



Inspecting policing  
in the public interest

# PEEL: Police efficiency 2015

An inspection of West Midlands Police



October 2015

© HMIC 2015

ISBN: 978-1-78246-902-5

[www.justiceinspectorates.gov.uk/hmic](http://www.justiceinspectorates.gov.uk/hmic)

# Contents

<b>Overview – How efficient is the force at keeping people safe and reducing crime?</b> .....	<b>4</b>
Overall judgment.....	4
Summary .....	4
<b>Force in numbers</b> .....	<b>7</b>
<b>Introduction</b> .....	<b>9</b>
<b>How well does the force use its resources to meet its demand?</b> .....	<b>10</b>
How well does the force understand its demand? .....	10
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? .....	15
How well does the force monitor and understand outputs, outcomes and costs? .....	16
How well is the force using new working methods to improve services? .....	16
Summary of findings .....	18
<b>How sustainable and affordable is the workforce model?</b> .....	<b>21</b>
How well does the force’s current workforce model match demand, organisational and financial requirements?.....	21
How well does the force’s projected workforce model match demand, organisational and financial requirements? .....	23
Summary of findings .....	24
<b>How sustainable is the force's financial position for the short and long term?</b>	<b>25</b>
Has the force achieved its saving requirements and balanced the budget for the spending review period and 2014/15? .....	25
Has the force achieved a balanced budget for 2015/16?.....	26
How well has the force maximised other funding opportunities? .....	27
How well does the force control expenditure? .....	28

How well do the force's financial plans reflect the objectives set out in the PCC's police and crime plan? .....	31
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?.....	31
How well developed are the force's plans for possible further savings? .....	31
Summary of findings .....	32
<b>Annex A – HMIC judgments .....</b>	<b>33</b>
<b>Annex B – Further information about the data .....</b>	<b>34</b>

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

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



Outstanding

HMIC found that West Midlands Police is exceptionally well prepared to face its future financial challenges. The force has robust management of its current demand, its finances and its plans for change. Its direction of travel is one of improvement from an already strong base. The force has embarked on an impressive five-year change programme to transform how the force intends to deliver policing. In last year's valuing the police inspection programme, which considered how forces had met the challenge of the first spending review period, West Midlands Police was judged to be outstanding.

## Summary

HMIC judges West Midlands Police to be outstanding. The force has a good understanding of current demand and is able to match its resources to that demand. The force is working to understand future demand but this analysis is less well-developed. This means that there is a risk that its future operating model is shaped by available finances without a full understanding of the capacity and capability required to meet future demand.

The force has embarked on an impressive change programme, WMP2020, a five-year programme to transform how the force intends to deliver policing. The programme includes strong contract management of its commercial partner and careful contingency planning for possible risks. The programme is one of the most ambitious and far-reaching of any police force and, if successful, should place West Midlands among the best police forces in the country. However, implementation of the individual projects is only just beginning and it is too early to judge the programme's success and whether the ambition can be realised.

The force has a strong financial position with strong financial management. This has allowed it to make confident decisions, for example in its contract management of its commercial partner and its lack of reliance on collaboration and other income sources. The force has large reserves which it is reducing by making prudent use of them to support its WMP2020 programme and to make provision for a range of possible financial risks.

---

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

The force has strong workforce planning and is developing the skills of its officers. It understands the current and projected capacity and capability of its workforce based on the likely progression of its officers, but recognises that the age and rank profiles of some officers places limitations on the development of the future operating model<sup>2</sup>.

<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>Outstanding</b></p>	<p> <b>Outstanding</b></p>
<p>The force has a good understanding of current demand and the operating model in place means that the force is able to respond to calls for service. The force can move resources dynamically to respond to short-term variations in demand.</p> <p>The force is working to understand future demand, but this analysis is less well-developed.</p> <p>The force has embarked on an impressive change programme, WMP2020, a five-year programme to transform how the force intends to deliver policing. The most fundamental change will be a shift to a</p>	<p>The force's operating model matches current demand, organisational and financial requirements. The force has a well-developed understanding of the resources it will have at its disposal through to 2020, but, with 65 percent of the force's budget as a fixed cost tied up in officer pay, its financial flexibility is limited to its police staff pay and non-pay budgets.</p> <p>In collaboration with its commercial partner, the force is designing a future operating model to transform how the force intends to deliver policing in 2020, based on a shift from reactive to preventative policing, while making</p>	<p>The force has a secure financial position for the short and long term. The force achieved all of the savings required for the last spending review period and has plans in place to achieve further savings through to 2020. The further savings required may be achieved by the implementation of the WMP2020 programme, with most savings coming from staff reductions with the largest single portion being from reductions in police officer numbers.</p> <p>The force has effective financial control in place and tight control of expenditure. The force has a prudent approach to the</p>

<sup>2</sup> 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.

