



PEEL: Police efficiency 2015

An inspection of Avon and Somerset Constabulary



October 2015

© HMIC 2015

ISBN: 978-1-78246-862-2

www.justiceinspectorates.gov.uk/hmic

Contents

Overview – How efficient is the force at keeping people safe and reducing crime?	4
Overall judgment.....	4
Summary	4
Force in numbers	8
Introduction	10
How well does the force use its resources to meet its demand?	11
How well does the force understand its demand?	11
How well does the force match resources to demand?	11
How well are the force's services meeting the demand from the public?.....	12
How well is the force managing demand?	14
How well does the force monitor and understand outputs, outcomes and costs?	15
How well is the force using new working methods to improve services?	15
Summary of findings	16
How sustainable and affordable is the workforce model?	17
How well does the force's current workforce model match demand, organisational and financial requirements?.....	17
How well does the force's projected workforce model match demand, organisational and financial requirements?	19
Summary of findings	20
How sustainable is the force's financial position for the short and long term?21	
Has the force achieved its saving requirements and balanced the budget for the spending review period and 2014/15?	21
Has the force achieved a balanced budget for 2015/16?.....	22
How well has the force maximised other funding opportunities?	23
How well does the force control expenditure?	24

How well do the force's financial plans reflect the objectives set out in the PCC's police and crime plan?.....	25
How well does the force provide timely and relevant financial information to the office of police and crime commissioner (OPCC), and are shared assumptions used to develop current and future plans?.....	25
How well developed are the force's plans for possible further savings?	26
Summary of findings	27
Annex A – HMIC judgments	28
Annex B – Further information about the data	29

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

Overall judgment¹



Good

HMIC found that Avon and Somerset Constabulary is very well prepared to face its future financial challenges. The constabulary successfully reduced spending over the last spending review period through robust financial management and a commitment to continuous improvement. The constabulary has a comprehensive understanding of the demands for its services and is planning effectively for future financial challenges. In last year's HMIC value for money inspection, which considered how forces had met the challenge of the first spending review period, the constabulary was judged to be outstanding.

Summary

HMIC judges Avon and Somerset Constabulary to be good. It has carried out a highly effective piece of work that has provided a detailed understanding of demand for its services. It has used this understanding to restructure its operating model to make the best use of its workforce which is sustainable, affordable and continues to provide effective policing services to the public.

The constabulary uses an online resource modelling tool to allocate staff to areas of policing so it can make sure that there is a systematic and scientific way of aligning resources to demand and providing sustainable services to the public.

The constabulary makes good use of technology to allocate resources on a day-to-day basis, supported by improved processes. The constabulary has also invested in technology so its workforce can have better remote access to its IT systems. This means the constabulary has increased available resources that it can deploy to meet demand.

The constabulary has recognised that it has to recruit and train its people to meet the changing demand on policing within a reduced budget. It has reviewed its training needs and has prioritised training to prepare and equip staff to work within the operating model.²

¹ Outstanding, Good, Requires improvement or Inadequate – see Annex A.

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

The constabulary understands the risks associated with the change programme; initial indications are that the new operating model is currently meeting demand within the constabulary's budget. It will need to undertake further work to assess formally the benefits of these changes. Greater detail will be required for the mid-term financial planning.

The constabulary's plans reflect the policing priorities set by the police and crime commissioner (PCC). This is further supported by clear governance arrangements, information sharing and joint financial planning with the office of the police and crime commissioner (OPCC).

The constabulary has a solid track record of achieving savings and has received favourable comment from both internal and external auditors with regard to its financial planning.

The constabulary is well positioned to identify savings for years beyond 2015/16, but further work is required to develop the detailed proposals.

How well does the force use its resources to meet its demand?	How sustainable and affordable is the workforce model?	How sustainable is the force's financial position for the short and long term?
 Outstanding	 Good	 Good
<p>Avon and Somerset Constabulary has a detailed understanding of demand for its services. This has been obtained through an in-depth evaluation of its work. It has adopted a systematic approach to this, including consultation with the public and the workforce.</p>	<p>The sustainability and affordability of the constabulary's workforce model³ is set on a strong foundation. It uses digital modelling to align resources accurately to current demands.</p> <p>The constabulary has assessed its staffing and training requirements to better equip the workforce</p>	<p>The constabulary has a solid track record of achieving savings. More recently digital modelling of the workforce is accurately identifying savings for the mid-term financial plan.</p> <p>Over the next three years, from 2015/16 to 2018/19, the constabulary is making assumptions of a further reduction of £15.1m in</p>

³ Workforce model - the way in which the workforce is organised; in the case of the police, it includes police officers, even though they are holders of the office of constable and therefore not employees of their police forces; it also includes police community support officers and police staff.

