Sustaining value for money in the police service

Community safety, July 2010
The **Audit Commission** is an independent watchdog driving economy, efficiency and effectiveness in local public services to deliver better outcomes for everyone.

Our work across local government, health, housing, community safety and fire and rescue services means that we have a unique perspective. We promote value for money for taxpayers, auditing the £200 billion spent by 11,000 local public bodies.

As a force for improvement, we work in partnership to assess local public services and make practical recommendations for a better quality of life for local people.

**Her Majesty’s Inspectors of Constabulary** are charged with examining and improving the efficiency of the Police Service in England, Wales and Northern Ireland. HMIC is independent both of the Home Office and the Police Service.

The **Wales Audit Office** works to promote improvement so that people in Wales benefit from accountable, well-managed public services that offer the best possible value for money. It is also committed to identifying and spreading good practice across Wales and beyond.
## Contents

<table>
<thead>
<tr>
<th>Section</th>
<th>Page</th>
</tr>
</thead>
<tbody>
<tr>
<td>Preface</td>
<td>3</td>
</tr>
<tr>
<td>Where are we now?</td>
<td>3</td>
</tr>
<tr>
<td>What are the consequences?</td>
<td>3</td>
</tr>
<tr>
<td>Looking to the future?</td>
<td>4</td>
</tr>
<tr>
<td>Summary and recommendations</td>
<td>5</td>
</tr>
<tr>
<td>Summary</td>
<td>6</td>
</tr>
<tr>
<td>Recommendations</td>
<td>9</td>
</tr>
<tr>
<td>Chapter 1: Setting the scene</td>
<td>11</td>
</tr>
<tr>
<td>Chapter 2: On the money</td>
<td>14</td>
</tr>
<tr>
<td>Crime and disorder have significant costs</td>
<td>15</td>
</tr>
<tr>
<td>Police spending rose by 47 per cent in ten years</td>
<td>15</td>
</tr>
<tr>
<td>Local taxpayers are contributing more</td>
<td>15</td>
</tr>
<tr>
<td>Forces can achieve savings and maintain public confidence</td>
<td>18</td>
</tr>
<tr>
<td>On the money</td>
<td>18</td>
</tr>
<tr>
<td>Chapter 3: Future spending decisions</td>
<td>21</td>
</tr>
<tr>
<td>A transformational approach delivers greater savings</td>
<td>22</td>
</tr>
<tr>
<td>Reflecting force threat, harm and risk</td>
<td>26</td>
</tr>
<tr>
<td>Balancing budgets</td>
<td>28</td>
</tr>
<tr>
<td>Force planning must improve</td>
<td>28</td>
</tr>
<tr>
<td>Police authority challenge</td>
<td>29</td>
</tr>
<tr>
<td>Crime prevention success should lead to savings</td>
<td>29</td>
</tr>
</tbody>
</table>

Sustaining value for money in the police service
<table>
<thead>
<tr>
<th>Chapter 4: Managing the workforce</th>
<th>33</th>
</tr>
</thead>
<tbody>
<tr>
<td>Changing the workforce mix</td>
<td>35</td>
</tr>
<tr>
<td>Improving shift arrangements</td>
<td>39</td>
</tr>
<tr>
<td>Reducing overtime</td>
<td>42</td>
</tr>
<tr>
<td>Reducing management costs</td>
<td>44</td>
</tr>
<tr>
<td>Improving productivity</td>
<td>44</td>
</tr>
<tr>
<td>Overcoming workforce myths and barriers</td>
<td>46</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Chapter 5: Procurement and the back office</th>
<th>49</th>
</tr>
</thead>
<tbody>
<tr>
<td>Procurement</td>
<td>50</td>
</tr>
<tr>
<td>Back office</td>
<td>51</td>
</tr>
</tbody>
</table>

| Chapter 6: Collaboration                | 55 |
| Chapter 7: Conclusion                   | 62 |

<table>
<thead>
<tr>
<th>Appendices</th>
<th>66</th>
</tr>
</thead>
<tbody>
<tr>
<td>Appendix 1: Method</td>
<td>67</td>
</tr>
<tr>
<td>Appendix 2: References</td>
<td>68</td>
</tr>
</tbody>
</table>
Where are we now?

Police spending significantly increased over the last decade. The police service spent £13.7 billion in 2008/09: 47 per cent more than in 1997/98.\(^i\)

Crime has reduced: experience of crime has fallen by 45 per cent since 1995 and recorded crime is down by 22 per cent since 2003/04. Reported experience of antisocial behaviour is also decreasing (Ref. 1).

Public confidence has improved and police community support officers (PCSOs) have increased uniformed presence.

While funding has increased, the scrutiny and challenge of spending has so far been poor. Public debate and political interest has focused more on increasing police officer numbers, with a simple equation that more is better. Many council taxpayers have trusted this belief and have been willing to pay. Council tax contributed £3.0 billion to 2008/09 spending, a 148 per cent increase in real terms over a decade.

What are the consequences?

One result of the lack of public scrutiny is wide variation in police spending, even among similar forces. Increases in spending have also varied. There is no evidence that high spending is delivering improved productivity.

Eighty per cent of police spending is on the workforce. In 2008/09, the 43 forces employed about 143,800 police officers, 16,500 PCSOs and 79,000 police staff. Spending on police officers, including pensions, was £7.8 billion in 2008/09, up by 29 per cent from 1997/98. During the same period, the number of police officers increased by 16,900 (14 per cent). Spending on police staff, including PCSOs, reached £3.2 billion in 2008/09. This is an increase of 92 per cent from 1997/98.

Using police staff for jobs not requiring warranted powers could reduce costs for routine tasks. And variations in the mix of staff across the 43 forces and police functions suggest opportunities that some police forces are not exploiting. Some forces have increased workforce productivity in recent years but have not used these gains to reduce spending. Forces and authorities now have incentives to improve productivity to deliver cashable savings. The need to make savings will incentivise forces to confront high

\(^i\) All spending changes referred to in this report are real-terms changes at 2008/09 prices.
costs, understand the reasons why and enable police authorities to drive cashable savings and strengthen their scrutiny arrangements.

Increasing police funding meant forces and authorities did not face the need to make hard decisions. Nor did forces need to link spending to their threat, harm and risk assessment. As funding reduces, forces and authorities need a transformational long-term planned approach that links force priorities and whole systems change.

**Looking to the future?**

Forces need leaders who can drive the organisational changes needed to make savings from a transformational approach. Surprisingly, less than a third of chief constables identify leadership skills as important in achieving savings. Leadership is essential to delivering transformational change. This is a barrier to forces meeting the challenge of getting better value for money.

The challenge of getting better value for money requires a realistic appreciation of the future. Police leaders need to plan for major change, take tough decisions, and use tools such as benefits realisation to deliver savings alongside maintained or improved performance. They can use comparative information to question the way they do things and help them find savings. Some savings take time to deliver and forces and authorities will need courage to implement them, especially those that change the workforce and working practices.

But the risk of not taking a transformational approach to savings is high. It could result in immediate cuts in service when funding reduces with little room for manoeuvre or informed decision making.

This report provides a framework for change using a transformational approach linked to threat, harm and risk. It challenges the police service to make savings of up to £1 billion, as variation in costs suggests that there is significant scope. Forces and authorities should use the evidence in this report to test their own arrangements for delivering better value for money in eight areas: workforce mix; shift patterns; overtime; management overheads; productivity; procurement; back office; and collaboration. Making significant savings is not easy. The report discusses barriers to overcome and suggests solutions.

Signed

Eugene Sullivan
Audit Commission

Sir Denis O'Connor
HMIC

Gillian Body
Auditor General for Wales
Summary and recommendations

Summary  6
Recommendations  9
Summary

After a decade of increases, the police will have to cope with less money

- The police spent £13.7 billion in 2008/09, up by 47 per cent in real terms since 1997/98.
- Council tax contributed £3.0 billion to 2008/09 spending, a 148 per cent increase in real terms over a decade. Council tax levels are likely to freeze or reduce in 2011/12.
- Police forces used only half of their 2008/09 efficiency savings to reduce budget pressures.
- Police authorities need to set more challenging efficiency targets: the current average of 9.3 per cent over three years is not enough.
- Three-quarters of forces spent less in real terms in 2008/09 than in 2007/08.
- Over 80 per cent of chief constables and police authority chairs expect future budget cuts.
- Expected cuts in public sector funding provide the police with an incentive to secure better value for money.

Public expectations of policing quality will not reduce

- The police will have to cope with less money, increase public confidence, reduce crime, counter terrorism, and protect the public as new threats emerge.
- Forces that achieve the highest cashable efficiencies do not have lower levels of public confidence.

Savings decisions depend on threat, harm and risk: when they reduce, so should spending

- Threat, harm and risk are constantly changing as new threats to public safety emerge.
- Police decisions about value for money and savings should reflect the priorities in each force’s threat, harm and risk assessment; and should apply across each of the three levels of National Intelligence Model.

To make big savings, forces need to choose transformational approaches

- The approach starts with threat, harm and risk assessment. It helps decision making by linking policing priorities to resource management.
- Transformational approaches require force leadership that can drive substantial organisational change.
- Forces can make limited but quick savings from overtime, procurement and the back office. Transformation will help sustain these and deliver further workforce savings.
- Transformational approaches are more difficult but they do secure long-term savings in a changing environment.
- A transformational force uses the best mix of warranted officers, PCSOs and police staff. It works effectively with local partners and other law enforcement agencies.
Ten of the 16 case study areas, however, still rely on budget slicing, partial reinvestment of efficiencies and uncoordinated savings initiatives to meet the financial challenge.

**Overcoming barriers to change**
- Police authorities and forces have to decide about the future shape of their workforces – possibly reducing police officer numbers.
- The public needs reassurance that what matters is not the number of police officers, but what the police do.
- It is difficult to make police officers redundant. The government is committed to a full review of police officer terms and conditions.
- Forces need leadership skills to drive organisational change; but less than a third of chief constables identify leadership skills as important in securing better value for money.
- Over half of chief constables say that local police unit commanders lack the finance skills to deliver savings.
- Increasing the skills of procurement staff will help the police to extract and maintain benefits from current and future contracts.
- Police authorities must do more to promote collaboration between forces and with other partners to deliver efficiencies.

