



Inspecting policing
in the public interest

Getting together

**A better deal for the public
through joint working**

1. Executive Summary

Figures from the Treasury show total UK expenditure on Public Order & Safety has risen by 47% in real terms between 1997/98 and 2007/08. Policing is a key element of this, currently consuming more than £17.5 billion a year¹. The latest comparable information indicates policing services in the UK consume a higher proportion of Gross Domestic Product than virtually any other western democracy, including some 20 per cent more than in the United States². The public is entitled to ask whether it gets value for this vast amount of money in the post-‘Credit Crunch’ era?

The risks and costs of specialist and support services for police forces

HMIC has found significant variation in the cost and effectiveness of services delivered by forces and authorities; the question is whether the public can be better served?

Serious and organised crime (SOC) generates violence, drug addiction and criminality wherever it spreads. It is a universally-recognised threat. On the best information we have from ACPO the most successful police region in England and Wales has an operational response rate against organised crime groups four times higher than the weakest area³. Some of this variation may be explained by differing local interpretation of data but our findings confirmed HMIC research over a number of years showing significant differences in investment and capability between forces and clusters of forces.

Some forces and authorities spend more than twice as much on human resources as others. There are similar variations in costs for finance services.

How can forces and authorities reduce these variations - in the current 43-force service - when budgets are tight?

HMIC has found that collaboration between forces can improve police success against organised crime groups (OCGs) and potentially cut the costs of support services, enabling redirection of savings to frontline policing.

Collaboration between forces and authorities in England and Wales

A significant amount of collaborative work is already taking place in England and Wales.

There are at least 720 joint ventures, which account for around 9.5 per cent of the total annual spending of police forces in England and Wales in 2008/09 – around £1.3 billion⁴. This is more than double the level in 2005/06, and at least half of the funding for joint working comes from force budgets. However, collaboration has grown organically, rather than systematically in response to analysis of risk and cost. Much is *ad hoc* and short-term – often in response to an obvious threat.

What is the evidence that collaboration works?

In SOC terms, more OCGs are targeted in areas where forces and police authorities have established dedicated collaborative functions with common

¹ HM Treasury (2008) *Public Expenditure Statistical Analyses 2007-8*. Figure is estimated outturn total for policing services which includes police forces, immigration and citizenship.

² Reform (2008) *A New Force*. Accepting the federal/national infrastructure that may exist elsewhere funding services which in this country are provided by the police service (Eg. FBI, NDEA in the USA; CRS in France)

³ Operational response rate is defined as the percentage of OCGs which attract a full operational response under the ACPO OCGM process

⁴ HMIC research compared to Total Gross Revenue Expenditure 2008-09 for the 43 Forces in England & Wales (£14.08bn) – Source CIPFA Police Service Statistics – 2008-09 Estimates

priorities and clear lines of accountability. Partners have been willing to cede a degree of control over staff and operational resources for the greater good. Conversely the weakest performance is generally seen in areas where forces are reluctant to agree priorities or co-ordinate resources. There is reason to believe these principles equally apply to addressing all the major threats which require a response beyond the traditional force boundaries – the so-called Protective Services.

HR and finance services cost forces/authorities £211 million a year. Experience from the wider public sector suggests savings of between 15 – 30 per cent are possible through collaborative approaches. Procurement offers greater scope to save money. It is estimated that around £833 million of the current police spending on procurement - £2.5 billion in 2008/09 – is suitable for collaboration. One force saved £144,000 a year on submissions of DNA samples, and got results twice as quickly, by taking part in a multi-force forensic collaboration.

Why hasn't collaboration been developed to the point where risks and costs are reduced or at least consistent?

Forces and authorities support the idea of collaboration *in principle* but, HMIC has found, they struggle *in practice* against a number of barriers – some real and some perceived - to joint working. In particular the problem of 'net donor syndrome' has been highlighted. In essence, forces and authorities, large and small, can see what they will have to contribute to the 'common good', but not what they will specifically gain. In each case, the contributor believes that the resources they commit will be disproportionately deployed away from the home force and into the area of a collaborative partner. Either way, none of the potential contributors believe it is in their interest to collaborate.

A new model

This report proposes a new approach, a market-style model, which will help forces and authorities overcome these barriers to get the best deal for the public, in terms of reduced risks and costs. The 'Informed Choice Model' (ICM) described in this paper could empower the champions of collaboration, giving them the facts, figures and learning from around the Service to choose the model which best suits their needs. It will also enable the Government, and leaders of the Service, to identify areas of persistent high risks or costs, and take action if forces and authorities chose not to collaborate.