<p>This comprehensive understanding of demand has enabled the constabulary to re-configure the workforce to meet the call on its services from the public. This new operating model has re-aligned policing, operational and support resources across the constabulary.</p> <p>This detailed understanding provides the information for sophisticated digital modelling which effectively aligns staffing resources to service demand on a day-to-day basis and helps to plan these resources in the longer term. It is supported by improved processes and good use of technology to deploy resources to meet the demand from the public.</p> <p>There is a clear understanding of costs including the use of comparison data to identify more efficient ways of working. This includes collaboration with other forces in the south west.</p> <p>The constabulary is making good use of technology and is continuing to work with other police forces, other agencies such as local councils, and businesses to meet demand on its services from the public</p>	<p>to perform within its new operating model. This has included recruitment of individuals with specialist skills, providing training and improving introductory courses to new technology.</p> <p>The risks associated with the extensive change programme, including recruitment, training and use of technology are understood by the constabulary and are documented in the organisational risk register.</p> <p>Initial indications are that the model is currently meeting demand and operating within budget. However further analysis is required to formalise the benefits of this new model so that the constabulary can track progress accurately.</p>	<p>central government funding.</p> <p>The combined effect of this and other budget pressures leaves a cumulative budget gap of over £23m.</p> <p>The constabulary plans reflect the policing priorities set by the police and crime commissioner (PCC). This is supported by a good working relationship with the office of the PCC where joint assumptions and information are shared for financial planning.</p> <p>The constabulary seeks appropriate funding from other sources and charges for policing services where possible.</p> <p>The savings required beyond 2015/16 are not yet agreed, although the constabulary has identified possible areas of business where potential savings can be made.</p> <p>Therefore, there is a need to develop detailed plans that identify the savings required beyond 2016.</p> <p>The constabulary adheres to strict assurance processes before savings associated can be factored into future budgets and the constabulary exercises strong financial control.</p>
---	---	--

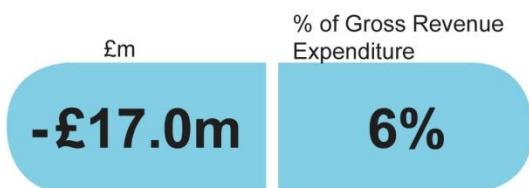
within its budget. The constabulary is continually making best use of its resources to provide policing services to the public efficiently.		The constabulary has a strong track record of achieving required savings and, as at the end of March 2015, had useable reserves in excess of £50m.
--	--	--

Force in numbers



Financial position

Forecasted change in expenditure 2015/16 to 2018/19



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



Providing policing

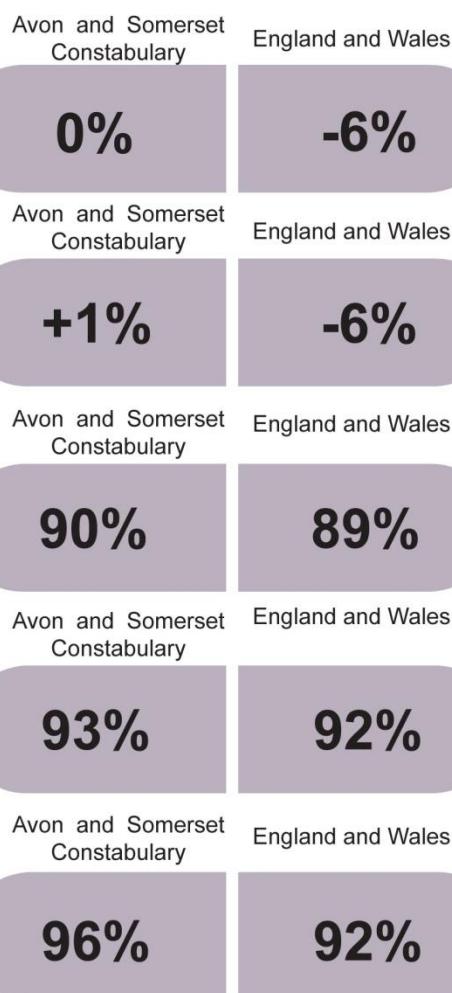
Planned change in police officer numbers 31 March 2015 - 31 March 2018

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

Proportion of police officers on the operational frontline 31 March 2010

Proportion of police officers on the operational frontline 31 March 2015

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





Organisation

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

Avon and Somerset Constabulary England and Wales

£87

£115

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

Avon and Somerset Constabulary England and Wales

£130

£165

1
2
3

Key statistics

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

Avon and Somerset Constabulary England and Wales

+1%

+2%

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

Avon and Somerset Constabulary England and Wales

-21%

-16%

Victim satisfaction 12 months to 31 March 2015

Avon and Somerset Constabulary England and Wales

84.1%

83.8%

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

Avon and Somerset Constabulary England and Wales

No change

No change

Victim satisfaction: Avon and Somerset, confidence interval +/- 1.3 percent.
England and Wales, confidence interval +/- 0.2 percent.

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

Introduction

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

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

To answer this question we looked at three areas:

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

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

This report sets out the findings from this wide-ranging inspection of Avon and Somerset Constabulary.

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

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

How well does the force understand its demand?

HMIC has commented positively previously about the constabulary's commitment to understand its demand. This has been achieved through 'operation check' which analysed all calls for service over a 24-hour period and tracks them through to conclusion. This has been refreshed recently and, working with a private sector business, this baseline data has fed into programmes to improve the constabulary's principal processes (Systems Thinking) and digital resource modelling known as RAMP (Resource Allocation Model for the Police). The constabulary now has a comprehensive understanding of the demand on its services from the public.

The constabulary has remodelled the structure of the constabulary to make the best use of its workforce. Allocating staff to the areas of police activity within the new operating model is informed by RAMP, which proposes appropriate levels of resources. This ensures a systematic and scientific way of aligning resources to demand and providing sustainable services to the public.

How well does the force match resources to demand?

The allocation of staff to the areas of police activity within the new operating model is informed by RAMP to provide a systematic and scientific way of aligning resources to demand and providing sustainable services to the public.