**Better workforce deployment**
- Surrey police expects annual savings of £3 million from 2011/12 by using mixed CID teams of police officers and civilian staff. Mixed teams in the pilot area saved money while detecting more crimes.
- Hertfordshire’s new shift patterns saved £1.3 million by reducing sergeant and constable numbers.
- Forces spent £398 million on police officer overtime in 2008/09. Norfolk’s new shift pattern, from April 2009, reduces overtime by 25 per cent (or £1 million).
- A third of forces are already reducing management numbers: Cumbria agreed to reduce chief superintendents from 16 to 10 and chief inspectors from 19 to 12.
- A third of forces cut officer numbers in 2008/09 from 2007/08 levels. By 2009/10 over half of forces expected to reduce officer numbers from 2007/08 levels. Greater productivity means it is possible to deliver public confidence with fewer officers.

**Building on better procurement**
- In 2007/08, procurement accounted for 16 per cent of savings.
- The Metropolitan Police Service reported a saving of £35 million in 2008 by reducing its procurement spending.
- 14 forces expect to save £18 million in 2012/13 from the national forensics consortium. The other 29 forces could save £39 million.

**Making back office savings**
- In 2007/08, nearly a quarter of efficiency savings came from the back office. But back office staff are less than 10 per cent of the workforce.
Summary and recommendations

- Surrey saved £1.5 million in 2009/10 by centralising human resource (HR) departments. There will be further savings of £2.2 million from 2010/11.
- Essex and Kent are merging IT departments to save £20 million over ten years.

Collaborating to save

- Bedfordshire and Hertfordshire set up a joint Major Crimes Unit in November 2007. In 2008/09, it achieved a 100 per cent clear-up rate and saved £1.2 million. It also achieves annual savings of £168,000.
- Regional collaboration by Police Authorities of Wales saved the four Welsh forces £1.3 million in business support between 2005 and 2009.

This report challenges the police service to make savings of up to £1 billion, as variations in costs suggest that there is significant scope:

- Better management of staffing rotas and overtime could save £90 million.
- By reducing management posts, savings of £20 million are possible.
- Changing the workforce mix could save around £270 million.
- Variation amounting to £500 million across a range of productivity measures, such as crimes and sanctioned detections per officer, suggests there is significant scope to make savings.
- Further variation in the range of £75 million and possibly up to £140 million, suggests scope to make savings in the back office.
- Forces vary in their approach. Too many police officers, with full warranted powers, work in back office roles: 200 officers, for example, work in HR departments.
- The average cost of a police staff member is about £32,000 with on-costs compared to a police officer cost of about £54,500 including on-costs.
- Better procurement could save around £100 million.
- Forces can work with others to produce savings: case study forces in this report found nearly £20 million in savings.
Recommendations

Police authorities should:
- challenge their force to improve performance and explain how spending is linked to reducing threat, harm and risk;
- improve their members’ understanding of their force threat, harm and risk so they can make informed decisions about long-term direction, local priorities and savings;
- set savings targets for their forces that are more ambitious than in previous years; and
- improve their challenge to, and scrutiny of, police force spending by training and developing their members.

Police forces should:
- improve or maintain performance while reducing spending by:
  - integrating threat, harm and risk assessment with financial and business planning;
  - ensuring the financial benefits of crime prevention are realised;
  - increasing the use of mixed teams of police officers and staff;
  - reviewing shift patterns to ensure supply meets demand while reducing overtime bills;
  - sharing teams with other police forces where a strong business case exists;
  - reducing the costs of back office services by challenging what they do, how it is done, and who does it;
  - adopting, or adapting, good ideas for making savings from other forces;
  - engaging their workforce in delivering savings; and
  - demonstrating clear leadership and engagement from the Association of Chief Police Officers (ACPO) team in achieving more with less; and
- work with Her Majesty’s Inspectorate of Constabulary (HMIC), the ACPO, the National Policing Improvement Agency (NPIA) and each other to overcome obstacles to change.

The government should:
- work with the police to reassure the public that what matters is not the number of police officers, but what the police do;
- encourage flexible approaches to force collaboration that follow policing priorities;
- ensure that future grant allocations reward efficiency and savings;
- review the Police Regulations to remove obstacles to making police officers redundant;
- remind police forces of the need to link threat, harm and risk assessment to transformational efficiency; and
- encourage police authorities to set ambitious savings targets and develop longer-term financial plans, linked to threat, harm and risk, on top of the mandatory three-year rolling plan.
The Audit Commission, HMIC and the Wales Audit Office will:

- share information and evidence to ensure our assessments contribute to police value for money (VFM);
- use a common VFM profile tool for use by police forces, authorities, auditors and inspectors; and
- apply learning from this study to future organisational inspections and audit work.
Setting the scene
Setting the scene

1 Policing is a vital public service, upholding law and order and providing public reassurance. The police respond to crimes and other incidents, including over 27,000 emergency calls, in England and Wales each day (Ref. 2).

2 The police spent £13.7 billion in 2008/09: 47 per cent more than in 1997/98. During the same period, the number of police officers increased by 16,900 (14 per cent). In 2008/09, the 43 forces employed about 143,800 police officers, 16,500 PCSOs and 79,000 police staff. Across the 43 forces there is a wide variation in spending per head of population. The police service can reduce spending and deliver better value for money.

3 Crime has reduced: experience of crime has fallen by 45 per cent since 1995 and recorded crime is down by 22 per cent since 2003/04. Reported experience or fear of antisocial behaviour is also decreasing (Ref. 1).

4 Crime reduction follows good policing: it also follows police work with partners and communities. Population changes, technical improvements, and increased security have also contributed to crime reduction (Ref. 3).

5 Modern policing is more than tackling crime: it involves dealing with organised crime, anti-terrorism, antisocial behaviour and child protection. The police do not work alone: they work with local agencies (including councils, primary care trusts, housing associations and schools) and local communities (Ref. 4).

6 The economic climate suggests greater austerity (Ref. 1). The challenge for the police service is to reduce spending without reducing public confidence. Many forces already cope with less money. Three-quarters of forces (32 forces) spent less in real terms in 2008/09 than in 2007/08. Estimates for 2009/10 suggest that four more forces are spending less. Whatever happens to the economy and police spending, police forces retain their duty to deliver VFM by balancing effectiveness with efficiency and economy. If police forces do not make savings through greater efficiency, they will have to cut services.

7 This report challenges the police service to make savings of up to £1 billion, as variations in costs suggests that there is significant scope.

8 Chapter 4 tackles the controversial issue of savings from the workforce which absorbs 80 per cent of police spending. Police authorities and forces will have to decide about the future shape of that workforce – possibly reducing the number of police officers.

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i All spending changes referred to in this report are real terms changes.

ii Crime against individuals as measured by the British Crime Survey.
Chapters 5 and 6 identify less controversial, but smaller, savings from procurement, efficiency in the back office, and collaboration.

Assessment of threat, harm and risk across all three levels of policing can guide the police in planning resources and making savings (Chapter 3). Local assessments can identify low priorities where police forces can cut, reduce or change what they do. The police work in a changing world where crime patterns vary (burglaries down, card fraud up) and new crimes emerge (terrorism, high technology and economic crimes). Local assessments must keep up with these changes.

This report is for the senior officers, managers and politicians who make strategic decisions about the future of policing in England and Wales. It is a joint report by the Audit Commission, HMIC and the Wales Audit Office.¹

Web-based notable practice case studies are published alongside the report at www.audit-commission.gov.uk/policevfm

The Audit Commission, HMIC and Wales Audit Office will apply learning from this study to future organisational inspections and continue to share good practice. They will also develop and maintain a common VFM profile tool for use by police forces, authorities, auditors and inspectors.

¹ The evidence for this study was collected during 2009/10 (see Appendix 1).
On the money

Crime and disorder have significant costs 15
Police spending rose by 47 per cent in ten years 15
Local taxpayers are contributing more 15
Forces can achieve savings and maintain public confidence 18
On the money 18
On the money

14 There are 43 police forces in England and Wales. Each force is accountable to a police authority of locally elected councillors, independent members and magistrates. Forces vary in size: the Metropolitan Police spends £3.58 billion a year; the City of London Police spends £80 million.

Crime and disorder have significant costs

15 Crime cost the economy about £60 billion in 2000 (Ref. 5). Crimes against individuals and households cost £36 billion in 2003/04, down from nearly £40 billion in 2000 (Ref. 6).

Police spending rose by 47 per cent in ten years

16 The police spent £13.7 billion in 2008/09, an increase of 47 per cent in real terms from 1997/98 (Figure 1).

17 Eighty per cent of police spending is on the workforce. Spending on police officers, including pensions, was £7.8 billion in 2008/09, up by 29 per cent from 1997/98. The number of police officers increased by 16,900, or 14 per cent, over the same period.

18 Spending on police staff, including PCSOs, reached £3.2 billion in 2008/09, an increase of 92 per cent from 1997/98. Police forces also spent £1.35 billion in 2008/09 on supplies and services, an increase of 111 per cent over the same period.

Local taxpayers are contributing more

19 A greater proportion of police funding comes from council tax than in 1997/98. Police authorities’ income from council tax was £3.0 billion in 2008/09, a 148 per cent increase over a decade. There are differences between areas: in 2008/09, Northumbria police received 12 per cent of its income from council tax and Surrey received 48 per cent. The variation reflects many reasons including different views about policing priorities and the resources they need, and the police funding formula. Most police funding, though, comes through central government (Figure 2).

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The report covers England and Wales. Data used in this report refers to England and Wales unless otherwise stated.
Figure 1: Police spending has increased by nearly a half in the last decade
Workforce costs increased by 43 per cent

Source: Audit Commission, HMIC and Wales Audit Office, 2010
Figure 2: **The balance of funding has changed**

A greater share comes from local taxpayers

Source: Audit Commission, HMIC and Wales Audit Office, 2010
Forces can achieve savings and maintain public confidence

20 Police forces recorded £1.509 billion of efficiency savings between 2004 and 2008. £785 million of these savings (52 per cent) were cashable – these funded new priorities or reduced budgets. Both figures exceeded government targets (£1.06 billion, of which £530 million was to be cashable).