A framework is also proposed to oversee the ICM. This should not be an overly bureaucratic edifice. We propose it centres on a 'Responsible Body'- a national Resource Co-ordination Board (RCB), supported by a business analysis and support 'Hub'. The objective of the RCB will be to identify high risk and high cost policing services where collaboration or co-ordination may provide better outcomes for the public. If valid information is available about costs and risks of expensive services like serious and organised crime or I.T. then police forces and authorities will be better informed and are likely to react to it if their existing approach is more costly or more risky than an alternative collaborative arrangement. The purpose of the 'Hub' is to stimulate the police market as the provision of information in other markets stimulates good choices. The RCB will advise the National Policing Board (NPB), providing them, for the first time, the 'big picture' of costs, risks and variations. This

dynamic information would enable the NPB to identify the most appropriate levels at which decisions on the delivery of policing services should be taken.

The power of information

In the future authorities and forces will need to be able to explain to the public and wider Service why they have not gone down the collaborative route if this can be demonstrated as more effective. In some cases they may be compelled to act. HMIC has offered a possible five-point sliding scale of levels of support which could be used by the NPB, ranging from offering details of what works at what cost – ‘a nudge’ – to the Home Secretary mandating collaboration – ‘a push.’ Though the power to mandate must be available, HMIC believes collaboration will develop most successfully through informed choice in a transparent framework where the public can see what is being done with its money.

There is clear evidence that people – enthusiastic, energetic officers and staff - drive collaboration, not processes. In the longer term HMIC believes the proposed approach will encourage police ‘entrepreneurs’, who understand not only how to tackle crime and protect the public, and manage their staff, but how to do so as economically and imaginatively as possible, in the interests of the wider Service. Such enterprise is already emerging in forces and boroughs across England and Wales. Commanders regularly collaborate with local authorities, schools, charities and other organisations to deliver efficient, multi-agency local policing – which, it should be remembered, is often the source of intelligence to tackle the major threats.

Collaboration offers significant potential for forces and authorities to reduce costs and make the public safer. However it is not an end in itself or the only option. HMIC believes the ICM will bring a greater clarity of thought to policing in these areas – exposing risks and costs to public scrutiny and stimulating creative and innovative approaches from decision makers charged with delivering the best policing deal for the public.

This report makes four proposals, which are explained in detail in Section 4 and listed in Section 5.

2. National Assessment

2.1 Overview

An HMIC 'Subsidiarity Scoping Exercise' was conducted between November 2008 and March 2009. At least 720 collaborative arrangements – from 'handshakes' to structured, long-term agreements – were mapped out. This may not be a complete picture but it has captured most of the significant ventures. Asset recovery, intelligence and air support are examples of areas of current joint working.

There was wide consultation with key individuals inside and outside the Police Service. Telephone interviews were conducted with those involved in around ten per cent of the 720 ventures, and information was gathered on others. A report was commissioned from Avail consultants, which was particularly helpful in identifying barriers and success factors in collaboration in the public sector.

Subsidiarity, in essence, dictates that decisions should be made at the lowest practical level – in police terms, usually the force or borough. It allows, though, for decision-making above and beyond the lowest level if this is the means of achieving the best result for the public. A fundamental finding from this report is that serious and organised crime (SOC) and other protective services threats cannot be tackled most effectively by decision-making solely at force/BCU level.

Collaborative arrangements account for approximately 9.5 per cent of the total spending of police forces in England and Wales – more than £1.3 billion from the grand total of around £14 billion in 2008/2009⁵. That proportion has more than doubled from 4.4 per cent in 2005/06. Over half of this is funded by forces, whilst the remainder is financed from central Government. It is clear much of this force funding of collaboration was 'kick-started' by central funding. The Service now has a clear lead force structure for counter-terrorism. While this growth is to be welcomed, there is significant untapped potential to realise benefits from collaborative working. The approach so far has been described as 'letting a thousand flowers blossom', with some targeted support. However, this organic growth has been relatively slow and, to follow the analogy, a more rigorous and far-sighted approach to cultivation is needed.

2.2 A Patchwork

HMIC has identified five broad styles of collaboration. These are HMIC descriptions and not necessarily the terms used by forces themselves. That difference touches on an important point made by an earlier HMIC report on protective services planning, entitled *Get Smart* – that there is a need for a 'common language' in this area. The ICM proposed in this report helps establish such a common language.

⁵ HMIC research compared to Total Gross Revenue Expenditure 2008-09 for the 43 Forces in England & Wales – Source CIPFA Police Service Statistics – 2008-09 Estimates

The styles identified by HMIC are:

- Handshakes - *ad hoc* and informal, often short-lived, arrangements.
- Service Level Agreements (SLAs) – forces hold and retain control over resources, though they co-ordinate work with partners.
- Joint Initiatives – similar to SLAs and likely to come into existence to tackle a specific threat.
- Lead Authority – usually a force/authority with the expertise or scale, providing a response or function across a multi-force area.
- Joint Venture/Central Co-ordination – a longer-term, more structured and binding agreement, in which collaborating forces cede authority over staff and assets to a central unit, which co-ordinates action against priority targets or problems.