Alongside the RAMP modelling programme, the constabulary has also undertaken an in-depth internal consultation programme (Invent the Future) to define its new operating model. This model can be summarised as:

1. Re-alignment of local policing to three local policing areas (LPAs).
2. Introduction of a constabulary-wide prevent, protection and prosecution portfolio which includes criminal justice, integrated victim care, first point of contact and intelligence.

3. A specialist operations portfolio which manages constabulary-wide investigations, covert policing and operational units working in collaboration with other forces in the south west region.
4. Enabling functions which are based at headquarters and provide corporate support services.

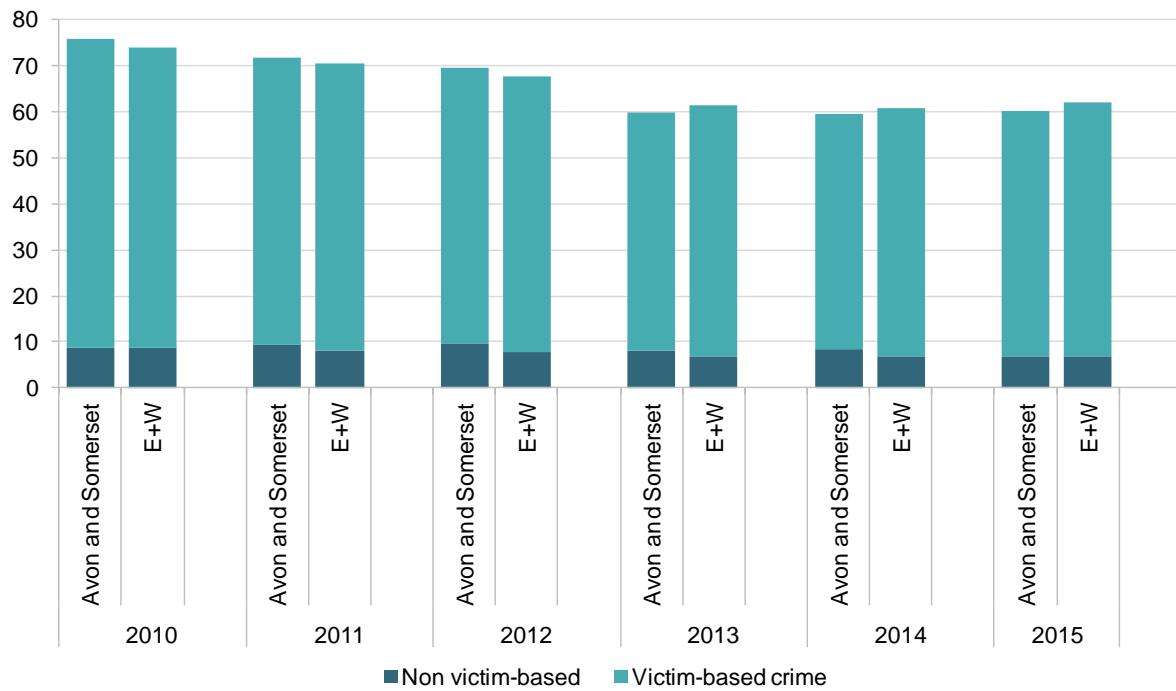
How well are the force's services meeting the demand from the public?

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

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

In the 12 months to 31 March 2015, Avon and Somerset Constabulary had a victim-based crime rate of 53.2 and a non victim-based crime rate of 6.9 per 1,000 population. This represents a decrease (21 percent) in the victim crime rate and a decrease (21 percent) in the non victim-based crime rate since the start of the spending review in 2010. During the same time period England and Wales had a victim-based and non victim-based crime rate of 55.2 and 6.9 per 1,000 population respectively. This represents a decrease in both crime rates by 15 percent and 19 percent respectively since the start of the spending review. The scale of the change in crime rate can be seen in Figure 1 on the following page.

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



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

Of those who have been the victim of a crime in Avon and Somerset, 84.1 percent were satisfied with their whole experience with the police in the 12 months to 31 March 2015.⁴ This is similar to the national victim satisfaction rate of 83.8 percent over the same time period.⁵ There has been no significant change in victim satisfaction between the 12 months to 31 March 2011 and the 12 months to 31 March 2015 in Avon and Somerset.

The Invent the Future programme, which involved 2,500 staff, subjected various elements of the new operating model to scrutiny through what were called 'challenge panels'. This has enabled the constabulary to prepare and equip staff to implement the new operating model. The new model emphasises the importance of 'getting it right first time' and therefore puts increased importance on effective training for staff. The training needs of all officers have been reassessed. There has been prioritisation of training needs to reflect the skills required to provide improved services under the new operating model. This has led to some significant changes in how and what training is planned and provided, for example the skills required to meet the emerging increase in child abuse investigations.

⁴ Avon and Somerset, confidence interval +/- 1.3 percent.

⁵ England and Wales, confidence interval +/- 0.2 percent.

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

Figure 2: Methods of public engagement used by Avon and Somerset Constabulary over the 12 months to 31 December 2014

Are the following communication channels being used by the Force?

Facebook	Yes
Twitter	Yes
Email	Yes
Text message	Yes
Web forum	No
Instagram	Yes
Local phone (not 999 or 101)	Yes

Source: HMIC Efficiency data collection

How well is the force managing demand?

In the context of a shrinking workforce, the constabulary manages the demand placed upon its services well. It has removed duplication and wastage from principal processes, becoming more economical in the use of its resources. The workforce is becoming increasingly flexible.