21 The variation in cashable savings suggests some forces have scope to make more. Only six forces (North Wales, City of London, Surrey, Cleveland, South Yorkshire and Devon and Cornwall) reported cashable savings of 10 per cent or more of net revenue expenditure.¹ A quarter of forces achieved cashable savings of less than 6 per cent over three years from 2004/05 to 2007/08 (Figure 3).

22 Those forces that achieved the highest cashable efficiencies do not have lower levels of public confidence (Figure 4).

23 The variation in spending among forces, and between similar forces, does not correlate with public confidence (Figure 5). This suggests that forces can achieve savings while maintaining confidence.

On the money

24 Police spending has risen over the last decade. Continued increases are unlikely, as central government has to repay debt, council tax levels are likely to freeze or reduce in 2011/12, and crime levels are lower. Police forces have started to tackle efficiency. This report shows how to make further savings without undermining the effectiveness of a modern police service – or reducing public confidence. The next chapter develops a framework for police authorities and forces to help them make future spending decisions.

¹ Net expenditure is used instead of gross in the efficiency indicator definition.
Figure 3: The level and type of savings reported by police forces vary

Cumulative efficiency savings from 2004/05 to 2007/08 as a percentage of net expenditure

- Cashable
- Non-cashable

Source: Audit Commission, HMIC and Wales Audit Office, 2010
Figure 4: **Forces can achieve savings and maintain public confidence**

Confidence in police and local councils (SPI 2.2) in 2008/09 (%)

Cashable efficiency savings as a percentage of gross revenue expenditure (cumulative total for each year from 2004/05 to 2008/09)

Source: Audit Commission, HMIC and Wales Audit Office, 2010

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Figure 5: **Spending varies across forces but does not correlate with public confidence**

Confidence in police and local councils (SPI 2.2) in 2008/09 (%)

Gross revenue expenditure per head in 2008/09 (£)

Source: Audit Commission, HMIC, and Wales Audit Office, 2010

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i Excludes the City of London.

ii Excludes Metropolitan Police and the City of London.
Future spending decisions

Future spending decisions 22
A transformational approach delivers greater savings 22
Reflecting force threat, harm and risk 26
Balancing budgets 28
Force planning must improve 28
Police authority challenge 29
Crime prevention success should lead to savings 29
Savings – the message from the top 31
Future spending decisions 32
Future spending decisions

25 The economic climate suggests greater austerity. Police authorities and forces must take a different approach to managing their resources. Over 80 per cent of chief constables and police authority chairs expect budget cuts after 2010/11. The police need new ways of thinking about efficiency and productivity if they are to maintain public confidence (Ref. 4).

A transformational approach delivers greater savings

26 Police forces and authorities, like all public sector organisations, take one of three approaches, or a combination, to generating savings:

- Transactional approaches start from doing almost nothing and include unconnected initiatives that incorporate limited cost reduction or efficiency drives. Transactional approaches, at best, deliver short-term easy wins. Many transactional benefits are opportunistic and their impact reduces over time.

- Transitional approaches to savings and efficiency deal with back office and front-line savings separately. Such an approach produces larger savings with longer-term benefits. They are better planned and managed and less reliant on one-off opportunities. Transitional approaches, however, do not provide the challenge that is needed to deliver significant changes or achieve more with less in the longer term.

- A transformational approach is necessary for achieving significant, long-term benefits (Ref. 7). It starts with an analysis of the threat, harm and risk facing the communities that the police protect and serve. It explicitly directs police resources to their priorities. A transformational approach requires substantial organisational change; a police workforce that uses the best mix of warranted officers, PCSOs and police staff along with effective collaboration with other agencies. The whole system has to work well to deliver long-term savings (Ref. 8), and transformation takes time and effort. (Case studies 1-3 illustrate transformational characteristics.)

27 A transformational approach delivers greater and more sustainable savings than transactional or transitional approaches. It can prepare forces to respond to changing financial circumstances.

28 Forces use the mix of approaches differently. They should use each approach to secure savings. Two of the case study forces displayed a transactional approach. Ten appeared to be mainly transitional and are in a stronger position to face the financial challenge. Four displayed the elements of a transformational approach and are in the strongest position to face the challenge. All forces must be more transformational.

29 There are ten characteristics of police efficiency (Ref. 9). Table 1 shows how transactional, transitional and transformational forces will approach those characteristics differently.
### Table 1: Ten characteristics of police efficiency

<table>
<thead>
<tr>
<th>Characteristic</th>
<th>Transactional</th>
<th>Transitional</th>
<th>Transformational</th>
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<tbody>
<tr>
<td>Threat, harm and risk (THR)</td>
<td>No THR assessment and link to savings.</td>
<td>Some understanding of THR and savings relationship. But THR not regularly updated.</td>
<td>THR regularly updated and integrated to priorities and savings made in low risk areas.</td>
</tr>
<tr>
<td>Efficiency integrated into policing plan</td>
<td>Limited efficiency focus.</td>
<td>Some policy integration. No link to priorities.</td>
<td>Strategic and embedded efficiency linked to priorities.</td>
</tr>
<tr>
<td>Service transformation</td>
<td>Narrow approach to change.</td>
<td>Separate front-line/back office projects.</td>
<td>Whole system service transformation.</td>
</tr>
<tr>
<td>Organisational change</td>
<td>Existing organisation.</td>
<td>Partial change in organisation.</td>
<td>Structural change linked to THR and savings.</td>
</tr>
<tr>
<td>Collaboration with police and local partners</td>
<td>Traditional organisational back office.</td>
<td>Some collaboration with forces/partners.</td>
<td>Most collaborative savings identified and delivered.</td>
</tr>
<tr>
<td>Workforce modernisation</td>
<td>Limited workforce mix. Shifts not linked to demand. Productivity not assessed.</td>
<td>Some mixed workforce teams. Shift patterns meet demand. Productivity data not linked to VFM.</td>
<td>Mixed workforce in all relevant teams. Shifts meet demand and reduce costs. Clear productivity data links to VFM and THR.</td>
</tr>
<tr>
<td>Management and leadership of efficiency</td>
<td>Minimal chief constable and police authority engagement. Savings process does not engage staff.</td>
<td>Partial engagement of chief constable and police authority in planning savings. Some staff engagement.</td>
<td>Clear leadership and engagement of chief constable and police authority in savings. Savings process includes all staff.</td>
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</tbody>
</table>

*Source: Audit Commission, HMIC and Wales Audit Office, 2010*
Organisational transformation usually starts with a trigger. This can be financial pressure (Case study 1), force leadership (Case study 2), or authority leadership (Case study 3). The detailed case studies on the internet give more information about links between threat, harm and risk assessments, transformational approaches and workforce modernisation.\textsuperscript{i} The techniques used by the case study sites are transferable to all forces regardless of size.

**Case study 1**

Derbyshire police began its efficiency journey in the early 1980s, when budget capping made the force focus on VFM and savings. The Chief Constable leads the corporate savings approach. He sees his role as vision, direction, performance and finance, and ‘getting all the senior staff engaged’.

The force has a strong focus on threat, harm and risk linked to prioritisation and savings. ‘Moving into changing what we do, stopping doing things and recognising your priorities.’

Derbyshire’s long-term savings programme links public confidence, VFM risk and force priorities. Staff focus groups help build ownership and trust.

Force business planning includes options for 5, 10 and 15 per cent cuts. These cuts also apply to police officer numbers. The ACPO team challenges managers on their identified savings. In 2010/11 the force expects to save £3.2 million and to save £5.7 million in 2011/12.

A review of Derbyshire’s structures led to removing 26 evidence review officers from custody suites, saving £700,000.

*Source: Audit Commission, HMIC and Wales Audit Office, 2010*
Case study 2

The Chief Constable of Cumbria has developed a continuous improvement culture and raised the profile of efficiency. He leads change management. The Police Authority challenges the force to transform by reviewing and redesigning its business processes.

Cumbria provides leadership for regional collaboration on counter-terrorism. The efficiency programme also includes collaborative, regional, procurement and workforce modernisation. Cumbria has civilianised 900 posts. In 2009/10 it saved £432,000 through modernisation. It expects annual savings of £1 million from a modernisation programme including reviews of neighbourhood policing teams, CID, community safety and the communications centre. Teams and senior managers share savings ideas. The force trains staff to undertake lean reviews.

Cumbria has a threat, harm and risk approach to strategic planning. The force and authority expect to save £6 million over three years to 2013/14.

‘Every basic command unit and every director as part of their performance contract has to deliver cashable efficiency.’

   Chief Constable

Source: Audit Commission, HMIC and Wales Audit Office, 2010

Case study 3

Strong police authority scrutiny drives a whole systems approach to saving in Surrey.

In 2007, Surrey established a programme management and governance structure to deliver major change. The Chief Constable reinforces a savings culture with the whole systems programme achieving savings of £92 million over five years.

Surrey achieves 64 per cent public confidence compared with a 61 per cent average for similar forces. And it saved £32.6 million between 2006/07 and 2008/09.

Source: Audit Commission, HMIC and Wales Audit Office, 2010
Reflecting force threat, harm and risk

31 Demands on policing are complicated and stretching. The police maintain law and order by: countering threats from serious criminality; working with partners to reduce the harm crime causes; and managing community risks from day-to-day crime.

‘The service’s ability to fight threats, [reduce] the harm crime causes and to manage risks is important to combat serious crime and build local confidence.’


32 The National Intelligence Model (NIM) helps to set priorities against threat, harm and risk and assign resources to deal with them (Ref. 10).

33 NIM identifies three levels of policing:
   - Level 1 focuses on incidents, crime detection and neighbourhood policing at a local level;
   - Level 2 concerns major crime and public protection extending across command areas, the force and the region; and
   - Level 3 focuses on international or national policing such as serious and organised crime and counter-terrorism.