Handshakes have accounted for a rough average of 14 per cent of all collaborations over the last six years. Service Level Agreements have run at an average of around 12 per cent. Lead Authority arrangements have accounted for an average of 15 per cent of arrangements. Joint Initiatives accounted for around 27 per cent and Joint Venture/Central Co-ordination ran at around 30 per cent.

What does this evidence tell us about the current pattern of decision-making on collaborations in England and Wales?

An essential feature of all but the Joint Venture/Central Co-ordination style is that forces contributing staff and equipment to joint working retain control and authority over these 'assets'. By contrast, in Joint Venture/Central Co-ordination authority is essentially ceded to a command and control point outside the traditional force structure, which uses assets according to common priorities set for the area. The evidence, therefore, suggests that most chief officers and chairs of their authorities are more content to enter into collaborative ventures in which they do not cede control over their assets.

This fits with the views elicited by HMIC during consultation – that forces and authorities are attracted to collaboration but in practice are wary of the consequences. To use the analogy of learning to swim: forces are standing on the side of the collaboration pool. Some have plunged into the deep end. Many, though, are dipping their toes in the water or, if they go in, they are still wearing armbands. As swimming coaches understand, the issue is one of confidence.

What are the factors and barriers that lead to a lack of confidence?

2.3 Competing Priorities and Common Barriers

The public wants a permanent visible and familiar police presence; that is part of the rationale for Neighbourhood Policing. Effective local policing will always be a fertile source of the intelligence – at Level One on the National Intelligence Model - which allows forces to tackle SOC and the range of protective services threats. The key is that effective protective services cannot in many cases be delivered simply through

local decision-making processes. Local policing consumes a significant proportion of police revenues. Furthermore, the general economic climate means forces and authorities cannot expect significant growth in their funding from central Government. There is also a limit to what can be raised by local taxation.

Freeing up resources through collaboration, therefore, makes sense. However, there are barriers. Research by HMIC, supported by Avail, highlighted operational issues and the fundamental problem of the 'net donor syndrome'. In essence, forces and authorities, large and small, can see what they will have to contribute to the 'common good', but not what they will specifically gain. In each case, the contributor believes that the resources they commit will be disproportionately deployed away from the home force and into the area of a collaborative partner. Either way, none of the potential contributors believe it is in their interest to collaborate.

Research identified a range of barriers, which we have grouped under four headings:

- Benefits and Performance.
- Finance and Resources.
- Leadership and Culture.
- People and Policies.

Avail further explored whether barriers were 'actual' – often encountered during collaborative work – or 'perceived', in that they were suggested as problems but rarely encountered or easily overcome. It also looked at whether barriers were 'generic' to collaboration in whatever sector or service, or 'specific' to police collaboration.

As far as benefits and performance were concerned, it found the majority of barriers were actual, and all were generic. In other words, there are many genuine problems which were commonly encountered, such as differing local priorities, command structures or approaches to intelligence.

In the finance and resources category, a key barrier is that without sufficient start-up funding collaborative ventures will struggle to grow. In order to meet the long-term objectives, many collaborative ventures require upfront investment.

In the leadership and culture category, findings indicate that 'disharmony' can be introduced easily into a collaborative venture when it appears that benefits or resources are distributed disproportionately to the level of resources contributed. The 'Net Donor Syndrome' was linked to this and 'especially prevalent' for operational service ventures. Additionally, there was a significant problem with parochialism and a 'heavy focus' on the needs of the force – accompanied by statements such as 'we don't need support' and assertion that providing support elsewhere would affect the donor force adversely. Some forces were worried about difficulties in pulling out of failing collaborations. Others exploring potential for collaboration found a 'dearth of information' about best practice. Questions were raised about the autonomy and independence of Chief Constables and authorities and over 'legal liability' should, for example, a robber be shot dead by a regional

crime response team. There were also concerns that collaboration was a “stepping stone” to force amalgamations and that entering into collaborative ventures might result in criticism of force performance.

Under people and policies there were concerns about the impact, including political fall-out, if jobs were to be shed, as well as a range of technical and legal issues including staff terms and conditions, ICT and disagreements over equipment to be bought collaboratively.

2.4. Enablers and Critical Success Factors

It is possible to identify common success factors in collaboration and suggest that in their absence joint initiatives will struggle to be effective.

A history of informal joint working in an area, between forces or between police and other agencies, is likely to help collaboration. So, too, will the perception of a ‘natural fit’ for projects, such as shared maritime resources in coastal areas. Medium-term planning is important; it sends the message to partners that collaboration is not ‘brief or disposable.’ Keeping staff and unions informed can overcome potential problems. Transmitting the message that collaboration is about doing things better rather than simply more cheaply is similarly important.

