

# PEEL: Police efficiency 2015

An inspection of Nottinghamshire Police



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

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



HMIC found that Nottinghamshire Police is adequately prepared to face its future financial challenges. It has balanced the budget and has a good track record of achieving savings. It has plans in place to deliver most of its anticipated savings through to 2017/18. The force has a good understanding of the demand on its services, although at the moment it does not match its resources to meet that demand as well as it could. The force recognises this and is implementing a new way of organising itself (its operating model) that is designed to enable it to continue to provide an effective policing service at lower cost. In last year's value for money inspection, which considered how well forces had met the challenge of the first spending review period, Nottinghamshire Police was judged to require improvement.

## Summary

HMIC judges Nottinghamshire Police to be good. The force has achieved its required savings of £31.2m over the spending review period and has well-defined plans to achieve most of its savings up to 2017/18. Savings will be achieved by implementing the new policing model and by effective financial management. However, this will not be sufficient to deliver a balanced budget over the period; some use of reserves will be required to balance the budget, and further savings will need to be identified.

The force has a good and growing understanding of the demand it faces. It is developing effective ways of managing and reducing demand, which it is achieving by working innovatively with partners. This includes an ambitious partnership prevention programme, which is important to delivering long-term change. There are also many continuing and new projects with other forces, each at a different stage and moving at different speeds. Change programme professionals work in the force project management office to provide expertise and support to project leads.

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

There is a wealth of information available to staff on the force intranet, but the force recognises that communicating through email and the intranet is not as effective as messages given in person by first and second line managers. Similarly, police staff unions feel they are not as involved as they would want to be in adding value during the consultation process and building business cases for change.

Most of the required savings will be delivered by implementing the new operating model and by effective financial management. However, this will not be sufficient to deliver a balanced budget over the period; further savings will be necessary.

<p><b>How well does the force use its resources to meet its demand?</b></p>	<p><b>How sustainable and affordable is the workforce model?</b></p>	<p><b>How sustainable is the force's financial position for the short and long term?</b></p>
<p> <b>Good</b></p>	<p> <b>Requires improvement</b></p>	<p> <b>Good</b></p>
<p>The force has a good and growing understanding of the demand it faces, and it is developing its knowledge of new and emerging demand. There is a demand profile which assesses demand through quantitative performance measures, and activity analysis to inform the resource allocation model.</p> <p>The new operating model is trying to improve the overall victims' experience of police contact. The force is developing its understanding of how the public contact the police.</p> <p>There is innovative activity with partners to reduce demand, and an ambitious</p>	<p>The force is putting in place a new operating model using phased implementation rather than a 'big bang' approach. The 'delivering the future' change programme is moving the force towards a sustainable and affordable model – but this is not yet in place. Five years into the period of austerity, the force is still not currently matching its available resources to meet the overall demand for policing.</p> <p>The new model to deliver policing services is based on providing a better experience for victims. The model has prevention at its core, with dedicated points</p>	<p>The force has a good track record of sound financial management, accurate budgeting and delivering planned savings. There is good control of expenditure with financial assumptions being deliberately prudent.</p> <p>Balancing the budget depends on the timely delivery of the force's action plan for efficiencies and savings and on the effective management of budgets. This plan is constantly monitored, risks are identified and savings are on track.</p> <p>There is effective oversight and scrutiny. Key financial and performance information is shared with</p>

<p>prevention programme with partners, which is important to delivering long-term change.</p> <p>There is a good assessment of what different service areas cost and whether or not they provide value for money.</p> <p>Police recorded crime has reduced over the period of the spending review and the victim satisfaction rate at the end of the period was higher than the rate for England and Wales.</p> <p>There is a wealth of information available to staff on the intranet but there is recognition that communicating through email and the intranet is not as effective as messages given by first and second line managers. Similarly, police staff unions feel they are not as engaged as they want to be in consultations about organisational change.</p>	<p>of contact for victims.</p> <p>The size of the workforce is expected to continue to shrink throughout the next five years. Skill gaps and workforce mix is better understood in investigations than in the rest of the force. This is a risk to ensuring the effective deployment of all staff to meet operational needs.</p> <p>As the force implements the new model, HMIC would be looking for marked improvement in terms of matching resources to demand within its current and future budget.</p>	<p>the police and crime commissioner, enabling him to hold the chief constable to account for the delivery of performance and to ensure that budgets are monitored and managed appropriately. The force's change plans are closely aligned to the priorities within the police and crime plan.</p> <p>The force has secured other sources of funding through collaborating with other police forces in the East Midlands region. It has also secured Home Office funding for body-worn video, and funding from a number of partners to support an initiative which aims to reduce demand.</p> <p>Most of the required savings are designed to be achieved by implementing the new operating model and by effective financial management. However, this will not be sufficient to deliver a balanced budget, in the longer term and further savings will be necessary.</p>
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## Force in numbers



### Financial position

Forecasted change in expenditure 2015/16 to 2018/19



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

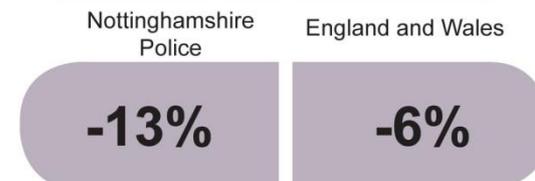


### Providing policing

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



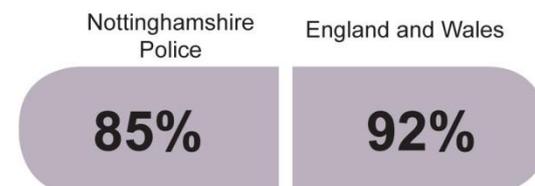
Planned change in total workforce numbers 31 March 2015 - 31 March 2018



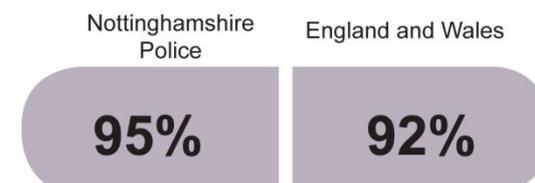
Proportion of police officers on the operational frontline 31 March 2010



Proportion of police officers on the operational frontline 31 March 2015



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





## Organisation

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



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



## Key statistics

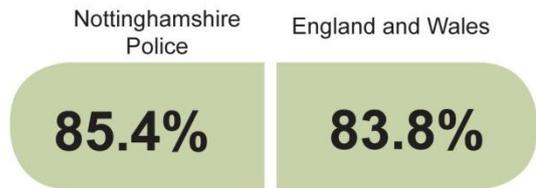
Changes in recorded crime (excluding fraud) 12 months to 31 March 2014 to 12 months to 31 March 2015



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



Victim satisfaction 12 months to 31 March 2015



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



**Victim satisfaction:** Nottinghamshire confidence interval +/- 0.9 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 Nottinghamshire Police.