34 The three levels are interlinked. Information and intelligence from neighbourhood policing and partnership work can support work on serious and organised crime and terrorism. Removing resources from level 1 without risk assessment could result in forces failing to prevent criminal activity at levels 2 and 3. It could also result in poor outcomes for local people.

35 Forces must be committed to undertaking and using threat, harm and risk assessment when deciding where to spend money and where to find savings. The full value of these assessments is lost if they are simply compliant ‘tick-box exercises’.

36 Assessment criteria should include the potential risk of community harm and reduced public confidence, and satisfaction from changes in level 1 policing alongside crime trends, force intelligence and resources currently deployed. The risk matrix needs to cover all three levels of policing, reflecting level 1 incidents such as antisocial behaviour, alongside public protection and organised crime.

37 Police decisions about VFM should reflect the priorities in each force’s threat, harm and risk assessment and should apply across each of the three levels of NIM.
‘The risk assessment and the national intelligence model work. We will protect visible policing, and level 2 and 3 policing, those are safe. We are looking at back office and middle office in the first instance and management on-costs.’

**Chief Constable**

38 A justified reduction in response should lead to reduced spending (Case studies 4 and 5).

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**Case study 4**

Derbyshire police uses threat, harm and risk assessment to set priorities and find savings. It uses 23 assessment criteria, including prevention and public confidence alongside crime trends and intelligence. The assessment covers 42 types of criminality across each of the 3 NIM levels.

‘We started to understand what the main issues are that we face as a force and as a county. We then started saying what do we need to put into and where do we need to take it out?’

**Chief Constable**

Derbyshire identified its operational risks as terrorism, organised crime, public protection, domestic violence and child abuse. Local levels of violent crime reduced from 18.34 per 1,000 population in 2006/07, to 16.21 in 2008/09 following the decision to focus on the issue. Compared with its seven peer-group forces, Derbyshire has made the most progress over three years in reducing violent crime.

‘The rationale was clear, everyone understood it and there was no resistance to buying into it.’

**Chief Constable**

The force also identified low-priority areas including roads policing, where improvements in vehicle design, speed cameras and traffic calming were reducing death and serious injury rates. Money removed from roads policing and structural change released £3 million to improve public protection, support counter-terrorism, and reduce organised crime.

Despite the reductions in road policing, the numbers of deaths and serious injuries reduced from 6.33 per 100 million vehicle kilometres travelled in 2007 to 5.71 in 2008.

*Source: Audit Commission, HMIC and Wales Audit Office, 2010*
Case study 5

Gwent police saved £7.5 million in 2008/09. It redirected £2 million into protective services and neighbourhood policing by changing front-line structures. It moved away from basic command units (BCUs) to a functional policing model. Public confidence increased from 39 per cent in 2008 to 46 per cent in 2009. The ‘Staying Ahead’ review expects to save £14.4 million by 2012/13.

Source: Audit Commission, HMIC and Wales Audit Office, 2010

39 Despite the clear case for linking VFM to threat, harm and risk, ten of the 16 case study areas still relied on ad hoc budget slicing and reinvesting efficiencies.

Balancing budgets

40 Forces can use threat, harm and risk assessment to identify where to spend money – and where to save it – to balance budgets. Eighty-three per cent of chief constables and police authority chairs agree that balancing the budget is the financial priority for 2011/12.

‘In a different financial environment we would reinvest savings. Now that’s our means of balancing the budget.’

Finance director

Force planning must improve

41 Uncertainty over the details of future funding decisions should not be a barrier to good planning. All 43 forces have medium-term financial plans, but nearly half do not have a long-term financial plan. Only two of the long-term plans include long-term savings targets.

42 Police authorities do not set sufficiently challenging and ambitious efficiency targets (Ref. 11). Current savings targets will not meet likely funding cuts: the average cumulative savings target set by police authorities over the three years 2009/10 to 2011/12 is just 9.3 per cent of spending. Only four set a savings target of 10 per cent or more.

43 The Home Office should encourage police authorities to set ambitious targets and develop longer-term financial plans, linked to threat, harm and risk, on top of the mandatory three-year rolling plan.

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i Long-term plans extend beyond three years. Medium-term plans cover three years and short-term plans one year.
Previously well-funded areas often lack the skills to plan savings. Areas that receive lower per capita funding already have to set tougher targets. Chief constables and police authority chairs in areas with lower funding are more confident in their managers’ efficiency skills than chief constables and chairs in areas receiving higher funding.¹

Police authority challenge

Police authorities must actively hold chief constables to account for their efficient use of resources.

The first round of joint police authority inspections found that most authority members lacked understanding of force’s threat, harm and risk assessments. Improved understanding would help them make decisions about long-term direction, local priorities and savings (Ref. 11). Lack of understanding is a barrier to effective decision making; it could result in savings being taken from priority areas.

Crime prevention success should lead to savings

Crime prevention projects can reduce reoffending and save money (Case studies 6 and 7).

Case study 6

Hertfordshire police saves money and prevents crime by working with partners to rehabilitate prolific non-violent offenders. The programme costs £680,000 over three years. It engages people who commit burglary and vehicle crime in personal programmes of resettlement, education, training, development and treatment.

The 17 offenders on the programme represent a potential £1.4 million saving to the prison service and prosecution agencies.
Sanction detections\footnote{Sanction detections occur when: a notable offence is committed and recorded; the suspect is identified and is aware of the detection; the CPS is satisfied; the victim is informed the offence is detected; the suspect is charged, reported for summons, or cautioned, issued with a fixed penalty notice, or ‘taken into consideration’ is accepted at court.} have increased for dwelling burglary to 20.5 per cent, vehicle crime to 13 per cent and investigation costs reduced by £334,400.

Annually each success prevents about 152 crimes. Burglary rates fell by 13.4 per cent and motor vehicle crime by 15 per cent since the scheme started in 2007/08.

\textit{Source: Audit Commission, HMIC and Wales Audit Office, 2010}

\section*{Case study 7}

The Metropolitan Police Service (MPS) saves money and prevents crime by working with partners to rehabilitate adult offenders. The Diamond District initiative engages adult offenders who received prison sentences of 12 months or less for offences such as shoplifting, possession of drugs and driving while disqualified. It aims to rehabilitate offenders through education, training and development, and treatment.

In the first six months 500 offenders went through the programme. The two-year initiative from 2008/09 to 2010/11 costs £11.7 million (of which £1.7 million came from the Home Office and Ministry of Justice and £5 million from the MPS).

The remaining funding came from the probation service and local authorities. Diamond Districts run in six London Boroughs across 124 safer neighbourhoods that have high volumes of offenders.

In the first six months 500 offenders reduced their reoffending patterns. Since the initiative started, 78 per cent of programme offenders have not reoffended.

Each borough has a multi-agency team including the Probation Service, one sergeant and six constables, two PCSOs and partners. They deliver interventions through an integrated process that supports individual offenders, their families and the wider community.
The initiative aims to reduce police, probation and Ministry of Justice costs, as well as wider social and economic costs by reducing crime. The total cost of crime caused by the offenders, who are now covered by the Diamond initiative, is around £45 million.

‘The initiative has big cashable savings that mostly come from the prisons, but the police and other partners benefit too. It is the whole criminal justice system from end to end that will make savings.’

Deputy Chief Commissioner

The MPS reports that each success prevents about 27 crimes each year. Reoffending in the Diamond districts fell by 38 per cent from 2008 to 2010.

Source: Audit Commission, HMIC and Wales Audit Office, 2010

47 The review of successful crime prevention should assess how savings can balance the budget or be used to fund other priorities.

Savings – the message from the top

48 Forces need leadership that can drive organisational change if they are to make savings from a transformational approach (Ref. 12). But fewer than a third of chief constables identify leadership skills as important in achieving savings. This is a barrier to forces achieving better value for money.

49 Forces also need managers with financial skills. Managers at all levels spend money. Below BCU commanders, however, there is less understanding and ownership of the efficiency agenda. More than half of chief constables say that local police unit commanders lack the skills to deliver savings. This is a particular savings barrier for forces where financial responsibility is already devolved.

50 Some forces, such as Gloucestershire, Derbyshire, Cumbria, Kent and Surrey, encourage participation at all levels by asking staff to contribute ideas for savings through intranet schemes, focus groups and workshops.
Future spending decisions

51 Public expectations of what the police service can do for them are unlikely to decrease as spending cuts bite. This chapter introduced a transformational approach to future spending decisions firmly based on established policing principles of applying threat, harm and risk assessments across each level of the NIM. This approach can help forces and authorities overcome the possible barriers to making savings (Figure 6). Police forces must also improve their approach to planning for future needs, and police authorities must hold them to account. Forces must ensure that senior managers lead resource planning and that successful policing leads to lower future budgets.

52 The next chapter deals with the biggest potential for future spending cuts: the workforce.

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Figure 6: Possible barriers to making savings: and their solutions

<table>
<thead>
<tr>
<th>Possible barriers</th>
<th>Solutions</th>
</tr>
</thead>
</table>
| Reliance on budget slicing and uncoordinated savings initiatives. | ■ Forces should adopt a transformational approach and authorities should challenge their force to do so.  
■ Savings decisions should depend on threat, harm and risk. |
| Leadership skills not seen as important in securing savings.   | ■ ACPO team need to demonstrate clear leadership and engagement in achieving more with less. |
| Local police unit commanders lack finance skills needed.       | ■ Training  
■ Encourage participation at all levels by asking staff to contribute ideas for savings. |
| Unchallenging savings targets.                                | ■ Police authorities need to set more challenging efficiency targets.    |
| No long-term approach or plans for savings.                   | ■ Police authorities should develop longer-term financial plans, linked to threat, harm and risk, on top of the mandatory three-year rolling plan. |

Source: Audit Commission, HMIC and Wales Audit Office, 2010
Managing the workforce

Managing the workforce 34
Changing the workforce mix 35
Improving shift arrangements 39
Reducing overtime 42
Reducing management costs 44
Improving productivity 44
Overcoming workforce myths and barriers 46
Managing the workforce

53 The police workforce is the service’s biggest cost - in England and Wales it cost £11 billion, about 80 per cent of police spending, in 2008/09.