Good examples of the way the constabulary is managing demand well include streamlining processing and eradicating delays in crime reporting by training call handlers to complete this task at the first point of contact. In addition, voice-activated software is now supporting call handlers to assess the vulnerability of the caller and the urgency to which resources should be deployed. By finding new ways of working, the constabulary is providing a better service with fewer people.

The constabulary is also making good use of technology to increase digital tracking of all of its resources. This is providing a more complete picture of the total resources available for deployment and enables a quicker despatch of resources to areas of most need. Also, the constabulary has embarked on an initiative to make better use of its resources by mandating the use of single crewing of vehicles in most cases. These new working practices have meant a better use of resource to meet the demand on its services from the public efficiently.

HMIC inspectors also found evidence of detailed studies into those callers who create the most demand on constabulary resources. For example, analysis has identified those suffering from dementia and mental health issues as being particularly prone to make use of the 999 and 101 phone call facilities. This can lead to a protracted deployment of police resources in circumstances where alternative support is available to the caller. Effective resolutions have been found with other organisations, such as the health service, or can be as straightforward as asking a relative to provide support. A structured, problem-solving approach to repeated calls for police assistance has resulted in reduced police attendance where other agencies are better qualified and equipped to appropriately deal with the individual.

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

The constabulary has undertaken extensive research to understand the costs of services and has also completed analysis to compare different areas of work. This illustrates the comparative costs of all areas of police activity of the forces in the south west region. The constabulary has used this data to ensure that services provided in collaboration with other forces are provided at the best cost. This comprehensive work will be used to scope a strategic alliance with Wiltshire Police which is being considered.

The constabulary has directly aligned its resources in the new operating model to the priorities identified in the police and crime plan. The use of the resource modelling system, RAMP, provides an objective way of determining resourcing levels within the model. The constabulary has achieved sustained success with victim satisfaction and crime reduction over the past five years and, to ensure this successful performance is maintained, the constabulary will need to assess the impact of the new operating model over time.

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

The constabulary is demonstrating a strong commitment to adopt and explore new ways of working. The constabulary has an established track record of collaborative working with other forces, local authorities and commercial partners. The savings generated from the joint venture with IBM, Somerset County Council and Taunton Deane Borough Council to provide a range of services which encompass ICT, procurement, enquiry offices, facilities management, as well as transactional and advisory finance and human resources (HR) services. The tri-force arrangements between Avon and Somerset, Gloucestershire and Wiltshire Police has generated savings and facilitated the flexible deployment of motorway patrols, armed officers and other specialist services across Avon and Somerset and surrounding counties. Collaborative working has also provided greater resilience in the investigation of

serious crime including homicide. This experience will equip the constabulary well when scoping the benefits of a strategic alliance with Wiltshire Police which is a principal element of future finance plans.

The digital working programme has provided frontline staff with the ability to enter data remotely using smart phones; they can now undertake a range of activities online without the need to return to a police station. There remains some scepticism among frontline workers of the value of the devices, as the benefits have not yet been fully realised. The constabulary is not yet in a position where it can determine and communicate the efficiencies that can be achieved through this programme or the potential future savings that could be made.

Summary of findings



Outstanding

Avon and Somerset Constabulary has a detailed understanding of demand for its services. This has been obtained through an in-depth evaluation of its work. It has adopted a systematic approach to this, including consultation with the public and the workforce.

This comprehensive understanding of demand has enabled the constabulary to re-configure the workforce to meet the call on its services from the public. This new operating model has re-aligned policing, operational and support resources across the constabulary.

This detailed understanding provides the information for sophisticated digital modelling which effectively aligns staffing resources to service demand on a day-to-day basis and helps to plan these resources in the longer term. It is supported by improved processes and good use of technology to deploy resources to meet the demand from the public.

There is a clear understanding of costs including the use of comparison data to identify more efficient ways of working. This includes collaboration with other forces in the south west.

The constabulary is making good use of technology and is continuing to work with other police forces, other agencies such as local councils, and businesses to meet demand on its services from the public within its budget.

The constabulary is continually making best use of its resources to provide policing services to the public efficiently.

How sustainable and affordable is the workforce model?

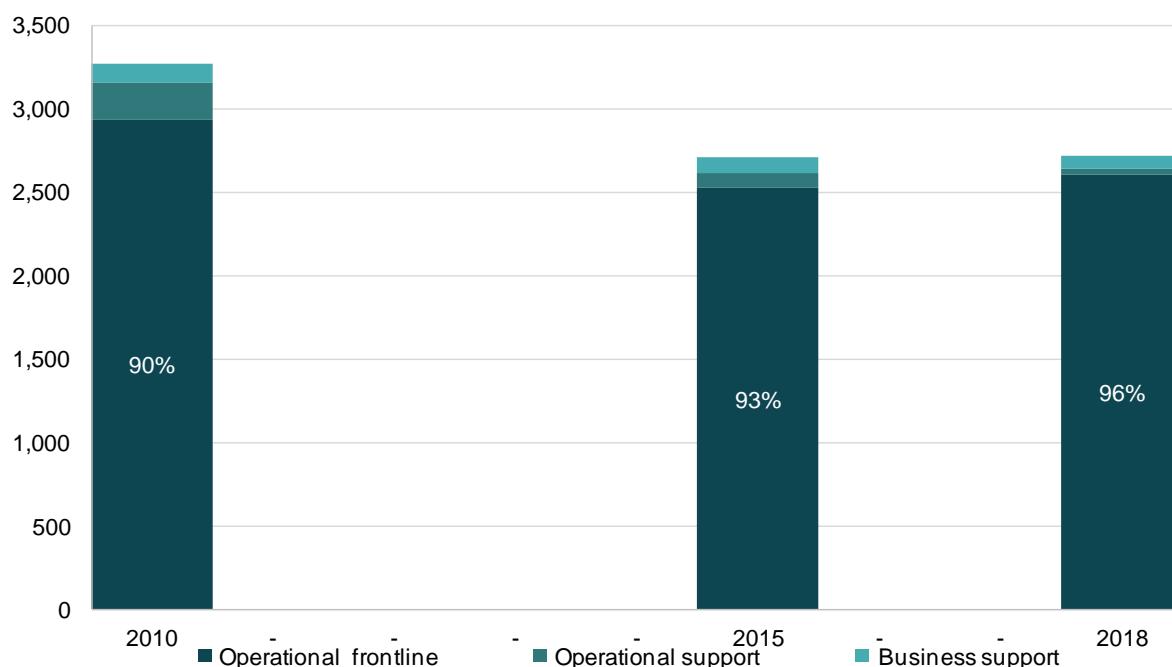
HMIC examined how Avon and Somerset Constabulary has structured its workforce (i.e. its mix of police officers, staff and PCSOs, and the proportion of all these groups working in frontline positions), and assessed whether this was affordable and sustainable as the force responds to its financial challenge.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