## 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?

The force has a good and growing understanding of the demand it faces and it is developing its knowledge of new and emerging areas of demand.

Work commenced last year to implement a number of significant changes which are intended to lead to a new operating model. The force's change programme, called 'delivering the future', will result in new ways of working for many teams and adjustments are already being made. For example, the force has invested additional resources in public protection and prisoner handling teams. The force has undertaken analysis of demand and drawn on the experience of other forces to ensure the most effective operating model and workforce mix is implemented.

A demand profile has been developed which assesses the demand for police services through a range of quantitative performance measures. These include, for example, the number and type of calls into the control room and police station front counters. The force's research team also carries out activity analysis to understand how long different types of incident take to deal with and investigate. This information is used to inform the resource allocation model, although the results of this work are not widely known by frontline staff.

The force is trying to predict the likely impact of demand from areas such as cyber-crime, child sexual exploitation and domestic abuse. Police and partners share intelligence and identify people at risk. This has led to greater prioritisation for protecting those who are most vulnerable, for example, those people who need support or protection because of age, disability or a risk of abuse. Due to recent national events, partners are now disclosing more allegations to the police which they had historically been managing themselves. For example, social services will report cases of neglect to the force, while continuing to lead a joint investigation. Similarly, the force has taken steps to ensure that cyber-enabled crimes, for example on-line fraud are recorded so that the breadth and complexity of issues are understood. However, the force acknowledges that investigation of on-line child sexual exploitation is still largely reactive.

Locally, there are engagement activities with communities to assess their needs and the best way of providing a good quality of service. This helps to inform a more victim-focused service. There are effective partnership arrangements to share information. From interviews with partner agencies, including those representing the local authority, health, criminal justice and children's services, it is clear that where teams are co-located this enables a better understanding of overall demand.

Regionally, there is extensive work to understand the activity of organised crime groups. Those groups posing the highest risk are investigated by the regional organised crime unit. Staff in this unit are seconded from all five forces in the Eastern Region, including Nottinghamshire.

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

The force is structured into two geographical policing divisions. It is committed to neighbourhood policing, with more staff focused in higher demand areas. Response teams are based in hubs across the force area. Teams are led by locally-based managers who have the flexibility to move staff across divisional areas. There are good links to community safety. Most neighbourhood teams share boundaries with local authorities and some are co-located, with the police working alongside partners in public sector buildings.

There is an annual joint strategic assessment process, in which the police and partners agree their priorities for the year ahead. Both current and predicted demand is reviewed using a variety of data sources from all partners. There is a current focus on violent crime and cyber-crime, which links to the police and crime commissioner's police and crime plan priorities. The force also reviews demand on a monthly and quarterly basis. It uses this information to prioritise and adjust resource plans to meet changing demands.

There are daily and weekly meetings where tasks are assigned against an assessment of immediate threat, harm and risk. The control room inspector can also move resources dynamically across divisional boundaries. Early outcomes from the newly-formed response hub at Riverside police station indicate that teams are already responding to demand efficiently and effectively, unconstrained by traditional geographical boundaries.

The force regularly assesses how well it is matching resources to demand. It has a resource allocation model for policing (RAMP), which it runs every 6 to 12 months. The RAMP is able to make predictive calculations based on crime levels and incidents, staffing levels and abstraction rates. In the design phase of the new operating model, the force used the RAMP alongside professional judgment to make decisions on the future number and workforce mix in different functions. It is also being used to design the response hubs and to determine the most effective place for them to be located. The force hopes that it can use different computer software to

design a response function that is better matched to demand, and based on predicted staffing levels taken from a review of the force's duty management computer system. In addition, the RAMP calculates the number of vehicles required to enable more efficient working. The force has plans for a number of response officers to complete activity analysis to confirm if the response hubs are located in the right places.

To meet changing demands within its funding arrangements, the force has re-shaped the way it responds to victims and re-configured its new operating model to improve victims' experiences (the operating model is the way in which a force is structured and the processes it has adopted in order to achieve its objectives). For example, since October 2014, a team working alongside control room staff helps to resolve some crimes and incidents at the first point of contact. This means that staff are now deployed differently, through an assessment of risk, threat, vulnerability and repeat victimisation. The force believes that considerable officer time savings have been released, although this is yet to be felt by frontline staff who explained they are still busy dealing with secondary investigations generated by this system. New technology is being introduced, for example an integrated regional crime, intelligence and case and custody system will be implemented this year, which the force anticipates will increase efficiency.