54 Police authorities and forces will have to decide about the future shape of that workforce. Those decisions might include reducing the number of police officers linked to threat, harm and risk assessment at all three levels of policing.

55 The Home Office and individual police forces must address workforce issues if they are to achieve public protection objectives and maintain public confidence as funding decreases. The threat, harm and risk principles that support other VFM decisions can ensure that workforce changes do not undermine police effectiveness or public confidence.

56 Police forces can make choices about workforce savings in five areas (Figure 7). The extent and sustainability of savings will depend on forces’ choices. Those decisions must recognise, and respond to, local barriers.

Figure 7: Workforce savings - five approaches

Workforce mix

Some forces make greater use of civilians for activities that do not need warranted powers, and have saved money while improving performance.

Shift patterns

Forces can save money and improve effectiveness by changing shift patterns.

Overtime

The police spent £398 million on police officer overtime in 2008/09.

Management numbers

A third of forces are already reducing management numbers.

Productivity

A third of forces cut officer numbers in 2008/09 from 2007/08 levels. Greater productivity means it is possible to deliver public confidence with fewer officers.

Source: Audit Commission, HMIC and Wales Audit Office, 2010
Forces have already made significant savings from the workforce. An increasing number of chief constables are challenging the orthodoxy that police officer numbers are a measure of success.

‘The politics of police officer numbers is quite hard because the national debate is too simplistic about what effective policing looks like. If national politicians keep the debate on police officer numbers, then they will tie their hands, and our hands, in a recession.’

Chief Constable

Changing the workforce mix

Many policing tasks do not require warranted police officers. Specialised police staff and PCSOs can help police forces save money and improve performance (Case study 8).

Case study 8

The Surrey force uses a transformational workforce approach linked to threat, harm and risk. The force saved money and improved performance using mixed teams. The force expects annual savings of £3 million from 2011/12.

In 2004, Surrey moved from a traditional CID to mixed teams. A detective constable leads each of the 60 teams. Each team also has two uniformed police staff as investigating officers, a police constable and a police staff coordinator.

The new-style CID, started in one BCU, will be extended across the force by November 2010. In North Surrey, the original CID establishment was 89 officers and 15 police staff. The new model based on 49 officers and 54 staff, contributes to a saving of £10.6 million. The mix allows better use of specialist skills and police powers. Mixed teams in CID have improved customer satisfaction from 78 per cent in September 2008 to 81 per cent in September 2009.

Source: Audit Commission, HMIC and Wales Audit Office, 2010

The Home Office has highlighted the benefits of a better workforce mix (Ref. 13), encouraged the use of police staff to release officers for the front line, and promoted the use of PCSOs (Ref. 14). But most forces do not make enough use of mixed teams in CID (Figure 8).
Figure 8: **Few forces take advantage of mixed teams in CID**

Police staff working in CID as percentage of CID workforce, 2008/09

*Source: Audit Commission, HMIC and Wales Audit Office, 2010*
Mixed teams are also used in control rooms, criminal justice and custody.

Too many police officers with full warranted powers work in back office roles: 200 officers work in HR departments.

Forces can also use civilians in front-line work that does not need warranted powers:
- Staffordshire uses specialised police staff to take statements from victims of crime; and
- support staff in Northumbria perform property checks, and complete stop and search and crime action forms.

Resolving incidents over the phone at first contact can reduce demand on police officer time and create savings (Case study 9).

Gloucestershire Constabulary improved the quality of public contact and saved £1.1 million. A lack of staff trained in lean approaches and a lack of citizen research were identified as barriers to delivery. Consultants worked alongside staff to manage the change programme. Research was undertaken using ten focus groups to help the Constabulary understand citizen needs. Focus groups and interviews were held with staff to get their buy-in. Officer resistance to a civilian staff role in resolving incidents was reduced through a ‘people first’ change programme.

Contact centre staff now try to resolve incidents rather than always deploying police officers. The new system has released capacity on the front line equivalent to 25 police constables. The review also identified and started to reduce call-centre supervision levels.

Customers welcome these new arrangements. Ninety per cent of customers are satisfied with the telephone resolution service.

Source: Audit Commission, HMIC and Wales Audit Office, 2010

Some police forces have already improved performance and saved money by changing the workforce mix. There are more opportunities to make decisions about saving money and redeploying police officers (Table 2). However, transformational savings from the workforce are only possible if forces reduce police officer numbers.
If all forces above the median replaced police officers with staff, they could make choices between nearly £150 million of savings and redeploying up to 2,700 uniformed officers. If they went further and achieved the performance at the lower quartile, they could choose between around £270 million of savings and nearly 5,000 uniformed police officer posts (Table 2).

Table 2: A different workforce mix could save £270 million

<table>
<thead>
<tr>
<th>Police function</th>
<th>Median savings (£ million)</th>
<th>Lower quartile savings (£ million)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Criminal justice units and custody</td>
<td>39</td>
<td>51</td>
</tr>
<tr>
<td>CID</td>
<td>16</td>
<td>31</td>
</tr>
<tr>
<td>Control room</td>
<td>20</td>
<td>30</td>
</tr>
<tr>
<td>Training</td>
<td>11</td>
<td>21</td>
</tr>
<tr>
<td>Crime and incident management</td>
<td>7</td>
<td>23</td>
</tr>
<tr>
<td>Neighbourhoods</td>
<td>2</td>
<td>13</td>
</tr>
<tr>
<td>Corporate development</td>
<td>6</td>
<td>11</td>
</tr>
<tr>
<td>Other functions, within which:</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Traffic</td>
<td>4</td>
<td>9</td>
</tr>
<tr>
<td>Complaints and discipline</td>
<td>4</td>
<td>6</td>
</tr>
<tr>
<td>Scenes of crime</td>
<td>5</td>
<td>6</td>
</tr>
<tr>
<td>Fraud</td>
<td>3</td>
<td>5</td>
</tr>
<tr>
<td>ICT/Communications</td>
<td>2</td>
<td>4</td>
</tr>
<tr>
<td>Total</td>
<td>146</td>
<td>273</td>
</tr>
</tbody>
</table>

Source: Audit Commission, HMIC and Wales Audit Office, 2010

The Police Reform Act 2002 introduced PCSOs. They are now a standard part of forces’ neighbourhood policing teams. They cost less to employ than officers with warranted powers but they are a uniformed local presence and provide reassurance. Their standard powers include issuing fixed penalty notices, seizing goods, controlling traffic and requiring information such as names.

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i Savings are calculated for each function by comparing the workforce mix in each force. Savings are possible if forces with high officer numbers by function replaced them with staff.

ii Home Office Circular 33/2007 lists PCSO powers. Chief constables can extend listed discretionary powers to PCSOs.
An average PCSO costs £26,000 (including on-costs) compared with police officer costs of £54,500 (including on-costs). In 2008/09 there were 16,500 PCSOs.

When deciding about the workforce mix forces should consider:
- future budgets and the savings they need to make;
- force resilience against potential emerging threats, harm, and risks;
- current staff and support costs;
- the mix of skills and powers they need to meet threat, harm and risk;
- the turnover rates for PCSOs, police staff and police officers, and the reasons for turnover, so they can reduce it to save additional recruitment and training costs;
- recruitment and training costs for PCSOs, police staff and officers; and
- how to best monitor and manage workforce performance to ensure the benefits are realised.

These decisions will mean changing the workforce mix in most forces and using policing objectives to underpin future recruitment, training and retention plans. It may be easier to cut numbers of support staff and PCSOs than police officers – but that will not deliver a modern, efficient police service.

**Improving shift arrangements**

The Audit Commission reported in 1996 that police availability aligned poorly with demand (Ref. 15). Forces were encouraged to review shift patterns and manage officers not on shift due to leave, sickness, training and court appearances. More opportunities exist to reduce overtime bills by matching supply to demand (Figure 9).
Figure 9: **Misalignment between officer deployment and incidents costs money and reduces service quality**

Actual demand varies through the day and week.

Source: Audit Commission, HMIC and Wales Audit Office, 2010

71 In 2004, the Home Office recommended that forces use variable shift arrangements (VSA) to obtain the best match between supply and demand (Ref. 16). About 35 per cent of forces used VSA in 2004. The level is now up to 60 per cent. The remaining forces can save money and improve operational effectiveness and planning by adopting VSA (Case studies 10 and 11).

i Illustrative chart using data from one force BCU. Crimes and officers are standardised. The distance from the central dot on each clock represents the proportion of officers on duty and the amount of crimes and incidents.
Case study 10

Norfolk police began reviewing shift arrangements in 2008. One of the barriers to change it identified was poor understanding of crime patterns and community needs for policing. The force mapped demand across its priority areas and used the increased knowledge to identify shift options in consultation with the Police Federation. The Chief Constable led the change by engaging with concerned police officers. The force introduced a new shift pattern in April 2009 after agreement with the Police Federation.

It replaced a twelve hour system where half the officers worked each day, there were 191 rest days and there was no link between demand and resource.

The new shift pattern covers six weeks. It has eight-hour shifts from Sunday to Thursday and ten-hour shifts on Fridays and Saturdays. Two-thirds of staff cover each day of the week. Extra staff are on duty to meet weekend demand and there are now 122 rest days.

The force reduced:
- officer numbers dealing with response policing from 535 to 362;
- overtime by 25 per cent (or £1 million);
- sickness by 17 per cent; and
- crime by 30 per cent.

Sanction detections increased from 29 per cent in 2006/07 to 38 per cent in 2008/09.

Source: Audit Commission, HMIC and Wales Audit Office, 2010

Case study 11

Hertfordshire police have used a three-month VSA since 2006. It has five teams who work three shifts of 9-12 hours. The previous shift was a twelve-hour shift with officers working four days on and four days off. Changing the shift enabled the force to match supply and demand.
Since introducing VSA, Hertfordshire has saved £1.3 million from reducing sergeant numbers by 17 and police constables by 23. Money was moved to other priorities and £750,000 was cut from the budget. The force’s reactive overtime budget fell by £567,000 in three years.

