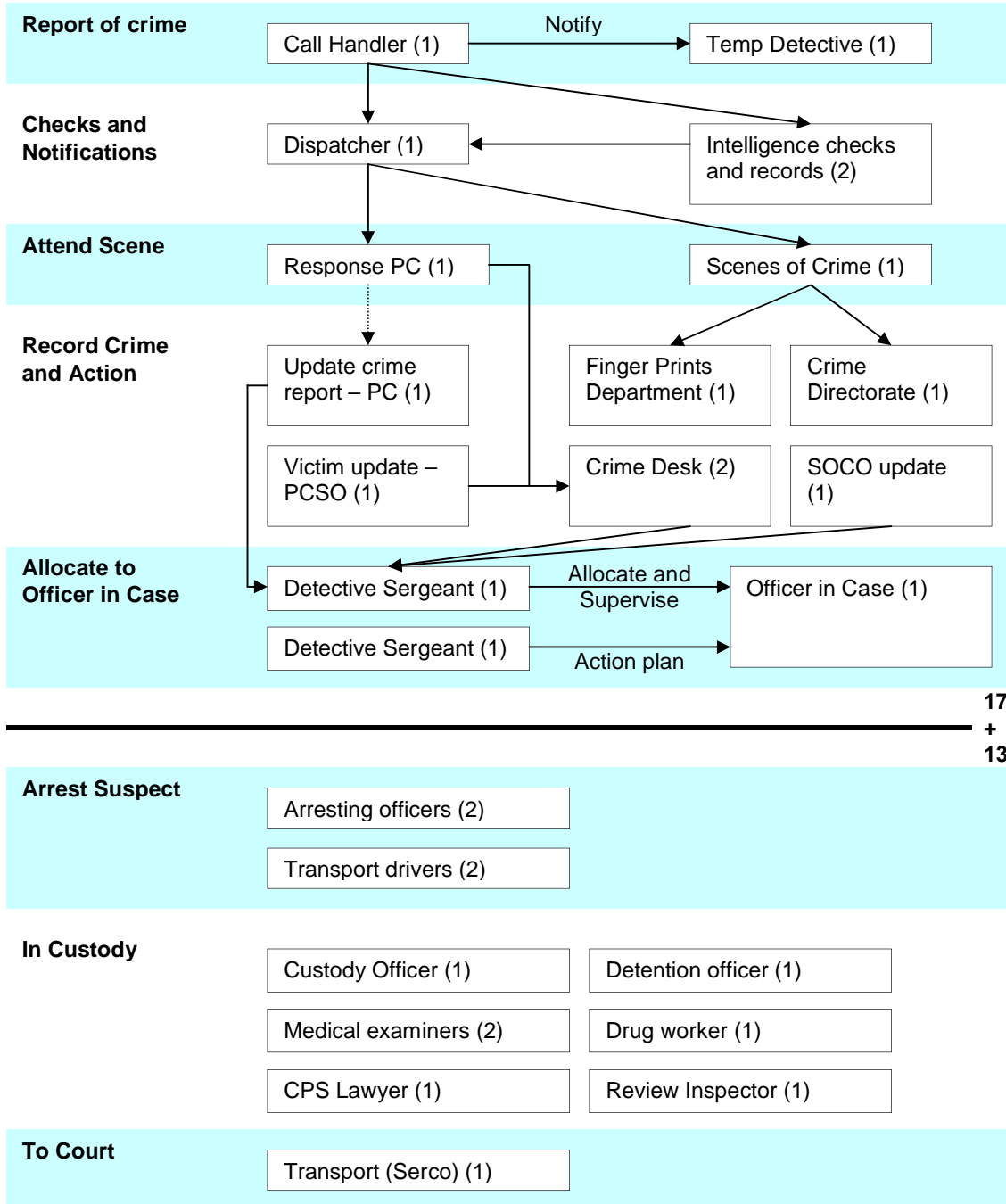
Appendix A: Example BCU Organisational Chart

Borough Police Management Structure 2010

Not Protectively Marked



Appendix B – Dealing with a burglary



17
+
13

Acronyms and glossary

| | |
|-------------------|--|
| ABC | Acceptable behaviour contract |
| ACPO | Association of Chief Police Officers |
| ADR | Annual Data Requirement (ADR): a list of all requests made to all police forces in England and Wales under the Home Secretary's statutory powers. |
| APA | Association of Police Authorities |
| APACS | Assessment of Policing and Community Safety |
| ASBO | Anti-social behaviour order |
| BCU | Basic command unit: these broadly equate to former police districts or divisions |
| BCS | British Crime Survey |
| BIU | Borough intelligence unit |
| CAG | Community advisory group |
| CIPFA | Chartered Institute of Public Finance and Accountancy: an accountancy body for public services. It provides education, training and guidance as part of a range of services to aid in the development and improvement of the profession. |
| CJU | Criminal justice unit |
| CPDA | Crime prevention design advisor |
| CPS | Crown Prosecution Service |
| CTU | Counter terrorism unit |
| FIU | Financial investigation unit |
| HMIC | Her Majesty's Inspectorate of Constabulary |
| IBO | Integrated borough operations |
| Ipsos MORI | UK market research company |
| IPT | Integrated prosecution team |
| LSE | London School of Economics |
| MPS | Metropolitan Police Service |
| MSG | Most similar group |
| NICE | National Institute for Health and Clinical Excellence: provides guidance, sets quality standards and manages a national database to improve people's health and prevent and treat ill health. |
| NIM | National Intelligence Model |
| NNDR | National Non-Domestic Rates (NNDR), or Business rates, are collected from businesses by councils, pooled by central government and redistributed to councils on a formula basis. Special arrangements apply in the City of London. NNDR money combines with the Revenue Support Grant (RSG) and council tax to make up local government funding. |
| NPIA | National Policing Improvement Agency |
| PA | Police authority |
| PC | Police Constable |
| PCSO | Police community support officer |
| POA data | Police objective analysis data: Annual accounts sent by each force to the Chartered Institute of Finance and Accountancy, |

| | |
|----------------------|---|
| | allocating costs against objective headings |
| Policing plan | The Police Reform Act 2002 requires all Police Authorities and Police Forces to produce a Local Policing Plan (LPP) each year, outlining policing aims and priorities. |
| RSG | Revenue Support Grant (see NNDR above) |
| SOCO | Scene of crime officer |
| VfM | Value for money |
| VfM profiles | Value for money profiles: Published by HMIC, these provide information on what the police are spending their budgets on; staffing levels by grade and function; and outputs and outcomes in a comparable format. These profiles are based on data provided by the police. They can be accessed at http://www.hmic.gov.uk/PolicePerformance/Pages/Valueformoneyprofiles.aspx |
| YOT | Youth offending team |