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

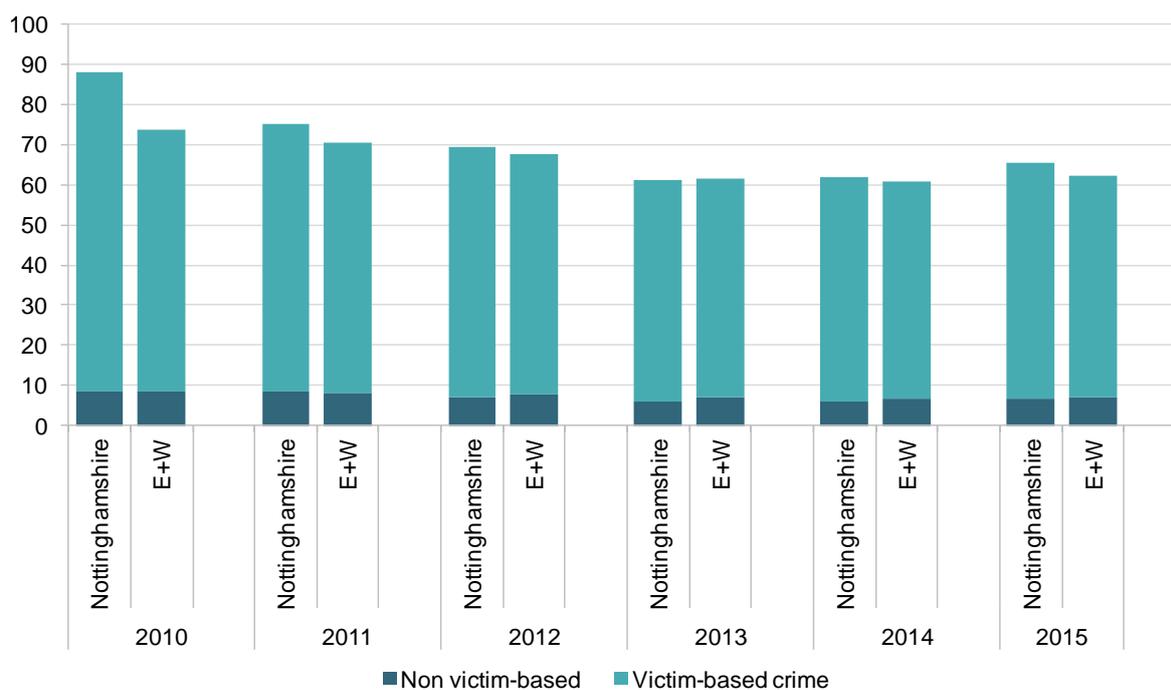
To assess the force's response to public demand, HMIC considered crime figures and rates in Nottinghamshire, victim satisfaction levels and whether the force is using different ways to communicate with and engage the public.

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 to enable comparison between forces. 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 Nottinghamshire had a victim-based crime rate of 58.7 and a non victim-based crime rate of 6.8 per 1,000 population. This represents a decrease (26 percent) in the victim-based crime rate and a decrease (22 percent) in the non victim-based crime rate since the start of the spending review in 2010.

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

**Figure 1: Police recorded crimes per 1,000 population from Nottinghamshire 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 Nottinghamshire, 85.4 percent<sup>2</sup> were satisfied with their whole experience with the police in the 12 months to 31 March 2015. This is higher than the national victim satisfaction rate of 83.8 percent<sup>3</sup> over the same time period. 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 Nottinghamshire.

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

<sup>2</sup> Nottinghamshire, confidence interval +/- 0.9 percent.

<sup>3</sup> England and Wales, confidence interval +/- 0.2 percent.

**Figure 2: Methods of public engagement used by Nottinghamshire Police in 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	No
Web forum	Yes
Instagram	No
Local phone (not 999 or 101)	No

**Source: HMIC Efficiency data collection**

The handling of calls from the public is a priority for the force, and it has a target of answering 90 percent of 999 calls within 10 seconds, and 85 percent of 101 calls within 30 seconds. Performance is currently above these two targets. However, overall the volume of calls from the public is increasing.

The demand profile developed shows how the public contacts the police and seeks information. However, the force’s external website has not changed to better signpost the public to the best agency to deal with their concerns. For example, in the first six months of last year, there were 8,379 calls about noise-related anti-social behaviour incidents, accounting for 44 percent of all the anti-social behaviour incidents recorded. While some of these calls may require a police response, the best placed agency to deal with most calls of this nature is usually the local authority. The profile also identifies a large number of incidents created for information purposes only, such as where an agency informs the police of imposing bail conditions or a curfew on a person. Overall, HMIC found that there is ongoing work to identify and better manage demand, but limited evidence of a reduction in demand coming into the contact centre.

There is a media plan which seeks to explain police priorities and changes in policing services, using internet-based technology such as Facebook and Twitter to deliver messages to communities. In addition, there are established groups such as local fora, meetings and elected members which the force utilises to communicate messages to inform the public. Partner organisations have a good awareness of the new operating model and help explain this and the changes in the police priorities to the public.

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

The force is engaged in innovative activity with partners to reduce demand, and there is an ambitious partnership prevention programme, which is important to delivering long-term change. This programme is designed around five work strands

to put extra police and partner resources towards tackling those long-term problems which have the highest impact. These strands are:

- locality working: where there is activity to understand the demand in neighbourhoods related to families, individuals and places. By working with partners the force is seeking to ensure that the best-placed organisation deals with the demand;
- tackling business crime: for example, examining alcohol licensing issues and how this affects violent crime as part of the night-time economy;
- crime prevention and joined up enforcement: for example the Aurora II partnership which is a nine-year partnership between the Nottingham city police division and city council community protection directorate to provide a more seamless and single point of entry for the public;
- mental health: where work with service veterans who have been assessed as more susceptible to mental health issues and the mental health triage team is proving successful by both managing more incidents and securing benefits by management of individual cases and securing out-of-hours health support; and
- schools and young people: where programmes include improving awareness of social responsibility and health and wellbeing.

The force has worked with the fire and ambulance services to establish single points of contact in each organisation. This has improved communication which has led to a number of changes which are helping to ensure that the force and its partners deal with their own areas of demand. Examples include:

- the ambulance service now provides direct access to staff for clinical advice;
- the police no longer attend calls about concern for an individual's welfare. Instead the ambulance service provides the initial response, using their powers to enter homes where necessary; and
- at road traffic collisions, an initial assessment is now made to establish whether the ambulance service is really required.

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

There is an integrated performance management framework. This involves analysts providing information at force, departmental, team and individual levels, which is then overlaid with financial information (for example, costs such as overtime). There is a monthly meeting, chaired by the assistant chief constable, to identify trends and

patterns, scrutinise operations and focus on addressing long-term problems. The police and crime commissioner has set a number of annual targets and measures. These are reviewed bi-annually and the force provides regular updates to his office.

Analysis is conducted to understand how performance compares with other forces and to help it better understand those approaches which might be most effective. There is external scrutiny using peer reviews, such as a review of violent crime in the city centre which was carried out by Merseyside Police. Locally, problem-solving plans are reviewed and the outcomes evaluated.