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

Avon and Somerset Constabulary forecasted a total savings requirement over the first four years of the spending review as part of the valuing the police programme (2011/12 to 2014/15) of £45.89m, the equivalent of 14 percent of the 2010/11 gross revenue expenditure for the constabulary. Savings were made in both the pay and non-pay budgets. Since 2010, Avon and Somerset Constabulary has seen a reduction of 595 police officers, an increase of 97 and a reduction of 99 PCSOs, full-time equivalent (FTE).

In Avon and Somerset, there have been falls in the total number of police officers FTE over the period 2010 to 2015, as shown in figure 3. During this time period the proportion in frontline roles has increased from 90 percent in 2010 to 93 percent in 2015. The constabulary expects to increase this proportion looking ahead to 2018.

Figure 3: Actual and planned changes to police officer full-time equivalent (FTE) in operational frontline, operational support and business support roles in Avon and Somerset Constabulary, from 31 March 2010 to 31 March 2018



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

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

Avon and Somerset Constabulary has introduced an affordable workforce model. It has completed extensive internal consultation which has brought about a culture of change understood by staff. It is supported by an effective digital modelling system which accurately aligns resources to current demands.

The risks associated with the change programme are understood by the constabulary and are documented within the risk register. Initial indications are that the model is meeting demand currently and operating within budget.

A workforce plan is in place to sustain the new operating model. This focuses on maintaining the police officer establishment level and meeting the need to resource specialist policing areas with the right skills and experience. This has included a recent drive to recruit detectives on transfer from other forces and to recruit a maximum number of 128 new staff in each of the next few years – the constabulary assess that 128 is the maximum that can be trained on an annual basis.

The training department is able to manage demand as there have been recent changes to the governance structure which sets out how training is commissioned. The deputy chief constable chairs a meeting, which has an overarching view of the organisation's training needs and makes the final decision on the authorisation of training.

Driver training is the only area within training provision where demand exceeds the trainers' ability to train. The constabulary is of the view that this situation may improve following the forthcoming strategic alliance with Wiltshire Police.

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

Figure 4: Actual and planned changes in workforce full-time equivalent (FTE) from 31 March 2010 to 31 March 2018 for Avon and Somerset Constabulary compared to England and Wales

	March 2010	Difference between 2010 and 2015		March 2015	Difference between 2015 and 2018		March 2018
		Force	England and Wales		Force	England and Wales	
Police Officers	3,302	-18%	-12%	2,707	0%	-6%	2,718
Police Staff	1,871	5%	-19%	1,968	2%	-6%	2,000
PCSOs	430	-23%	-27%	331	9%	-11%	361
Workforce total	5,603	-11%	-15%	5,007	1%	-6%	5,079

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

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

Avon and Somerset Constabulary has a workforce-planning approach that will sustain future developments. HMIC found that the constabulary has in place strong processes to understand demand and is making use of technology to map future resourcing so it can meet changing demand. The constabulary understands the skills required within the workforce need to change to continue to meet demand within a reducing budget.

The training needs of all officers have been reassessed and there has been a prioritisation of training needs to reflect whether or not these are required before or after the new operating model has been introduced. This has led to some significant changes in how training is planned and provided.

Use of mobile communication by officers is improving and the constabulary is increasing the functionality and access to organisational systems incrementally, but acknowledges there has been too long a gap between giving individuals the phones and then adding functions such as email access and use.

This investment in the IT infrastructure and providing the right equipment, will enable officers to spend more time outside police buildings and means they will be more available to meet the demand on them.

Further analysis is required by the constabulary to formally assess the benefits of the new model so that it can track progress accurately and ensure it continues to operate within budget in the future.

Summary of findings



Good

The sustainability and affordability of the constabulary's workforce model⁶ is set on a strong foundation. It uses digital modelling to align resources accurately to current demands.

The constabulary has assessed its staffing and training requirements to better equip the workforce to perform within its new operating model. This has included recruitment of individuals with specialist skills, providing training and improving introductory courses to new technology.

The risks associated with the extensive change programme, including recruitment, training and use of technology are understood by the constabulary and are documented in the organisational risk register.