Research found the view that ‘people make collaboration work, not just policies and protocols.’ Having the right personalities at authority/ACPO level and below, offering energetic support and leadership, is important. Those involved should map out ‘clear pathways’ to joint working, and be prepared to consider ways of working outside their traditional force methods. A number of forces said that establishing a well-led central team, with agreed autonomy and decision-making power, and continuity of staff, was essential to drive collaborative delivery. There was widespread agreement that collaboration cannot be forced. It must be voluntary. There is also no ‘one size that fits all.’ Some forces suggested that ‘being in the right place at the right time’ made collaboration work.

3. A New Approach

3.1 The Informed Choice Model

It is clear to HMIC that a new way of thinking about collaboration and activity above and beyond traditional force boundaries is needed. This new approach should be complemented by a more robust strategic direction for collaboration nationally. The Informed Choice Model proposes a mechanism to capture collaborative working arrangements across the Service, examining the benefits and improvements in service, the cost of particular approaches and lessons learnt. These findings would then support and inform future decisions on the co-ordination of resources through collaborative working. This new approach is not an attempt to re-structure forces and their authorities – but to get the most from the present structure without the disruption of major change. This, it should be recalled, was an argument against the move to merge forces.

Nor is this report an attempt to review the wide variety of systems used by police forces, other law enforcement agencies and central bodies. To be more efficient and effective these systems will change, develop and be refined according to a number of factors. Collaboration may, in fact, help drive these improvements. In the police ‘market’ collaboration is not an end in itself but a means to an end. For forces and authorities to make best use of it, in the public interest in terms of reduced risk or costs, it should be better supported and understood. The aim is to encourage them to develop a more sophisticated understanding of the costs and benefits of current arrangements so they can objectively consider the full range of available options.

3.2 A Proxy Market Mechanism

It would be a mistake to be prescriptive about the level at which decision-making should take place. This could lead to inflexibility, which may be inefficient and runs counter to imaginative thinking. It is better for the ‘market’ to indicate at which level – and, indeed, when – decisions should be taken, based on rational, demonstrable evidence derived from the ICM and its database. No market is infallible, but the more detailed, accurate and dynamic the ICM database becomes, the more likely that it will provide the correct answer.

This market will not be unfettered – if, indeed, in an age of regulation, any markets truly are. Recognising that public safety and costs are key considerations, there may be occasions when mandation of collaboration by the Home Secretary is necessary, particularly if an aspect of performance falls markedly below the average and, in the public interest, the variation cannot be allowed to continue. However this should be the exception.

The net effect of publicising information about variable costs and risks across forces should encourage collaboration and generate enthusiasm for joint working. Regular central dictat would lead down a different route. To this end HMIC, in consultation

with APA, ACPO, the Home Office and NPIA, suggests a five-point sliding scale of 'levels of support' which would be on offer to forces under the ICM. They would range from a 'nudge' towards collaboration to legislative intervention and mandation – a 'push.'

Levels of Support Scale

- **Level 1. Monitor**

Proactively secure information on the costs and risks of current policing arrangements, and the potential for alternative approaches, to provide information to inform future developments and/or expansion in this area (e.g. the best information available on risk and cost on particular policing issues has been gathered in this exercise to enable detailed reporting for decision makers).

- **Level 2. Encourage**

Provision of advice, best practice, cost/benefit analysis and, when appropriate, targeted financial support to stimulate collaborative working across a particular policing service or function (e.g. set-up of protective services demonstrator sites).

- **Level 3. Inspect**

Review and inspect the effectiveness of policing services or functions previously recommended as best delivered through collaborative activity. Reporting on progress made and outcomes delivered (e.g. different arrangements for procurement).

- **Level 4. Direction of funding**

The direction of existing police funding toward delivery of specific priority policing functions at regional or national level (e.g. funding of Counter-Terrorist Units).

- **Level 5. Mandation of resources**

The exercise of legislative powers available to the Home Secretary to direct forces to deliver services collaboratively when in the national interest (e.g. if other methods fail then what?).