In designing the change programme, each business area looked at best practice in other organisations, carried out an analysis of demand and used expertise and experience to develop detailed business cases including staffing costs. A number of important projects are now being delivered. All of these have arrangements in place to assess whether the anticipated benefits are delivered and all will be subject of a post-implementation review. There is an action plan which tracks all the change programme projects and other planned budget savings. The force now has a good understanding of the costs of different police activities or responses and whether they provide value for money.

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

Change programme professionals in the project management office support project leads and seek advice from practitioners. Progress, interdependencies between different projects, risks and issues are all reported to a monthly transformation board which reports directly to the chief officer team. The police and crime commissioner is represented at this board, providing an opportunity for his office to scrutinise overall progress against planned savings targets.

There are many new and continuing projects involving other forces in the East Midlands region. These projects are all at different stages and being progressed at different speeds. For example, the force is pursuing close collaboration in business support services with Northamptonshire Police, while at the same time working with the other East Midlands forces where there is agreement. The force recognises the benefits of IT innovation and collaboration to deliver improved services.

For instance, there is an IT implementation strategy designed to enable more agile remote working by response officers. This has the potential to mean smaller response teams in the future as they will be able to carry out a number of tasks without having to return to the police station.

Involvement of the police staff unions in change projects is inconsistent. The two recognised staff unions do not sit on any project boards. Although they are invited to weekly change meetings, they feel that they are informed about progress rather than

being provided an opportunity to add value. This approach means that the unions have only a short consultation period to look at approved business cases rather than being involved earlier in their development.

Staff were engaged in designing the change programme and the force identified change champions in important areas who were then used to help develop solutions. Progress on projects and planned change is communicated to staff using a variety of different methods. These include regular emails, intranet articles, face-to-face briefings and focus groups. Most staff prefer to be kept up to date through face-to-face briefings and all are aware of the change programme. However not all staff chose to read updates sent by email or to take up opportunities to join focus groups. The force recognises that communicating through email and the intranet is not as effective as messages given in person by managers. However, there is a wealth of well-signposted information on the force intranet which includes documents, frequently asked questions and answers on planned changes with contact details for all staff should they require more information.

## Summary of findings



**Good**

The force has a good and growing understanding of the demand it faces, and it is developing its knowledge of new and emerging demand. There is a demand profile which assesses demand through quantitative performance measures, and activity analysis to inform the resource allocation model.

The new operating model is trying to improve the overall victims' experience of police contact. The force is developing its understanding of how the public contact the police.

There is innovative activity with partners to reduce demand, and an ambitious prevention programme with partners, which is important to delivering long-term change.

There is a good assessment of what different service areas cost and whether or not they provide value for money.

Police recorded crime has reduced over the period of the spending review and the victim satisfaction rate at the end of the period was higher than the rate for England and Wales.

There is a wealth of information available to staff on the intranet but there is recognition that communicating through email and the intranet is not as effective as messages given by first and second line managers. Similarly, police staff unions feel

they are not as engaged as they want to be in consultations about organisational change. How sustainable and affordable is the workforce model?

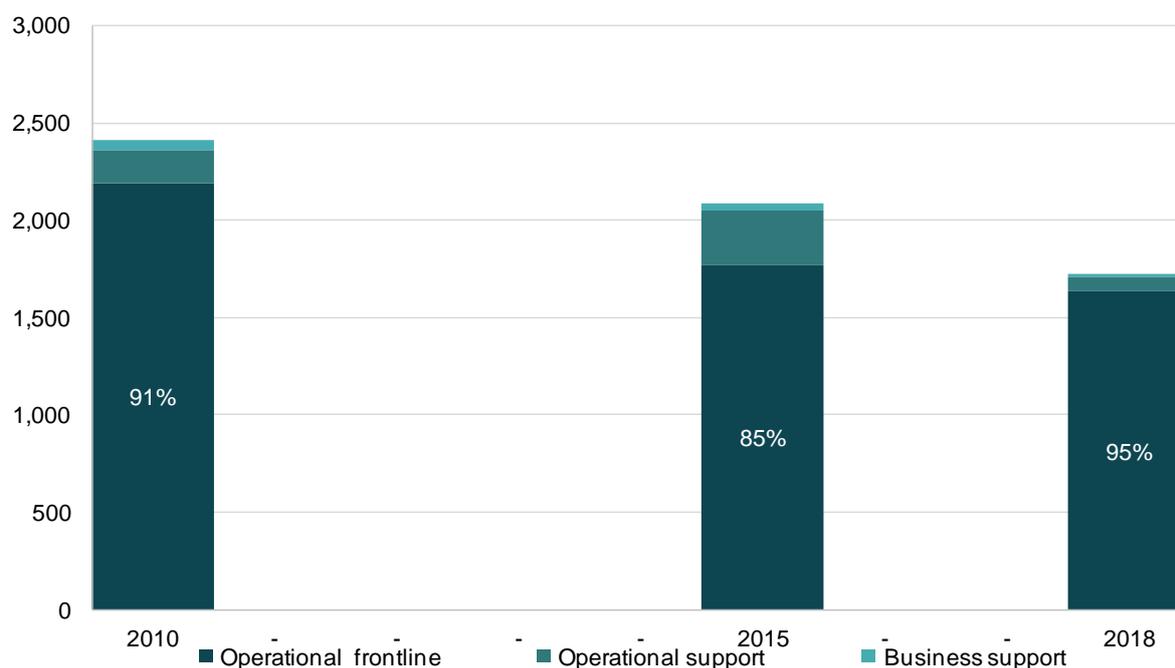
HMIC examined how Nottinghamshire Police has structured its workforce (i.e. its mix of police officers, staff and PCSOs, and the proportion of all these groups working in frontline positions), and assessed whether this was affordable and sustainable as the force responds to its financial challenge. We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

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

Nottinghamshire Police forecast a total savings requirement of £47.05m over the first four years of the spending review (2011/12 to 2014/15) as part of the value for money inspection. This is the equivalent of 21 percent of the 2010/11 gross revenue expenditure for the force. Savings were made in both the pay and non-pay budgets. Since 2010, Nottinghamshire Police has reduced its number of police officers by 307 police officers, and cut 389 police staff but increased by 50 police and community support officers (PCSOs), full time equivalent (FTE).