Initial indications are that the model is currently meeting demand and operating within budget. However further analysis is required to formalise the benefits of this new model so that the constabulary can track progress accurately.

⁶ Workforce model - the way in which the workforce is organised; in the case of the police, it includes police officers, even though they are holders of the office of constable and therefore not employees of their police forces; it also includes police community support officers and police staff.

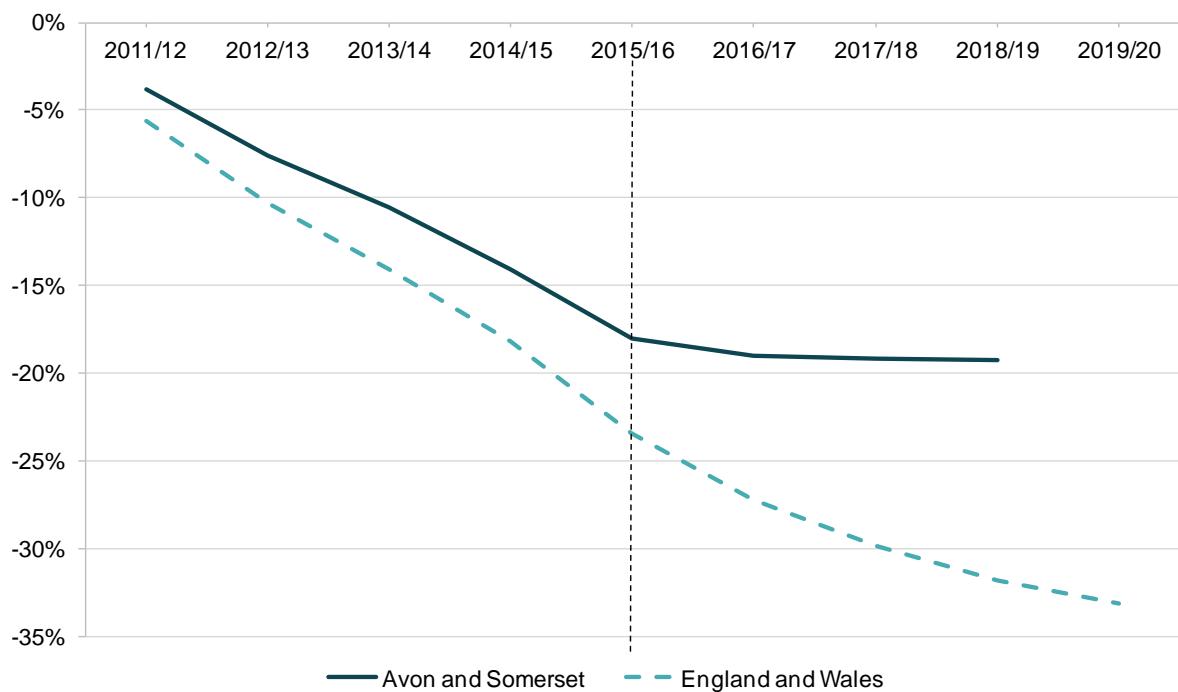
How sustainable is the force's financial position for the short and long term?

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

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

Avon and Somerset Constabulary forecasted savings of £45.89m over the first four years of the spending review (2011/12 to 2014/15), the equivalent of 14 percent of the 2010/11 gross revenue expenditure for the constabulary. Over the period savings were made in both the pay and non-pay budgets, so as to balance budgets by 2014/15. Over the same period all forces across England and Wales forecast a total savings requirement of £2.53bn, the equivalent of 18.2 percent of the 2010/11 gross revenue expenditure for England and Wales.

Figure 5: Estimated change in expenditure from 2011/12 to 2014/15, and forecast change in expenditure for 2015/16 to 2019/20, against the 2010 Gross Revenue Expenditure (GRE) baseline for Avon and Somerset and England and Wales



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

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

The constabulary has a solid track record of achieving savings. Previously both HMIC and external auditors have commented favourably on its financial planning. More recently the digital modelling of the workforce is accurately identifying savings included in the medium-term financial plan. In the context of a shrinking workforce, the constabulary manages the demand placed upon its services well. It removes duplication and wastage from processes, it is becoming more economical in the use of its resources and the workforce is becoming increasingly flexible.

Has the force achieved a balanced budget for 2015/16?