Source: Audit Commission, HMIC and Wales Audit Office, 2010

Forces can also match resources to demand in CID. Most CID shifts follow Monday to Friday working: weekend demand causes excessive overtime (Ref. 17). CID has the highest overtime levels in nearly three-quarters of forces (Ref. 18). Better shift arrangements and a mixed CID workforce can substantially reduce these overtime payments.

Reducing overtime

Police forces will always need the flexibility of overtime: it is a cost-effective alternative to employing more officers. The bill for overtime, about 5 per cent of the officer salary bill, could reduce through better management. Nearly half of police overtime is currently unplanned and is consequently more expensive (Ref. 17). It can result from incidents, arrests before shifts end, training or leave. Too much unplanned overtime results from poor management, misaligned shifts and a lack of management training.

One in five forces has no overtime policy and one in three provides budget holders with no training to manage overtime costs (Ref. 17). These are barriers to reducing costs. Forces can learn from each other to develop overtime policies and manage overtime costs.

A better workforce mix and shift patterns aligned to demand can reduce overtime bills by more than the annual saving of £70 million from 2013/14 proposed by the Home Office (Ref. 18). Eight forces have overtime bills of less than 4 per cent of the officer salary bill; in Cumbria it is only 2.7 per cent. If forces above the lower quartile reduced overtime spend to under 4 per cent they could save around £90 million (Figure 10).
Figure 10: Forces could save around £90 million by getting overtime below 4 per cent of the police officer salary bill.

Overtime as a percentage of police officer salaries 2008/09

Source: Audit Commission, HMIC and Wales Audit Office, 2010

Excludes Thames Valley due to missing data.
Reducing management costs

76 Police forces, like all public services, must review and reduce unnecessary management costs. Management ratios vary between forces. The proportion of officers at chief inspector rank or above varied from 4.5 per cent to 1.7 per cent in 2008/09. A third of forces are already reducing management numbers:

- Cumbria agreed to reduce chief superintendents from 16 to 10 and chief inspectors from 19 to 12;
- Derbyshire reduced section inspector numbers from 20 to 13 and sergeant posts by 42; and
- Surrey is removing 50 senior police officer posts from inspector to chief superintendent.

77 Some forces save money by reducing inspector numbers. A quarter of forces have 3.2 or more sergeants per inspector. But at the other end of the scale, a quarter of forces have fewer than 2.8 sergeants per inspector. The police could save about £20 million by reducing inspector numbers by over 390.

78 Police officer terms and conditions can be a barrier to reducing management costs. As a first step, forces can use natural wastage and a recruitment freeze to reduce numbers.

Improving productivity

“Well are going to have to tackle productivity. Everybody has got to work to capacity.”

Police Authority Chair

79 As budget pressure increases, police authorities and forces must increase workforce productivity to achieve their objectives with less money. This must link to the forces’ threat, harm and risk assessment. The police productivity framework defines productivity as ‘the workforce is led, organised and developed in the most economical, efficient and effective manner to achieve outcomes for the public’ (Ref. 19). It concerns the whole workforce not just police officers.

80 The productivity savings made by forces so far have not led to substantial reductions in budgets. Forces now need to identify and make savings that will help them respond to a real decline in income.

81 Measures of police productivity include 999 call response, sanction detections, incidents per officer, offences per officer and officers per 1,000 population. Forces should review their performance, identify reasons for variation, and take action to reduce it. Variations in offences per police officer, for example, suggest a mismatch between officer numbers and demand for their services (Figure 11).
Figure 11: **Forces can save by reducing variations in productivity**

Source: Audit Commission, HMIC and Wales Audit Office, 2010
Variation in the four productivity measures (crimes per officer, sanction detections per officer, emergency calls received per officer and officers per 1,000 population) suggest opportunities for savings of up to £500 million.\(^1\) The opportunities for each force will vary and HMIC is doing more work on productivity as part of its value-for-money inspection programme.

Productivity measures must reflect local priorities. Forces that take part in restorative justice pilots,\(^\text{ii}\) for example, should not be penalised for their reduced sanction detections. Local and Home Office assessments of productivity should use a set of measures that reflects local police activities and priorities.

Good data helps forces and authorities to improve productivity and service quality and to find savings and manage risks (Ref. 20). Police authorities should challenge their force to improve productivity: to achieve more for less.

**Overcoming workforce myths and barriers**

'It is a big issue in policing; politicians are particularly interested in numbers of officers, not what they’re doing.'

Chief Constable

To deliver workforce savings, a number of possible barriers need to be overcome (Figure 12). Finding solutions will require action from individual forces and authorities, and from central government.

<table>
<thead>
<tr>
<th>Possible barriers</th>
<th>Solutions</th>
</tr>
</thead>
<tbody>
<tr>
<td>Hard to make officers redundant</td>
<td>Review police officer terms and conditions.</td>
</tr>
<tr>
<td></td>
<td>Forces can deliver savings now through natural wastage: the rate is 5.4 per cent a year or around £420 million of spending.</td>
</tr>
<tr>
<td>A political focus on police officer numbers</td>
<td>The government should work with the police to reassure the public that what matters is not the number of police officers, but what the police do.</td>
</tr>
<tr>
<td>Opposition to shift changes from officer associations</td>
<td>Forces, such as Norfolk, have changed shift patterns by working with officer associations.</td>
</tr>
<tr>
<td>Lack of information on productivity</td>
<td>Police authorities should create an indicator set on productivity that reflect local police activities and priorities.</td>
</tr>
<tr>
<td>Officers in restrictive and recuperative jobs</td>
<td>Only accounts for 5.6 per cent of officers: the issue is manageable.</td>
</tr>
</tbody>
</table>

Source: Audit Commission, HMIC and Wales Audit Office, 2010

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\(^1\) Possible savings figure is a midpoint from the range of four measures. Calculations presume forces below the median move to the median.

\(^\text{ii}\) Restorative justice brings victims, offenders and communities together to decide on a response to a particular crime.
One-third of police forces have cut police officer numbers from 2007/08 levels (Figure 13). In these forces natural wastage exceeds recruitment.

Figure 13: A third of police forces have cut officer numbers

Source: Audit Commission, HMIC and Wales Audit Office, 2010
87 Some forces suggest that the current police regulations inhibit them from changing the workforce mix because it is difficult to make police officers redundant.¹ The government is reviewing terms and conditions. Forces can already use natural wastage and reduced recruitment to change the workforce mix.

88 All police authorities and forces need a policy on replacing staff that leave. Every retirement, promotion or resignation is an opportunity to decide if the force could remove the post or replace it with police staff or PCSO resources. The natural wastage rate is 5.4 per cent a year: around £420 million of spending.

89 There are also officers in restrictive or recuperative jobs.² Around 3 per cent of police officers are on restricted duties and 2.6 per cent on recuperative. The issue is manageable. Forces with above average levels should review procedures and all forces need to ensure that these roles still require police powers.

90 Public confidence in policing is increasing nationally despite police officer time on the front line decreasing. Some police officers in non-visible jobs, such as counter-terrorism, provide operational support requiring warranted powers. Police staff could do other jobs, such as HOLMES³ support, at less cost.

91 The next two chapters identify other sources of savings to support a modern police workforce: procurement and the back office, and collaboration.

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¹ Police (Efficiency) (Amendment) Regulations 2003.
² Restricted duties may not require full operational fitness or impose limits to activities officers undertake in a police operational or non-operational role. Recuperative duties are for up to six months enabling officers to return to work following sickness absence using reduced hours or limited tasks.
³ Home Office Large Major Enquiry System.
Procurement and the back office

Procurement and the back office 50
Procurement 50
Back office 51
Procurement and the back office

92 Procurement and back office savings support better planning and workforce management – they often improve front-line services. Police forces should learn from one another, and from other public services, about increasing the effectiveness of procurement and back office services (Ref. 9). Skilled staff need to identify where to make procurement savings and use information to set challenging and realistic targets (Ref. 25). Forces must also ensure they have strong business cases to support their chosen approach to increasing the efficiency and effectiveness of back office services (Ref. 26).

Procurement

93 Police forces spent £1.35 billion of revenue in 2008/09 on supplies and services. Procurement savings release money for front-line services. Forces already make procurement savings. Scope to achieve more savings exists but it is declining. Procurement accounted for 16 per cent of savings in 2007/08.

94 Most big-spend items are now on collaborative contracts. Three-quarters of forces buy vehicles through framework contracts and two-thirds buy ICT and mobile technology through frameworks. The 14 forces in the National Forensics Consortium expect £18 million in savings by 2012/13: the other 29 forces could share about £39 million in savings if they joined up.

95 There are regional arrangements for uniforms (28 forces), and ICT and stationery (18 forces). Police forces also work through partnerships and consortia with other public services to buy utilities, consultancy and legal services.

‘Procurement is overstated as an area for savings. The big-spend items are already on national or regional contracts.’

Director of Resources

96 The Home Office expects to find a further £400 million of savings by 2014 through new frameworks for procurement and improved ICT (Ref. 21).\footnote{Including capital savings.}

97 Some aspects of the new frameworks might underperform. The Home Office expects the police service to save £14 million a year by all forces using the new patrol vehicle framework (Ref. 21). However, 75 per cent of forces already use a national framework.

98 Given the financial challenge facing the police, other aspects of procurement lack ambition:
- the police only spent £11.4 million on uniforms in 2008. A national contract that saved 10 per cent would create just £1 million of savings – and that is before the set-up costs of the national contract; and
- the police spent £20 million on body armour; the Home Office expects to save just £600,000 from the national contract.
Better procurement has limited potential for further savings. Police forces and the Home Office must focus on the remaining high-value potential – considering the volumes they buy as well as unit costs:

- Reducing the variation in telecommunications spending could save £24 million. In 2008/09, a quarter of forces spent less than £329 per employee, while a quarter spent over £548 per employee; and
- Reducing the variation in energy spending could save £15 million. In 2008/09, a quarter of forces spent less than £315 per employee, while a quarter spent over £409 per employee. Essex police saved £450,000 by changing its energy contract. In 2009/10, West Yorkshire expected to save £238,000 over three years from reducing energy consumption.

Achieving savings from procurement requires an understanding of four elements (Ref. 22):

- how well the good or service matches the requirements of the force;
- the market for the good or service;
- the purchasing process; and
- how to use goods and services efficiently.