In Nottinghamshire, 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 fallen from 91 percent in 2010 to 85 percent in 2015. The force expects to increase this proportion looking forward to 2018.

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



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

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

The force recognised that its workforce model was not affordable or sustainable and nor was it matching demand consistently. Over the last two years it has developed a new model, based on the victim’s point of view, which it started to implement in the latter part of 2014. The force has chosen phased implementation over a period of time rather than a ‘big bang’ approach but this means the new operating model is not yet in place. It also means that the current workforce model does not match demand, organisational or financial requirements although it is moving towards a sustainable and affordable model designed to meet longer-term changes in demand. The new model is moving beyond the planning stage and is being implemented but five years into the period of austerity the force is still not currently matching its available resources to meet the overall demand for policing.

Before the spending review period, the force began to undertake workforce modelling which it has continued since. During the spending review period, 2011/12 to 2014/15, the force forecast to make savings of £47m. It slowed the recruitment of police officers and has made reductions of 307 police officers and 389 staff posts between 31 March 2010 and 31 March 2015. There is a workforce implementation plan. This is led by an organisational change manager in the human resources team who is co-ordinating the required movements of officers as different parts of the new operating model are put in place. It is anticipated that the changes will involve the re-

deployment of 369 officers. The force reports it is not currently planning to recruit any police officers during 2015/16, although it does plan to do so towards 2019/20 although any future recruitment will be considered against future funding announcements. The budget is based on the anticipated numbers of police officer leavers, and reducing the number of police and community support officers (PCSOs) and police staff.

Overall, the force expects staff numbers to continue to fall significantly throughout the next five years and the workforce mix is changing in different roles. The force has a good understanding of its skill gaps and workforce mix within investigations. It has already carried out extensive work on understanding the investigatory skills needed for the future and succession planning. The force has plans to increase resources in public protection in response to increased demand. However, it has a more limited understanding of the range of skills, experience and capability within the rest of the organisation and needs to ensure the effective deployment of staff to meet operational needs.

Staff movements are closely managed through the strategic workforce planning meeting where movements are monitored against those which had been predicted. All postings above chief inspector rank and equivalent are made by the chief officer team.

There is a process for managing and monitoring staff vacancies. All business cases for growth are reviewed against those staff currently "at risk" of redundancy and an assessment is made as to whether temporary contracts or agency staff are a better solution for the organisation in the short term. For example, the force planned to change the workforce mix in investigations with new police staff investigator roles. However, their introduction was brought forward to coincide with a reduction in the number of PCSO posts, so as to give some of those PCSOs with the necessary skills the opportunity to transfer to this new role. This indicates a sensible decision-making process meeting organisational need.

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

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

	March 2010	Difference between 2010 and 2015		March 2015	Difference between 2015 and 2018		March 2018
		Force	England and Wales		Force	England and Wales	
Police Officers	2,409	-13%	-12%	2,102	-18%	-6%	1,723
Police Staff	1,658	-23%	-19%	1,268	-3%	-6%	1,235
PCSOs	268	18%	-27%	318	-21%	-11%	252
<b>Workforce total</b>	<b>4,335</b>	<b>-15%</b>	<b>-15%</b>	<b>3,688</b>	<b>-13%</b>	<b>-6%</b>	<b>3,210</b>

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

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

Nottinghamshire Police has a model in place to meet longer-term changes in demand and organisational and financial requirements in a sustainable way. The change programme is designed to provide the flexibility to bring forward some savings and deliver others later depending on changing threats. The force has plans for further workforce modernisation over the next five years.

The new model to deliver policing services is based on providing a better victim journey and improving victims' experiences. The model has prevention at its core with dedicated points of contact for victims. The force has developed a migration plan for the people aspects of the new model which is appropriately sequenced to deliver the new operating model. The plan focuses on the impact on officers during the transition to new ways of working. It aims for a workforce of the right size, with the right skills, that is organised and structured in the right way, doing what is required, at an affordable budget. However, many of the frontline staff who we spoke to during interviews and reality testing did not feel that they had been well informed about, for example, the impact of re-deployment. There is a wealth of information on the force intranet but staff identified the main blockage in delivering these important messages as being first and second line managers. This means that staff are not fully aware of the potential impact of change.

The plans for future years beyond 2018 remain flexible given current assumptions in government funding and the overall economy. However, there is a recognised risk in relation to some of the changes to officer numbers within the overall change programme and there is still a savings gap of £3.7m to find by 2018/19.

## Summary of findings



**Requires improvement**

The force is putting in place a new operating model using phased implementation rather than a 'big bang' approach. The 'delivering the future' change programme is moving the force towards a sustainable and affordable model but this is not yet in place. Five years into the period of austerity the force is still not currently matching its available resources to meet the overall demand for policing.

The new model to deliver policing services is based on providing a better victim experience. The model has prevention at its core with dedicated points of contact for victims.

The size of the workforce is expected to continue to shrink throughout the next five years. Skill gaps and workforce mix is better understood in investigations. However, there is a more limited understanding of the range of skills, experience and capability within the rest of the force and this is a risk to ensure the effective deployment of staff to meet operational needs.

As the force implements the new model HMIC would be looking for marked improvement in terms of matching resources to demand within its current and future budget.

### Areas for improvement

- The force should develop a future workforce plan that is aligned to its overall demand and budget. The plan should include future resource allocations, the mix of skills required by the workforce and the behaviours expected of them.