3.3 The Responsible Body

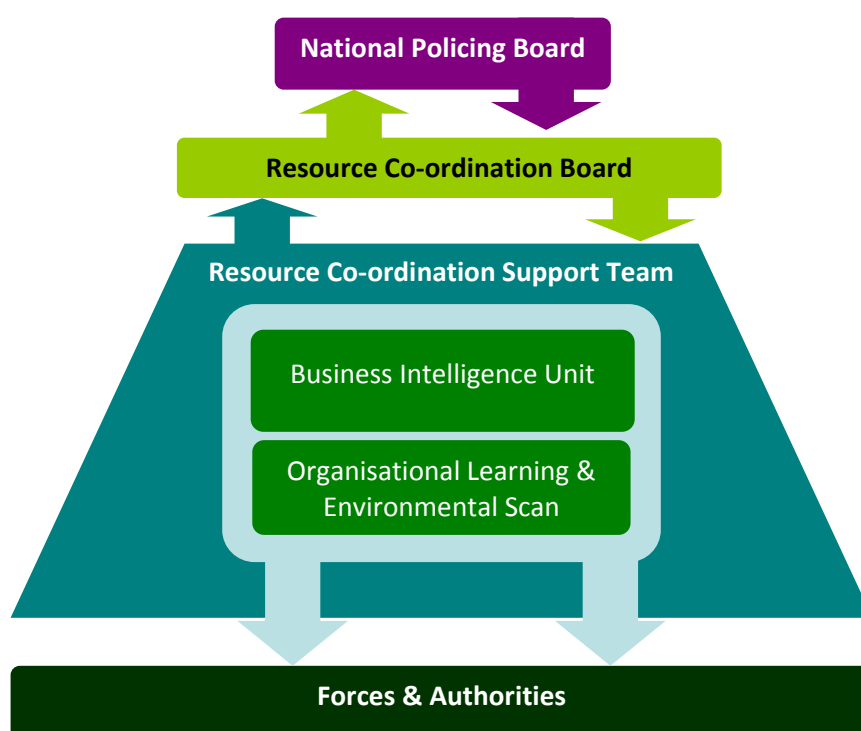
The 'informed' choice model is only a mechanism to inform authorities, forces and the wider Service. It will only be as effective as the information it captures and the use made of it. A framework will be required to oversee the ICM. This should not be an overly bureaucratic edifice. In essence, it will centre on a 'Responsible Body' – a

co-ordinating body, supported by a secretariat, which will advise the National Policing Board (NPB) on operation of the ICM.

It is the view of HMIC that, in the current 43-force/authority landscape, it would not be possible to test ways of improving collaborative service delivery above traditional force level without a framework similar to that proposed. The NPB consists of representatives from the tripartite and national bodies, including the Home Office. However it does not currently have access to the dynamic information on cost and risk needed to shape the best approach in the public interest.

The framework is as follows:

Figure 1: The Informed Choice Model – Structure



Structure:

- National Policing Board.
- Resource Co-ordination Board (RCB). This is the ‘Responsible Body’. The NPB will delegate responsibility for running the ICM to this body, which will in turn advise the NPB. The RCB will comprise representatives of the Home Office, ACPO, APA, NPIA and HMIC.⁶
- Resource Co-ordination Support Team (RCST). This acts effectively as a ‘hub’, or secretariat, of the RCB. At present, it is proposed the NPIA will deliver this function.

⁶ The Home Office inform us they propose to split this function between two bodies: the National Protective Services Board and the Workforce Efficiency and Finance Steering Group

The objective of the RCB/RCST will be to ensure that the management of policing costs and risks from crime above traditional force and authority level achieves the best outcomes for the public of England and Wales. The board will advise the NPB on which policing functions are best delivered at local, regional or national level based on learning from the ICM. It will identify unacceptable variations in risk, or costs, which must be tackled urgently. It will also provide an element of 'environmental scanning', ensuring that decisions are taken in the light of relevant work outside the Police Service, and with an awareness of the current political context. The RCB will, in particular, advise the NCB on implementation of the 5-point 'level of support' scale.

A key factor in the growth of the ICM will be the quality of support and incentives available to help forces and authorities make the right choices. The public will be best served if it sets off a 'virtuous circle' of collaboration through informed choice – leading to improvement in terms of risk and costs - leading to even greater collaboration.

As we have pointed out, there may be a minority of cases where the need for regional collaboration is so compelling, in the public interest, that mandation by the Home Secretary may be required. However, there may be other cases where there is a justified expectation that forces or authorities will pursue the collaboration option, yet they decide not to do so. The NPB could have a mechanism to require those forces/authorities to explain publicly, in their policing plans, their rationale for not pursuing a collaborative route. The prospect of providing an account, before the wider Service and the general public, for not collaborating may act as an incentive to reluctant forces or clusters of forces to get involved in joint working. This would achieve an improvement in outcomes for the public without the need for action to mandate.

4. Testing the Model

4.1 Candidate Issues

This report has focused on one operational area – serious and organised crime – and two support service areas, procurement and Human Resources and Finance. Shared HR and finance services and collaborative procurement are examples of a wider group of services and functions. These two candidate areas are being tested through the ICM on a *proactive* basis to assess whether there is potential to redirect funding from the back office to front-line areas of policing, including protective services.