The lack of procurement skills or contract management experience in the police service are barriers to realising future procurement savings. A quarter of police procurement staff have no relevant qualification and three-quarters have no continuing development (Ref. 23).

Back office

Police forces already make savings from reducing back office costs. A quarter of the £224 million cashable savings made in 2007/08 were in the back office. But forces need to save more in the back office. A lack of ambition for back office savings is a barrier to achieving better VFM: only a quarter of chief constables think there is potential for more back office savings.

In 2008/09 the police employed 23,100 staff in back office jobs such as HR, ICT and finance. Wide variations in support staff levels exist across forces.

Variation in current back office spending suggests there is scope to make savings between £75 million and £140 million, by moving lower-performing forces to current median spending (Table 3).
Table 3: **Forces can make back office savings**

<table>
<thead>
<tr>
<th>Back office activity</th>
<th>Savings to current median level (£ millions)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Other admin/clerical</td>
<td>48</td>
</tr>
<tr>
<td>Corporate development</td>
<td>29</td>
</tr>
<tr>
<td>ICT</td>
<td>20</td>
</tr>
<tr>
<td>Finance</td>
<td>20</td>
</tr>
<tr>
<td>Personnel/HR</td>
<td>11</td>
</tr>
<tr>
<td>Complaints and discipline</td>
<td>4</td>
</tr>
<tr>
<td>Press and public relations</td>
<td>3</td>
</tr>
<tr>
<td>Occupational health and welfare</td>
<td>2</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>137</strong></td>
</tr>
</tbody>
</table>

*Sources: Audit Commission, HMIC and Wales Audit Office, 2010*

105 There are three main ways to achieve back office savings (Ref. 9):
- internal approaches that challenge existing processes and structures through lean methods, process redesign and centralisation;
- mutual approaches that share services and staff with other organisations; and
- external methods including joint ventures and outsourcing.

106 Each of these three approaches has barriers to overcome. Internal change requires people who can undertake lean reviews and redesign processes. Mutual approaches require an understanding of the business case and the introduction of common work standards. Outsourcing and joint ventures need an understanding of business benefits, and an ability to make markets work.

107 Fewer staff are needed if functions are centralised (Case study 12). Some forces retain a small back office capability in each BCU to ensure flexibility and responsiveness.
Case study 12

Surrey police centralised HR services cutting 78 posts. It began the review of HR in November 2007 and completed it in 2009. To achieve change the force had to consult staff and develop and evaluate new job profiles. The project had set-up costs of £2.3 million in revenue and £792,000 in capital. Cultural change was the main barrier. Effective communication, including staff briefings and new procedures and policies, helped to change culture.

After costs, the force saved £1.5 million in 2009/10. It expects annual savings of £2.2 million from 2010/11 or 1 per cent of spending. Centralised services are supported by representatives in BCUs and a transactions centre. Centralisation meant the ratio of HR staff to force establishment reduced from 1:36 to 1:77.

Source: Audit Commission, HMIC and Wales Audit Office, 2010

108 There is more scope for centralisation. In 2010, only 30 per cent of forces had centralised all back office functions. Sixty per cent of forces still had finance staff in BCUs and 65 per cent had HR staff in BCUs.

109 Twenty-two forces already share at least one back office function with other forces or partners. Six of these forces reported savings totalling £1.2 million from sharing. Others are planning to extend sharing of back offices (Case study 13).

Case study 13

Essex police leads an IT programme involving the six eastern region forces, the City of London, and Kent.

Essex and Kent are merging IT departments. They expect to save £20 million in revenue over ten years (after meeting the costs of change). They will move their joint procurement operation to a single site in 2010/11: Essex expects to save £151,000 and Kent expects to save £167,000.

Source: Audit Commission, HMIC and Wales Audit Office, 2010

110 Payroll is the function most likely to be shared. In 2010, 13 forces shared this function with partners: eight with a local council, four with other regional forces and one with a force outside its region.
Sharing can make savings but proposals to share services need a clear business case. The shared service must offer better efficiency and effectiveness than improved in-house services or outsourcing. For any option forces must be clear about baseline costs and performance as well as benefits and a payback period (Ref. 9, Ref. 24).

Just over half (23) of forces outsource at least one back office function. Fifteen outsource payroll, eight legal services and four ICT. One force has outsourced some of its HR function and one has outsourced its finance function.

Some outsourcing also involves sharing. Six of the 15 forces outsourcing payroll also shared this function with partners (Case study 14).

Case study 14

Hertfordshire police saved £435,000 after procurement and other costs by outsourcing recruitment, payroll and catering. It also saved £150,000 by moving procurement from an outsourced service back in-house.

Source: Audit Commission, HMIC and Wales Audit Office, 2010

Forces must continue to review the opportunities to increase the efficiency of their back office activities by internal, mutual or external methods. Each choice must be backed by a clear business case with an objective assessment of how alternative approaches can support financial and policing objectives. Forces must also commit management expertise to ensure that promised benefits are realised.
Chapter 6

Collaboration
Collaboration

115 Police collaboration should work at each NIM level to deliver savings, VFM and increase public confidence. It can benefit police forces and authorities but force and local collaboration has been ad hoc. In the tightened financial circumstances of the next few years, police forces and their authorities must ensure that collaboration is a response to threat, harm and risk assessments and is supported by a clear financial case.

116 Collaboration is happening: over 80 per cent of chief constables and police authority chairs report that their force already collaborates with other forces to achieve savings.

117 Some forces collaborate well and share police teams. They also explore the potential for further savings (Case study 15).

Case study 15

Bedfordshire and Hertfordshire established a joint Major Crimes Unit (MCU) in November 2007. In 2008/09 it delivered:
- 100 per cent clear-up of 15 murder cases;
- savings equivalent to 28 officers (£1.2 million);
- joint annual savings of £168,000; and
- reductions in crime and increases in sanction detections for Bedfordshire as local officers were not diverted to work on major crimes.

Projected savings from the unit in 2009/10 are £300,000.

From April 2009, these two forces set up other collaborative units:
- A single dog unit led to a reduction of nine officers across the two forces and delivered annual efficiencies of £363,000 (£199,000 to Bedfordshire and £164,000 to Hertfordshire).
- A common professional standards unit increased Bedfordshire’s costs by £20,000 a year but made annual savings of £196,000 for Hertfordshire.
- The scientific services unit saved Bedfordshire £111,000 and Hertfordshire £74,000 in the first year. Savings for 2009/10 should be £180,000 for Bedfordshire and £120,000 for Hertfordshire.
- The joint firearms unit saved 7.5 officers and achieved annual savings of £437,000 (£226,000 for Bedfordshire and £211,000 for Hertfordshire).

Source: Audit Commission, HMIC and Wales Audit Office, 2010
There is potential to create savings and other business benefits through collaboration (Ref. 27). Most chief constables (80 per cent) agree they can achieve more from collaboration: about 40 per cent of chief constables think it represents the greatest opportunity for future savings.

Most collaboration so far has been on an ad hoc basis, rather than the systematic response to an analysis of risk and cost (Ref. 27). Planning must include a review of the costs and benefits of collaboration alongside threat, harm and risk.

The NIM provides a model for assessing different opportunities for collaboration (Table 4).

<table>
<thead>
<tr>
<th>Level</th>
<th>Focus</th>
<th>Collaboration</th>
</tr>
</thead>
<tbody>
<tr>
<td>Counter-terrorism and serious and organised crime</td>
<td>National and regional</td>
<td>National and regional with ACPO, UK Borders Agency, Serious and Organised Crime Agency</td>
</tr>
<tr>
<td>Protective services and organisational support</td>
<td>Regional and local</td>
<td>Regional or other local forces and local partners such as councils and probation</td>
</tr>
<tr>
<td>Neighbourhood policing</td>
<td>Locality</td>
<td>Local councils, CPS, courts services, housing providers, fire services</td>
</tr>
</tbody>
</table>

Source: Audit Commission, HMIC and Wales Audit Office, 2010

Derbyshire police work at the three policing levels to reduce demand, share support services and collaborate on technical police support (Figure 14).
Collaboration must suit local conditions and geographies (Ref. 29), rather than regional boundaries or through prescribed mergers that work at only one level of the NIM (Case study 16).
**Case study 16**

Essex and Kent police forces and authorities have collaborated since April 2007. They are in different regions and the Thames is a natural boundary. Shared needs and common operational requirements drive collaboration. They undertake joint organisational support reviews and hold challenge events using benchmarking data to reduce costs. This challenge saved them over £6 million in two years.

The forces share procurement and ICT teams. They are reviewing options for sharing finance and back office functions.

They also expect to save £2 million from sharing serious-crime resources including reduced staffing and accommodation costs.

Source: Audit Commission, HMIC and Wales Audit Office, 2010

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**123** Local collaboration involves different agencies working together to identify priorities and savings (Ref. 1, Ref. 28). The police and local council are jointly responsible for maintaining or improving public confidence. Coterminal boundaries between the police and the council are important to joint action (Ref. 29). Shared boundaries between BCUs and councils can help partners work together to deliver the targets agreed in local area agreements.

**124** Other local partners can help reduce costs in the criminal justice system (Case study 17).

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**Case study 17**

Kent police has 200 staff trained to identify savings and change business culture. In 2010/11, all managers and supervisors are being trained to find savings and change the business. Kent police is working with its partners on the Kent Criminal Justice Board to examine the savings potential from their multi-agency public protection and domestic violence arrangements.

Source: Audit Commission, HMIC and Wales Audit Office, 2010

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**125** Relationship management and trust are essential to effective joint working (Ref. 29). Some forces and authorities suggest poor relationships and a lack of trust are barriers to regional collaboration. Forces working with each other or with local partners must overcome fears of being ‘net donors’ (Ref. 27) or of losing accountability to local people and their police authority’s objectives.
‘Even if they do not see the need to collaborate, financial reality is going to force the issue.’