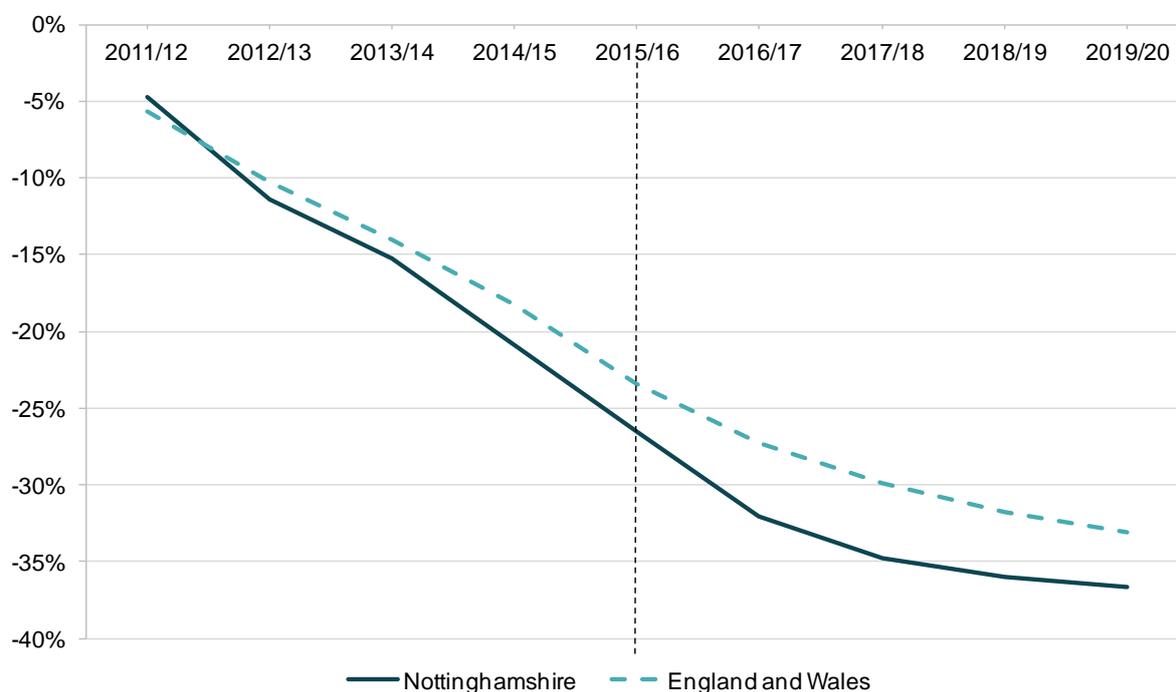
## **How sustainable is the force's financial position for the short and long term?**

HMIC examined how forces have achieved savings over the spending review, 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?**

Nottinghamshire Police forecasted savings of £47m over the first four years of the spending review (2011/12 to 2014/15), the equivalent of 21 percent of the 2010/11 gross revenue expenditure for the force. Over the period, savings were made in both the pay and non-pay budgets, so as to balance budgets by 2014/15. Over the same period all forces across England and Wales forecasted a total savings requirement of £2.53bn, the equivalent of 18.2 percent of the 2010/11 gross revenue expenditure for England and Wales.

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



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

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

The force has a good track record of sound financial management, accurate budgeting and delivering planned savings. Main budget areas are centralised which helps provide better control and stronger financial management. The savings requirement for the spending review period is met and there is a balanced budget for 2014/15 where the force needed to save £13.7m. It planned to use £1m of reserves to bridge a gap, but was anticipating a deficit of £2m (which was being funded from reserves) for spend to save initiatives as agreed with the police and crime commissioner.

The ‘delivering the future’ change programme and a number of collaborated projects are already starting to deliver savings. These are closely monitored and checked against the anticipated savings identified in the initial business cases. For example, the force has saved £790,000 by developing online contact through ‘track my crime’, and is reducing the number of staffed front counters from 19 to 9. This will reduce reliance on maintaining an expensive and ageing police estate.

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

Nottinghamshire Police has planned a balanced budget of £191.2m for 2015/16, which includes a cut in spending of £12.6m. It is forecast that the reduction will be split between £8.8m from the pay budget (70 percent) and £2.2m (17 percent) from the non-pay budget in this year's savings. The remainder of the spending reductions are being met by a use of reserves. Collectively the forecast reductions since the 2010 baseline year (at the start of the spending review) to 2015/16 represent savings of 27 percent.

Following on from the spending review period, for the four-year period from 2015/16 to 2018/19, forces across England and Wales forecast a total savings requirement of £1.89bn, which equates to 14.97 percent of estimated 2014/15 gross revenue expenditure.

Nottinghamshire Police forecasts a total savings requirement for the same four year period of £34m, which equates to 17 percent of its estimated 2014/15 gross revenue expenditure.

The force has set an additional target of achieving a minimum of a further 20 percent or £14.6m in total. The force anticipates that these savings will be put back into reserves.

Balancing the budget depends on the timely delivery of the force's action plan for efficiencies and savings and on the effective management of the underlying cost base. This plan is constantly monitored and risks identified. The action plan shows how savings and efficiencies are to be delivered through, for example, collaboration, reduction of estates, corporate services, operations and local policing specialist services. For each of these areas, costs and effectiveness are reviewed and matched with current and future demand. Those projects in the change programme have business cases which also inform the financial plan.

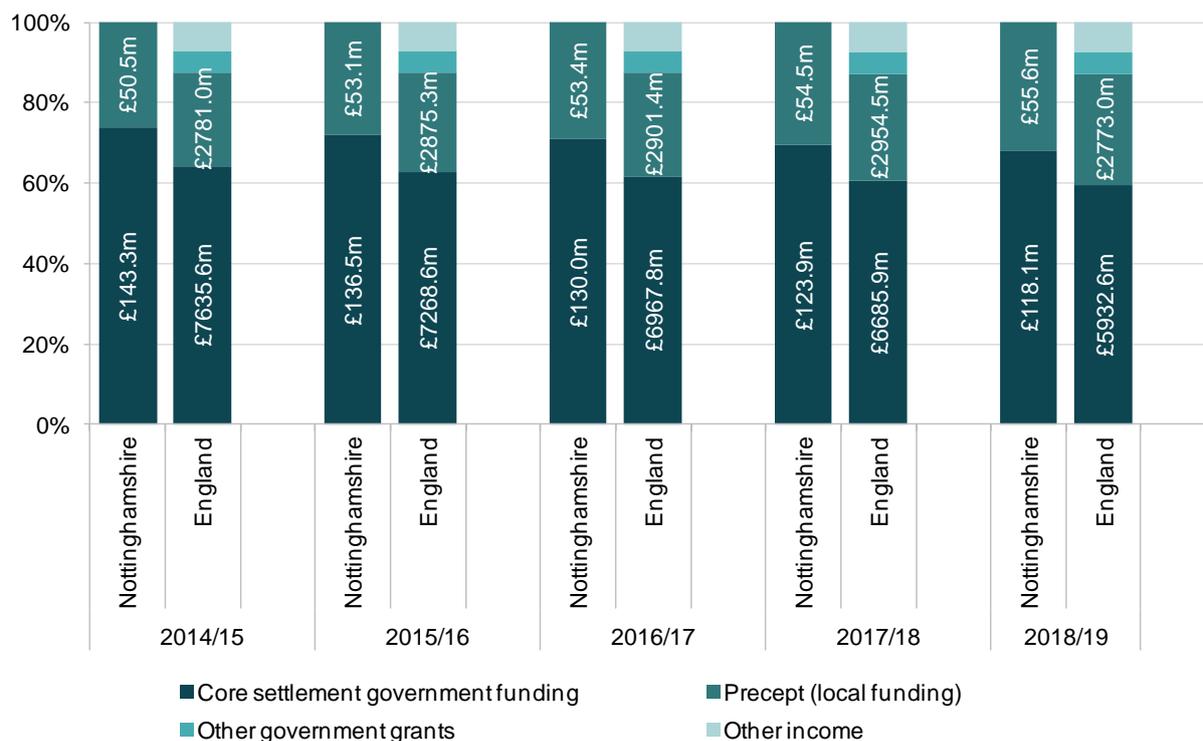
The force is on track with its change programme and is achieving its savings requirements.