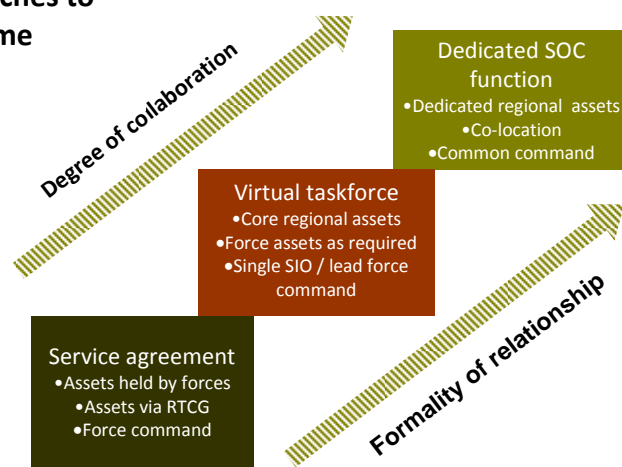
Serious and organised crime (SOC), on the other hand, is already a widely-recognised and pressing threat to public safety, and a major operational challenge. Gaps in police response were highlighted in the recently-released HMIC report, *Getting Organised*, and there is a compelling case to apply the ICM to the policing of this area on a *reactive* basis.

4.2 Serious and Organised Crime

Getting Organised reminded us that SOC in England and Wales is a vast enterprise with an estimated turn-over of more than £20 billion a year. Organised fraud may add a further £14 billion to that. Drug trafficking generates an illicit market of up to £6 billion and ‘employs’ more than 70,000 people. Extreme violence is common and drugs have spread into ‘town centres large and small’. There is damage to health and community across force and regional boundaries.

The review found three basic collaborative models being used regionally, above the force level. These are shown in Figure 2 below and have been defined by how operational assets are organised, where they are located and how deployment decisions are made.

Figure 2: Regional approaches to serious and organised crime



- In a Service agreement, forces retain their own assets under their own command. Joint activity for specific threats is agreed through a regional tasking and co-ordination group.
- In a Virtual taskforce, forces contribute assets to a small core team at regional level to co-ordinate activity at Level 2 of the National Intelligence Model. The core team is supplemented by additional force assets, according to the threat.
- With a dedicated SOC Function, forces contribute assets to a regional structure that leads and delivers Level 2 activity. Assets fall under a single regional command and are co-located.

To assess the capability of these approaches, the review evaluated the existing arrangements for SOC within the nine ACPO regions against three key criteria:

- Functionality – the identification and assessment of regional threats and risks and activity to manage them, as agreed with ACPO’s National Co-ordinating Office.
- Performance – the extent of full operational response to Organised Crime Groups (OCGs) set alongside measures of protective services risk in the region.
- Cost – the level of investment in SOC work.

It must be stressed that this analysis is intended to provide business intelligence for forces. It gives an *indication* of capability. This means the information, and the rates of variation it discloses, can be used to help individual forces/authorities, or groups, make decisions about how they tackle SOC. This is necessarily broad, headline data. It is not a set of absolute statistics to be used in a performance regime or league table. However, given this ‘health warning’, the evidence suggests variation between regions in their functionality, operational response and the scale and effectiveness of their investment.

HMIC found significant differences in the functionality and capacity of the nine police regions in England and Wales in addressing the threat from SOC. By analysing the best available data from ACPO HMIC found the most successful police region in England and Wales has an operational response rate against organised crime groups four times higher than the weakest area⁷. The most successful of the areas has penetrated and disrupted – with a full operational response – more than four times as many organised crime groups (OCGs) as the weakest area. Some of this variation may be explained by differing local interpretation of data, but the review confirmed HMIC research over a number of years showing significant differences in investment and capability between forces and clusters of forces.

Regions with dedicated SOC resources – where a degree of force autonomy has been ceded to the collaborative decision-making centre of power outside traditional force

⁷ Operational response rate is defined as the percentage of OCGs which attract a full operational response under the ACPO OCGM process

boundaries - appear to have the sharpest penetration of OCGs. They also perform better on functionality, laying the best foundations for future work. The evidence also suggests that similar levels of investment in similar areas may have greater operational impact on OCGs when applied through the model of a dedicated regional resource.

This exercise is designed to stimulate a debate about collaboration in the area of SOC. It is not intended to be prescriptive. HMIC cannot say that because a dedicated SOC function appears operationally most successful, it is a correct 'one size that fits all.' The level of investment involved may not be justified by the threats in an area, or be supported by the resources available. The ultimate decision on which collaborative approach best suits an area will be made within that area, based on an analysis of local threat and risk and capability/capacity.

The Organised Crime Partnership Board is developing a common threat assessment and guidance on agreeing priorities. In general the police operational response to the threat of SOC has been one of '*asking*' rather than '*tasking*'. In other words forces or national bodies can only request action; they cannot task it. However a key building block of any successful joint venture is that forces/authorities should meet and reach shared judgements about those taking part in SOC, those who matter, and priorities to target – and then be free to act on that assessment. There is a need for a more coherent and consistent approach to the attack on organised crime across England and Wales. If progress is to be made in these areas then this work will need to involve the APA fully.