Chief Constable

126 Local partners (including councils and housing associations) fund many PCSO posts. Budget pressures may force these organisations to review their spending on PCSOs. Police forces need better strategies than hostile defensiveness or acquiescence. One force worked with funding partners to review all PCSO posts and other uniformed support posts to remove duplication before agreeing on future PCSO levels.

127 Police authorities have an important role in making collaboration work (Case study 18). Most police authorities do not have a comprehensive understanding of the resources available in their area to deliver policing. Most also fail to lead, or challenge, their force in developing a robust business case that identifies VFM and service outcomes (Ref. 11).

Case study 18

West Yorkshire Police Authority provides secretarial support for the Yorkshire and Humberside Joint Police Authorities Committee.¹ The joint committee is exploring operational collaboration in protective services and has a regional roads policing team. It seeks benefits from regional intelligence and confidential units and from collaboration on HR and ICT.

The three-year regional efficiency and productivity strategy from October 2009 includes 25 per cent cashable and 40 per cent non-cashable targets to reduce back office costs.

In year one, regional collaboration will identify savings across all four forces combining procurement, harmonising IT and mobile systems and exploring standardised training.

Source: Audit Commission, HMIC and Wales Audit Office, 2010

128 The four police authorities in Wales have collaborated since the merger debate in 2006. They focus on improving public protection and making joint savings (Case study 19).

¹ This is a statutory joint committee set up in September 2006 using the Local Government Act 1972 sections 101 and 102.
Case study 19

Police Authorities of Wales (PAW) collaborates regionally to develop strategic policing capabilities, including protective services. It undertook a strategic assessment of protective services to identify risk gaps linked to savings. In 2008, it created a National Policing Plan for Wales. The Welsh Extremism and Counter Terrorism Unit set up a Wales Special Branch to improve resilience, capacity and capability. PAW also delivers joint business support saving £1.3 million between 2005 and 2009. In 2008/09 PAW saved £3.3 million from procurement and £136,000 from major crime by creating a single regional trace evidence laboratory. In 2009, PAW appointed a joint Deputy Chief Constable.

Source: Audit Commission, HMIC and Wales Audit Office, 2010

Overcoming the barriers

This chapter identified possible barriers to making savings from collaboration. These are all solvable (Figure 15). Forces and authorities must ensure collaboration only happens when it is beneficial and done well.

Figure 15: Overcoming barriers to collaboration

<table>
<thead>
<tr>
<th>Possible barriers</th>
<th>Solutions</th>
</tr>
</thead>
<tbody>
<tr>
<td>Poor relationships and a lack of trust or a lack of will.</td>
<td>Police authorities must do more to promote collaboration between forces and with other partners to deliver efficiencies.</td>
</tr>
<tr>
<td>Police authorities lack a full understanding of area resources for policing.</td>
<td>Authorities and forces to work with local partners to identify resources.</td>
</tr>
<tr>
<td>A belief that collaboration is only regional or between forces.</td>
<td>The government should encourage flexible approaches to force collaboration: it should suit local conditions and geographies.</td>
</tr>
<tr>
<td>Ad hoc collaboration arrangements.</td>
<td>Forces and authorities to ensure collaboration is a systematic response to an analysis of risk and cost.</td>
</tr>
<tr>
<td>Belief that collaboration cannot include all levels of NIM.</td>
<td>Police collaboration should work at each NIM level to deliver savings.</td>
</tr>
</tbody>
</table>

Source: Audit Commission, HMIC and Wales Audit Office, 2010

PAW is a statutory joint committee of the four police authorities set up in July 2007.
Conclusion

130 The police and many public services received large increases in funding between 1997 and 2009. Those increases will stop – and reverse. Police forces will have to cope with less money.

131 In 2010/11, forces face a cut of £125 million from expected central government funding. Police forces now have strong incentives to make savings. The public and politicians will still expect the police to deliver, even in a more austere future. They therefore need to maintain or improve performance while finding ways to save money. Too few police forces and authorities have a transformational approach to savings. Police forces and authorities could save over £1 billion without reducing services to the public, by systematically implementing the good practice of the best examples (Table 5).¹

132 This report challenges the police service to make savings of up to £1 billion, as the variations in costs shown in Table 5 suggest that there is significant scope.

133 Procurement and back office savings are relatively easy to make. Workforce savings show the greatest value but are the most difficult and take longer to implement. Forces could save more from collaboration. Potential areas for collaborative savings will vary between forces. The ease of making the savings in Table 5 is suggested by the length of time they take to deliver.

¹ This is in addition to the £400 million identified by the Home Office in procurement and ICT saving.
## Table 5: Wide variations in costs suggest significant scope for savings

<table>
<thead>
<tr>
<th>Area of spending</th>
<th>Potential for saving (£ million)</th>
<th>Timescale for delivery</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Procurement</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Telecommunications</td>
<td>24</td>
<td>Immediate</td>
</tr>
<tr>
<td>Energy</td>
<td>15</td>
<td>Immediate</td>
</tr>
<tr>
<td>Forensics</td>
<td>57</td>
<td>Immediate</td>
</tr>
<tr>
<td>Fleet</td>
<td>14</td>
<td>Immediate</td>
</tr>
<tr>
<td><strong>Back office</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>75-137</td>
<td>Immediate</td>
</tr>
<tr>
<td><strong>Reducing overtime</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>70-87</td>
<td>Immediate</td>
</tr>
<tr>
<td><strong>Shift patterns</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Case study example</td>
<td>1.3</td>
<td>Short term</td>
</tr>
<tr>
<td><strong>Workforce modernisation</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>CID</td>
<td>16-31</td>
<td>Medium term</td>
</tr>
<tr>
<td>Criminal justice units and custody</td>
<td>39-51</td>
<td>Medium term</td>
</tr>
<tr>
<td>Control room</td>
<td>20-30</td>
<td>Medium term</td>
</tr>
<tr>
<td>Training</td>
<td>11-21</td>
<td>Medium term</td>
</tr>
<tr>
<td>Crime and incident management</td>
<td>7-23</td>
<td>Medium term</td>
</tr>
<tr>
<td>Neighbourhoods</td>
<td>2-13</td>
<td>Medium term</td>
</tr>
<tr>
<td>Corporate development</td>
<td>6-11</td>
<td>Medium term</td>
</tr>
<tr>
<td>Other functions</td>
<td>45-93</td>
<td>Medium term</td>
</tr>
<tr>
<td><strong>Reducing management overheads</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Inspectors</td>
<td>19</td>
<td>Medium term</td>
</tr>
<tr>
<td><strong>Productivity</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>500</td>
<td>Medium term</td>
</tr>
<tr>
<td><strong>Collaboration</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Case study examples</td>
<td>17</td>
<td>Unknown</td>
</tr>
<tr>
<td>Total savings</td>
<td>Unknown</td>
<td>Short term</td>
</tr>
</tbody>
</table>

**Total** 920-1,126

*Source: Audit Commission, HMIC and Wales Audit Office, 2010*

134 Forces need strong leadership from politicians, police authorities and chief constables if they are to save money without reducing performance. Police leaders must recognise, and tackle, cultural barriers to making transformational change. Leadership must challenge the view that there is a simple link between public protection and police officer numbers. Modern policing requires forces to balance the numbers of police, PCSOs and civilian staff, and other resources in response to threat, harm and risk assessment.

135 Police authorities must challenge and scrutinise force spending plans to ensure they reflect threat, harm and risk assessments, and that they deliver on ambitious savings targets.
Police forces must review their business plans and develop a long-term approach to savings. They should review internal structures and identify opportunities for collaboration.

To make substantial savings, however, police forces must improve shift arrangements and use mixed workforce teams. They must use evidence of threat, harm and risk and the demand for police services to plan resources including police numbers. They must also use evidence of success to identify areas for savings or for resource redeployment to deal with new threats.

The Home Office, police forces and police authorities will need a more sophisticated approach to measure police effectiveness that uses a basket measure strategy and reflects local policing priorities and objectives. The Home Office should also ensure the most efficient forces are not penalised by inflexible funding arrangements or savings targets.

Crime rates in England and Wales have fallen. This follows policing successes, increased security, and socio-economic and technological changes. Threat, harm and risk are constantly changing as new threats to public safety emerge. Police forces must realise all possible savings from reduced crime, divert some resources to new threats, and ensure savings support a (reduced) balanced budget.

The Audit Commission, HMIC and Wales Audit Office will:
- share information and evidence to ensure our assessments contribute to police VFM;
- apply learning from this study to future organisational inspections and continue to share good practice; and
- develop and maintain a common VFM profile tool for use by police forces, authorities, auditors and inspectors.
Appendices

Appendix 1: Method 67
Appendix 2: References 68
Appendix 1: Method

This study used a mixed methods research approach that included:
- desktop review and analysis of finance and resource data;
- opinion research of the views of chief constables and police authority chairs;
- data collection in all 43 forces covering efficiency savings, back office efficiencies, shift patterns and overtime reduction, and procurement savings;
- ten main case studies of police forces, police authorities and their partners in England and Wales. Case studies reviewed notable practice in forces that had cut costs and identified obstacles to efficiency elsewhere. Visits took place over one to two days. There were 74 semi-structured interviews (with chief constables, police authority chairs and chief executives, police force efficiency leads, police force finance directors, local partnership police leads and local partners); and
- six mini case studies exploring specific areas of notable practice. These included 30 interviews.

The case study police forces were: Cumbria, Derbyshire, Dyfed-Powys, Essex, Gloucestershire, Gwent, Hertfordshire, Kent, the Metropolitan Police, Norfolk, North Wales, North Yorkshire, Staffordshire, Surrey, Thames Valley and West Yorkshire. Fieldwork took place between September 2009 and February 2010.

The views expressed in this report are those of the Audit Commission, HMIC and Wales Audit Office.
Appendix 2: References

1 Audit Commission, Surviving the Crunch - Local Finances in the Recession and Beyond, March 2010.

2 HMIC, Responsive Policing Delivering the Policing Pledge, Strategic Overview, October 2009.

3 L Casey, Engaging Communities in Fighting Crime, Cabinet Office, June 2008.


15 Audit Commission, Streetwise - Effective Police Patrol, 1996.


23 ACPO, Procurement Staff Survey, 2008.


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