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

Figure 6 demonstrates the amount of funding that the force received from a central government grant, as precept from local councils through council tax, and from other sources, such as Home Office special grants. Nottinghamshire Police is expecting the proportion of its funding that comes from core settlement government funding to decline over the coming years, while 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 force 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 Nottinghamshire Police from the 12 months to 31 March 2015 to the 12 months to 31 March 2019, compared to English forces**



**Source: HMIC efficiency data collection**

Nottinghamshire Police is actively engaged in collaboration with other forces in the East Midlands region on a number of policing activities such as major crime investigation, forensic services and counter-terrorism. It has led on a successful Home Office innovation bid for body-worn video devices and also to fund a longer-term area of work on preventing demand. The force has implemented what it terms a Prevent Strategy. This is designed to achieve a 5 percent reduction in demand from those people, places or premises that make a disproportionate call on all public services, including the police. Matched funding has been made available by the office of the police and crime commissioner, the Department for Communities and Local Government and from local authority partners such as crime and disorder partnerships. Direct funding from other partners has also been pooled in order to concentrate activity.

Some staff posts, for example in the Community Directorate, are funded by external partners. These partners have restated their commitment to maintaining this funding.

A number of teams are co-located at other local authority buildings. This helps ensure decisions are made with partners and enables closer working relationships.

An integral part of the force's change programme requires project leads to explore other funding sources or collaborative options. A number of such initiatives are being pursued and implemented, for example a shared business service with Northamptonshire Police, covering a number of back office functions.

## **How well does the force control expenditure?**

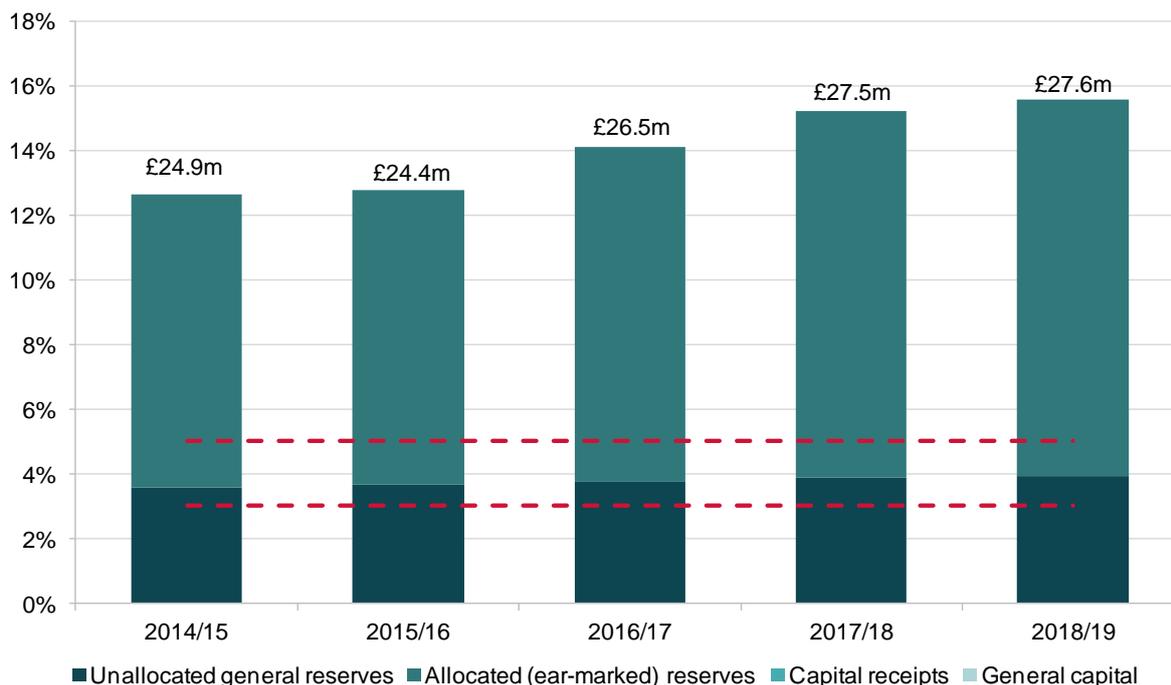
The force's level of reserves and how these are forecast to change are shown in figure 7 on the following page. Nottinghamshire Police reported that its total reserves were £24.9m in 2014/15. These are broken down into several categories:

- 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.

The force undertakes effective monitoring and has good financial controls in place in relation to expenditure. The finance team owns the efficiency action plan but everyone is involved in delivering savings and there are close links with the change programme office. The head of finance attends chief officer team meetings and has weekly meetings with the chief constable. There is continuous review at chief officer meetings with appropriate challenge to increase or decrease a project's scope, or to stop it if it is unlikely to deliver the required outcomes.