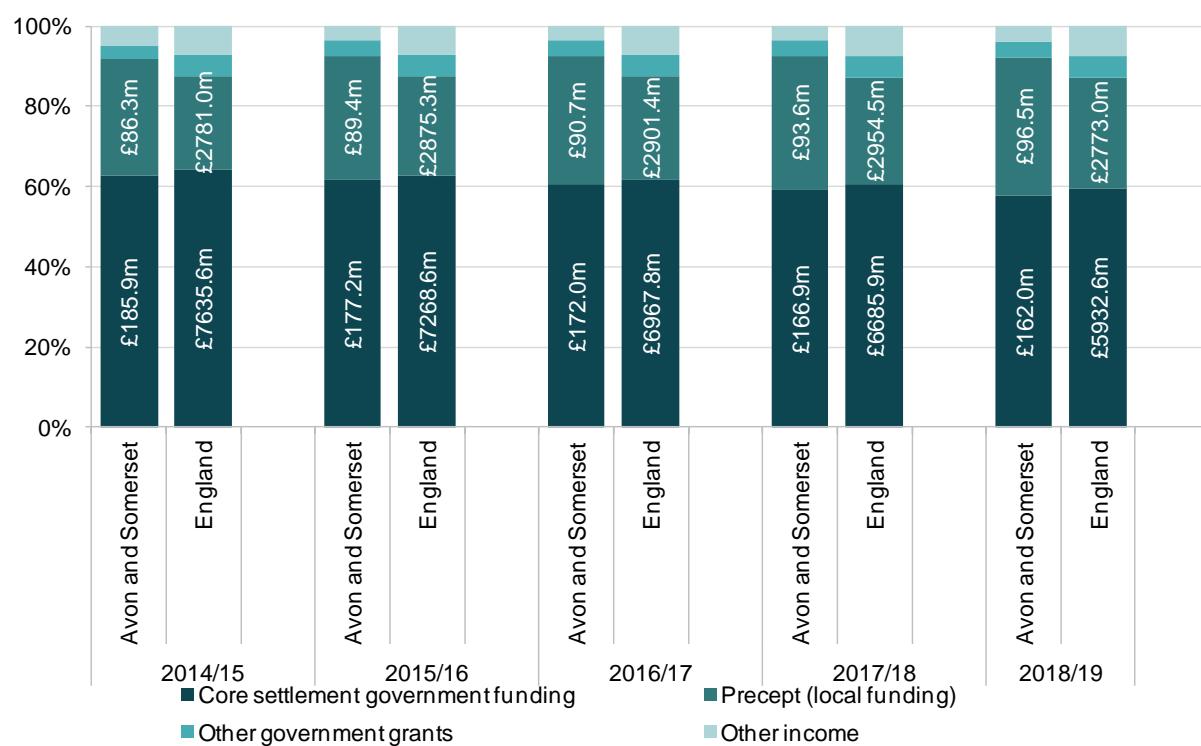
Avon and Somerset Constabulary has planned a balanced budget of £287.6m (total GRE from pay and non pay) for 2015/16, which includes a cut in spending of £12.9m. It is forecast that the reduction will be split between £6.8m from the pay budget (53 percent) and £6.1m (47 percent) from the non-pay budget in this year's savings. The constabulary plans to meet its reduction in gross revenue expenditure without using reserves as a bridge. Since the 2010 baseline, at the start of the spending review, this represents savings of 18 percent.

How well has the force maximised other funding opportunities?

Figure 6 demonstrates the amount of funding that the constabulary received from a central government grant, its precept from local councils through council tax, and from other sources, such as Home Office special grants.

Avon and Somerset Constabulary is expecting the proportion of its funding that comes from core settlement government funding to decline over the coming years, whilst anticipating the proportion of its funding that comes from precept (council tax funding) to increase over the same time period. It should be noted that the core settlement government funding, both monetary values and proportions of total funding, detailed in figure 6, are from constabulary estimates collected as part of HMIC's efficiency inspection data collection. This data should not be considered as an official projection. The Home Office is currently consulting on changes to the forces' funding formula and therefore any current projections may change over the time period highlighted.

Figure 6: Forecast mix of funding for Avon and Somerset Constabulary in the 12 months to 31 March 2015 to the 12 months to 31 March 2020, compared to English forces



Source: HMIC efficiency data collection

The constabulary derives a similar proportion of its revenue funding from alternative sources when compared to other forces. The constabulary and the PCC have an ethical approach to income generation and do not aggressively market police services for cost recovery. Instead these are supplied when they are requested, for

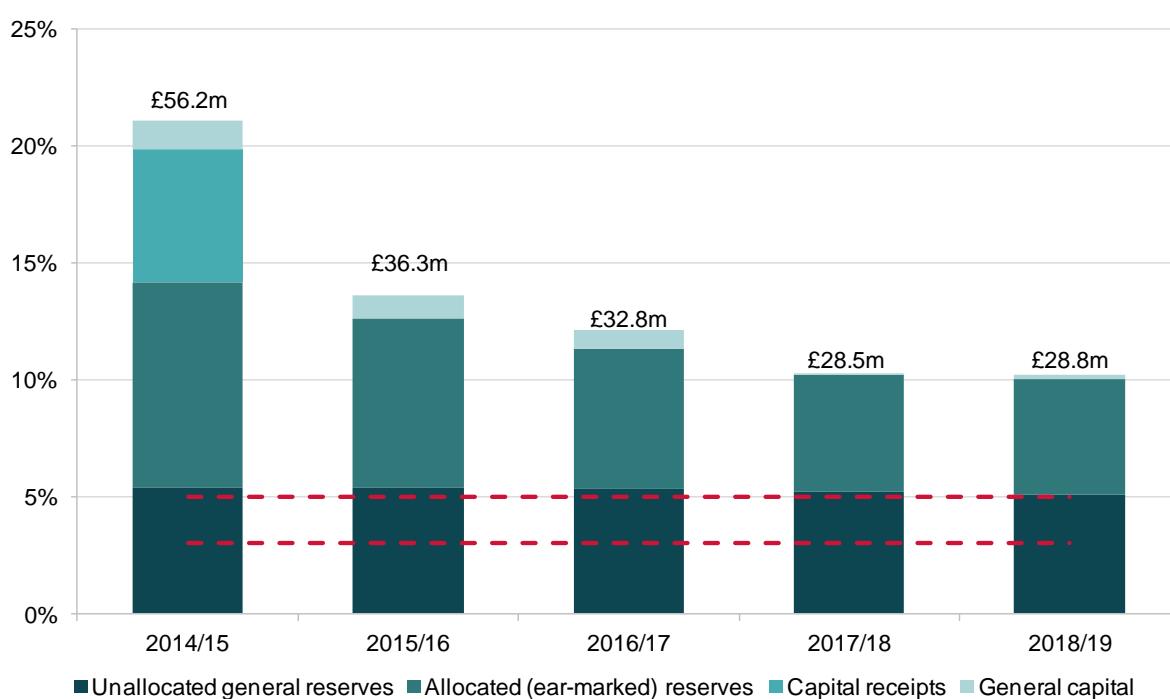
example services at Bristol shopping mall. The constabulary has made progress in establishing better systems to cross charge other parties, for example cost recovery from the Home Office for the provision of cell space in custody suites and for policing services for the development of a new nuclear power station which is funded by a private sector company.