HMIC makes two proposals, in the area of SOC, to help progress this work.

- **Proposal 1.** ACPO, in consultation with the Organised Crime Partnership Board, should develop an agreed co-ordinating function for policing SOC, chaired by the ACPO Crime business area lead. These meetings should be attended by the chairs of the regional tasking and co-ordinating groups who would be suitably empowered to represent their region. This work should be attributed a 'level 3' on the scale of support given by the Resource Co-ordination Board.
- **Proposal 2.** Beyond these matters, a pressing concern domestically is the current variability in regional capability to disrupt and deter OCGs which operate across force boundaries. We propose that, subject to ACPO recommendations on the preferred regional approach and consultation with partners, this work should be considered as moving towards 'level 4' on the scale of support.

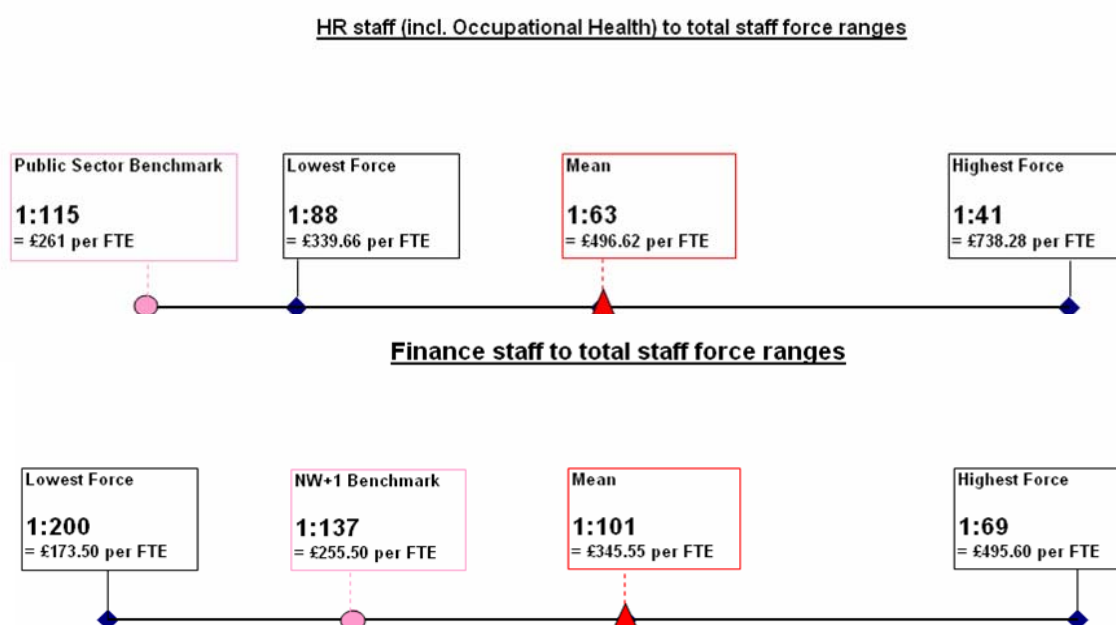
4.3 Human Resources and Finance Shared Services

An examination of the available Service-wide data shows there are considerable variations in the costs of delivering the HR and finance functions across the police forces of England and Wales. The total annual service-wide expenditure is

approximately £211m, or 1.6 per cent of the national policing budget⁸. Though this is a small fraction of the overall budget, public sector research suggests that savings of between 15 per cent and 30 per cent can be made through shared services. A number of business cases and commercial ventures have been developed within the Police Service, which point to potential savings in these areas, for example the Transforming HR programme in the Metropolitan Police which aims to save £15m per year by centralising a number of HR functions.

The chart below illustrates the variance in cost of delivering human resource and finance functions across all police forces⁹.

Chart One – Variation in support functions



It is clear that the some forces spend at least twice as much on HR for each full-time employee as others. A member of HR staff in the lowest spending force caters for more than twice the number of general staff as in the highest. Though these statistics do not tell us about efficiency of service, the variations are worryingly stark. It is worth noting, too, that the average police spending on HR is significantly above the public sector benchmark. There is similar variation between forces in spending on finance services.

HMIC believes there is potential for benefits to be realised through greater collaborative working if there is a will on the part of force leaders and managers to share these functions. It must be remembered, of course, that a shared service approach has a human cost. It will ultimately lead to a reduction in staff numbers.

⁸ Data sourced from ADR 07/08. HR numbers of staff nationally = 3922 (ADR Data return 07/08), average cost per employee = £30k (excludes on costs) (Total = £117.66 million). Finance numbers of staff nationally = 2672 (ADR Data return 07/08), average cost per employee = £35k (Total = £93.52 million).