The force has good governance arrangements in place for the delivery of change and financial savings. All projects are mapped to show how and when local and regional savings targets will be achieved. Individual project boards report into the 'delivering the future' board and the deputy chief constable co-ordinates and oversees activity through the transformation board, which undertakes overall programme management. This enables effective management of change and ensures effort is directed towards achieving the financial savings.

**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**

There is good control over the release of savings from its change programmes. All savings are captured and tracked and reported into the transformation board. For example, the savings from the sale of police estate were delayed and have now been moved into the next financial year. This oversight ensures that savings are released as the change takes place and there is tight control on finances.

The force carries out one-, three- and six-monthly reviews of benefits reported from business cases and focuses on specific projects within the overall plan. For example, the Riverside response hub is being closely monitored to ensure it is effective. Similarly the contact resolution and incident management team, while it is delivering a more efficient way of working, is not yet achieving the level of savings that had been anticipated. For example, it is anticipated that the telephone investigation bureau deal with 30% of calls relating to crimes whereas current performance is 20%. As a result, the force has invited Lancashire Constabulary to carry out a peer review to identify any further corrective actions that can be taken.

The force’s HR and finance departments work closely together. The budget is re-forecast quarterly and actual and budgeted staff numbers are aligned closely. Decisions on vacancies are only made with chief officer approval and while there has been some slippage on releasing savings, overall this has been managed well. There is a good understanding of the implications of changes to the delivery timescale. For example the force identified that a delay in the improving

investigations project would have no financial impact, as it involved re-shaping the organisation to allow savings in future years. This understanding enables the force to control its financial plans effectively.

There is a financial management strategy for the use of reserves which are used in a sensible and sustainable way to both cushion the impact of cuts as well as being used to invest for the future, for example in ICT infrastructure and mobile technology.

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

On an annual basis, a joint strategic assessment of threats and risks is conducted with statutory partners, including, for example, the city and county authorities. Different data sources are used and there is collective agreement on the agreed priorities so that resource allocation is focused on what is most important.

An agreed new operating model is being phased in over the next two to three years. This could be adjusted, for example, in the light of any future financial announcements by the Government. The new model is designed to protect the priorities set out in the police and crime plan while finding the necessary savings in the police budget.

There is effective oversight and scrutiny through the police and crime commissioner, who holds the chief constable to account for the delivery of performance and ensures budgets are monitored and managed appropriately. This means that the force is in a strong position to target its resources on the priorities set by the police and crime commissioner and match resources to current and future demand.

## **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?**

There is a good relationship with the OPCC and the force's head of finance meets weekly with the OPCC's chief finance officer. There is effective and intrusive oversight of the financial budgets by the police and crime commissioner. This includes access to the monthly performance and insight documents and reports on the current and projected financial position, treasury management and prudential indicators. Change programme status updates are also shared with the police and crime commissioner on a monthly basis, or more often if required. This allows him to scrutinise performance and effectively monitor progress against the programme timeline.

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

Nottinghamshire Police projects savings requirements of:

- £12.5m in 2016/17, with a remaining gap of £3.2m;
- £6.1m in 2017/18, with a remaining gap of £2.6; and
- £2.8m in 2018/19, with a remaining gap of £3.7m.

As with other forces, savings mostly come from reducing the workforce and it plans to make 80 percent of its spending review savings from its pay budget.

The force has made prudent assumptions within its financial planning. For example it has assumed over 5 percent cut in government funding each year for the remaining years of its medium-term financial plan. Growth in the police element of council tax has been assumed to be around 1.8 percent each year. These assumptions are prudent, but they put the force in a position where it could scale back proposed changes rather than having to try to find even more savings.

New ways of working being developed by the force are based on known and predicted demand, and on population figures. They are within the planned and assumed budget. If the plan shows a requirement for a certain number of staff and skills which cannot be afforded, then the force looks to identify different ways of working to reduce the demand.

There is an ongoing approach to achieving future savings and no parts of the organisation are free from change. For example, following the implementation of a new IT software system, the force is planning a further review of its intelligence function. Some elements of the planned changes have not as yet had savings identified. For example, the business services collaboration with Northamptonshire Police will only identify savings as the project evolves.

The aim of the new operating model is to reduce staffing and costs, while providing a more efficient and effective service. A number of options are identified to achieve future savings and each business case provides three service level options for change – critical, normal and desirable. A decision not to go with the critical service level option gives the force the option of re-visiting the business case in the future to take out further costs. There are also other policing areas, which can be reassessed, where it may achieve additional savings, for example the control room and intelligence.

The force plans to deliver most of the required savings by implementing the new operating model and by effective financial management. However this will not be sufficient to deliver a balanced budget over the period and further savings will be necessary.

## Summary of findings



**Good**

The force has a good track record of sound financial management, accurate budgeting and delivering planned savings. There is good control of expenditure with financial assumptions being deliberately prudent.

Balancing the budget depends on the timely delivery of the force's action plan for efficiencies and savings and on the effective management of budgets. This plan is constantly monitored, risks are identified and savings are on track.

There is effective oversight and scrutiny. Key financial and performance information is shared with the police and crime commissioner, enabling him to hold the chief constable to account for the delivery of performance and to ensure that budgets are monitored and managed appropriately. The force's change plans are closely aligned to the priorities within the police and crime plan.

The force has secured other sources of funding through collaborating with other police forces in the East Midlands region. It has also secured Home Office funding for body-worn video, and funding from a number of partners to support a demand reduction initiative.

Most of the required savings are designed to be achieved by implementing the new operating model and by effective financial management. However this will not be sufficient to deliver a balanced budget in the longer term and further savings will be necessary.

## Annex A – HMIC judgments

The categories are:

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

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

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

## Annex B – Further information about the data

### Figure 3

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

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

### Figure 4

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

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

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

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

## Figure 5

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

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

## Figure 7

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

According to a survey of financial directors conducted by the Audit Commission,<sup>4</sup> it is commonly considered that three percent to five percent of net revenue expenditure is a prudent level of unallocated general reserves for risk-based planning purposes. This range is shown on the graph by the two horizontal red dotted lines.

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

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<sup>4</sup>*Striking a balance: Improving councils' decision making on reserves*, Audit Commission, December 2012. Available from <http://webarchive.nationalarchives.gov.uk>