How well does the force control expenditure?

The constabulary's level of reserves and how these are forecast to change over time is shown in figure 7. Avon and Somerset Constabulary reported that its total reserves were £56.2m in 2014/15. These are broken down into several categories:

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

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



Source: HMIC efficiency data collection

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

The constabulary adheres to strict assurance processes before savings can be factored into future budgets. The constabulary has a strong track record on achieving required savings. Also, the medium-term financial plan has been subject to sensitivity analysis⁷ and risk assessment.

The constabulary has appropriate measures in place to control expenditure effectively including pay budgets being centralised and management of workforce levels, such as whether to fill vacancies, being subject to corporate control. The constabulary's internal auditors have issued a 'green' assessment for financial control measures.

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

The financial plans are developed in conjunction with the office of the police and crime commissioner (OPCC) and are designed to achieve the priorities in the police and crime plan.

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

The Chief Financial Officer and Director of Resources work closely and effectively with the PCC's office, shared assumptions are used to develop future plans. In particular the medium-term financial plan is developed and produced jointly by the constabulary and the OPCC.

The planning process is undertaken throughout the year and ensures that both the OPCC and the constabulary are working effectively together to shape future financial plans. The constabulary shares information with other forces to create a regional comparative report that sets out principal assumptions to ensure police and crime commissioners and chief officers are not looking at medium-term financial plans in isolation and are able to challenge assumptions proposed. This joint approach ensures financial plans are collaborative with good communication between the chief constable and the police and crime commissioner.

The constabulary and the OPCC have clear protocols in place for the use of reserves and when prior authority is required for purchases in excess of a certain amount.

⁷Sensitivity analysis looks at the different variances in assumptions and what the impact of changes in the assumptions may be, for example if inflation is higher/lower than anticipated it assesses the impact on the finances of the force, allowing different scenarios to be planned.

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

The savings required beyond 2015/16 are not yet agreed, although the constabulary has identified areas of business where potential savings can be made. The constabulary is well positioned to identify savings for the years beyond 2015/16, but further work is required to develop the detailed proposals. This is especially important given the scale of the total savings required from 2015/16 to 2018/19.

From 2015/16 to 2018/19, the constabulary is making assumptions of a further reduction of £15.1m in central government funding. The combined effect of this and other budget pressures, for example increased National Insurance employers' contributions and the settlement of a police staff inflation dispute, leaves a cumulative projected budget gap of over £22.9m.

The savings required beyond 2015/16 are not yet identified although the constabulary has identified potential sources as:

1. A strategic alliance with Wiltshire Police which is in an initial scoping phase.
2. Realisation of savings from South West One, a joint venture set up between Somerset County Council, Taunton Deane Borough Council, Avon and Somerset Constabulary and IBM.
3. The Digital Mobile Working Programme and the Digital Evidence project.

The constabulary adheres to strict assurance processes before savings associated with these and other initiatives can be factored into future budgets. The constabulary has a strong track record on achieving required savings and, as of March 2015 had useable reserves in excess of £50m. The medium-term financial plan has also been subject to sensitivity analysis and risk assessment. This inspires confidence that future savings targets are being worked on. Nonetheless, the constabulary's external auditors have advised developing a balanced financial plan beyond 2015/16.

Summary of findings



The constabulary has a solid track record of achieving savings. More recently digital modelling of the workforce is accurately identifying savings for the mid-term financial plan.

Over the next three years, from 2015/16 to 2018/19, the constabulary is making assumptions of a further reduction of £15.1m in central government funding.

The combined effect of this and other budget pressures leaves a cumulative budget gap of over £23m.

The constabulary plans reflect the policing priorities set by the police and crime commissioner (PCC). This is supported by a good working relationship with the office of the PCC where joint assumptions and information are shared for financial planning.

The constabulary seeks appropriate funding from other sources and charges for policing services where possible.

The savings required beyond 2015/16 are not yet agreed, although the constabulary has identified possible areas of business where potential savings can be made.

Therefore, there is a need to develop detailed plans that identify the savings required beyond 2016.

The constabulary adheres to strict assurance processes before savings associated can be factored into future budgets and the constabulary exercises strong financial control.

Annex A – HMIC judgments

The categories are:

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

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

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

Annex B – Further information about the data

Figure 3

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

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

Figure 4

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

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

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

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

Figure 5

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

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

Figure 7

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

According to a survey of financial directors conducted by the Audit Commission,⁸ it is commonly considered that three percent to five percent of net revenue expenditure is a prudent level of unallocated general reserves for risk-based planning purposes. This range is shown on the graph by the two horizontal red dotted lines.

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

⁸Striking a balance: Improving councils' decision making on reserves, Audit Commission, December 2012. Available from <http://webarchive.nationalarchives.gov.uk>