⁹ Source: Home Office 07/08 ADR. Based on total of 39 forces, 4 outliers having been omitted as a precaution re ADR accuracy. HR = costing based on conservative estimate £30,000 per annum average salary, benchmark based on Saratoga HR sector benchmark 03/04. Finance = costing based on conservative estimate of £35,000 per annum average salary, benchmark from NorthWest+1 outline business case 2008.

Any shared service initiative must therefore involve early engagement with the relevant unions and staff associations and a reassurance that all staffing issues will be dealt with both promptly and sensitively.

HMIC makes one proposal regarding HR and finance shared services:

- **Proposal 3.** That the NPIA conduct an outline scoping exercise to present to the Resource Co-ordination Board. This should examine the opportunities for HR and finance shared services across the Service, identifying the potential scale of both investment and savings achievable. A 'convergence path' approach should be considered to enable all forces to achieve a common starting point. This work should be attributed a 'level 1' on the scale of support. However if the evidence warrants, then 'level 2' or beyond may be considered.

4.4 Collaborative Procurement

In 2008/09, the Police Service in England and Wales planned to spend over £2.5 billion on goods and services¹⁰. Part of this relates to costs which are not readily subject to better procurement practice, such as lease costs, business rates etc. However, HMIC believes that at least one third of this total spend (£833m) could benefit from improved collaborative procurement arrangements. It is clear that the potential savings could be significant.

Simple economic theory suggests that one can save money by purchasing in bulk. Moreover, given the drive to put a greater police presence in communities, consistent style and presentation of officers is increasingly important. There is no logical or economic reason why cars and uniforms cannot be bought at a central point and distributed around forces. There must, though, be flexibility to reflect unusual or specifically regional needs, such as clothing for officers encountering extreme weather in mountainous areas, or vehicles capable of moving over rough terrain. The Police Service may be able to learn from the NHS regional procurement hub model. Early indications show that this approach has delivered significant, sustainable benefits for the NHS. This was evident following visits to two such hubs during this work, both of which were realising real cashable savings and contributing to the delivery of improved health care provision.

The ACPO Finance and Resources Business Area - Procurement Portfolio, supported by the NPIA, has developed the 'Wave Plan' Programme to target the suppliers and commodities on which the Service spends most. This programme aims to deliver 5 per cent sustainable efficiency savings (in excess of £35 million) a year. The NPIA has also identified significant opportunities to deliver efficiency gains. The NPIA have also made progress on existing national frameworks and contracts. The benefit of encouraging forces to select preferred national or regional collaborative procurement options, rather than procure on an individual force basis, provides

¹⁰ Source CIPFA Estimates 2008/9 – revenue costs including supplies and services, transport, premises and third party payments.

significant opportunities for standardisation of equipment and services and value for money.

HMIC makes one proposal in this area:

- **Proposal 4.** The NPIA should provide specific support to identified work streams such as the Wave Plan, national frameworks and contracts to ensure the delivery of all potential efficiencies. This work is attributed 'level 3' on the scale of support – incentives and support for forces to become involved.

5. Conclusion and Proposals

This report is the result of roughly four months of research by HMIC, using its own staff and Avail, between November 2008 and March 2009. It was therefore limited in its scope and the depth in which it could explore existing collaboration and canvass views at all levels in the Service, as well as those outside. There is plainly a significant amount of further work to be done on the subject of collaborative working.

However, HMIC has gathered what it hopes is an illuminating picture of the current state of collaboration in England and Wales which should inform and stimulate further work. In particular, HMIC believes it has offered a coherent and practical model – the ICM market and the ‘responsible body’ framework – that the Police Service can use to develop and get the best out of collaboration.

As stated at the start of the report collaboration must be seen as a means to an end, and any ‘Responsible Body’ must consider, in applying the ICM, whether there are further opportunities to develop alternative means to deliver the effective co-ordination of resources. This will ensure that the objective of ‘effective co-ordination of resources’ takes precedence, with models for delivery being actively and regularly reviewed and assessed by the Service and its partners.

The system may be refined as work progresses, but it is clear that - within the existing 43-force structure, and with current and anticipated budgets – collaboration cannot be tested and developed without a model similar to the one HMIC has offered.

To assist the work further, HMIC has made four proposals, which again are designed to offer practical help in the area of collaborative police work. They are:

- **Serious & Organised Crime**

Proposal 1

ACPO, in consultation with the Organised Crime and Partnership Board, to establish an agreed co-ordination function for the police response to SOC

Proposal 2

ACPO to agree the preferred regional delivery model (subject to consideration of functionality, performance and costs) for tackling OCGs across force boundaries, or to agree an alternative approach

- **HR & Finance Shared Services**

Proposal 3

NPIA to scope the potential (investment/savings) of shared services across the Service

- **Collaborative Procurement**

Proposal 4

NPIA to monitor & support existing collaborative procurement work (Wave Plan, national or regional frameworks and contracts to ensure the delivery of efficiencies.)