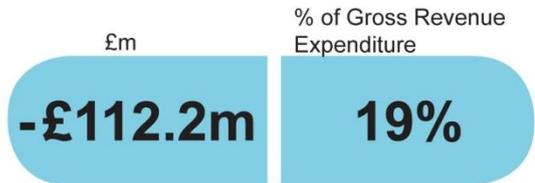
<p>more preventative style of policing, combined with more focused neighbourhood policing.</p> <p>The force has sought to ensure that the WMP2020 contract provides value for money by including key performance criteria linked to holdback/incentive payments and an obligatory skills transfer process between its commercial partner and force staff.</p> <p>The force has a clear, real-time approach to managing demand and has introduced an IT portal to assist local commanders to allocate resources more effectively. The force has identified that current IT arrangements are inadequate for future requirements and the WMP2020 programme includes the introduction of an integrated IT platform and a 24/7 “Mission Control Centre” to better direct force resources.</p> <p>The force has also analysed how the public make contact with the police and is developing a self-service internet portal for the public.</p>	<p>significant cuts to the budget. The future workforce is being modelled on this basis, with plans to brigade resources to build resilience at a force level and a 24/7 ‘Mission Control Centre’ to direct these resources according to demand.</p>	<p>use of its large reserves and plans to use £44m of reserves over the 5 years from 2015 to 2020 to support the implementation of the WMP2020 programme.</p> <p>The force works closely with the police and crime commissioner to ensure that financial planning supports the objectives of the police and crime plan and the force is held to account for delivery. The force provides timely and relevant financial information and uses shared assumptions to develop financial planning.</p>
--	--	---

## 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:** West Midlands confidence interval +/- 0.0 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 while 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 operating 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 West Midlands 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 understanding of current demand and the current operating model has been shaped by detailed analysis that the force carries out to understand the demand, cost and effectiveness of most areas of business. The force is working to understand future demand, including hidden demand, but this analysis is less well-developed. This means that there is a risk that its future operating model is shaped by available finances without a full understanding of the capacity and capability the force needs for future demand, for example increased crime.

In July 2014 the force signed a contract with its commercial partner to act as its innovation and integration partner (IIP). As a result the force has embarked on an ambitious five-year programme of activity, the WMP2020 programme, to transform how the force intends to deliver policing in 2020. The force and its commercial partner have carried out a detailed assessment of the current capabilities across a wide range of policing functions, assisted by the use of a web-based planning application, the Police Capacity Planning Model. This has enabled the force to calculate the resources required across departments, duties and rank or grade, based on current demands. The force is working with its commercial partner to use this information to scenario plan and inform the structure of the future operating model for 2020. The analysis from its commercial partner has modelled the effect on the force's current demand of moving from a reactive to a preventative model of policing. It has not modelled the scenario of increased future demand outstripping the increased efficiency that the 2020 model aims to provide.

The force would be carrying out its WMP2020 programme even without the financial pressures of austerity, as the chief constable considers that a radical change in how policing is delivered is necessary to reflect changes in crime and society. The most fundamental change will be the shift to a greater emphasis on prevention, combined with neighbourhood policing being focused tightly in areas of greatest need. Better use of technology and social media to engage with the public will also be important elements of the programme. In order to identify hidden demand, such as activities undertaken by neighbourhood staff, the force has examined public engagement,

visibility, proactive prevention and reactive problem solving in two policing areas. This revealed activity that did not feature in existing demand measures. The work also revealed a difference between what managers thought should be priority activity and how staff are actually spending their time. This should enable the force to analyse and assess demand more accurately and help to shape future neighbourhood policing.

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

The force is able to allocate resources to meet the current demand for calls for service, but understands that future budget cuts and reduced resources will require changes to the operating model. The WMP2020 programme aims to address this.

In the main the current operating model matches demand and measures are in place to move resources dynamically to respond to short-term variations in demand. Service delivery officers within the force contact centre identify and proactively manage real-time changes in demand. Despite this, we had reports that the contact centre and response teams do not have the capacity to meet fully peaks in demand; borderless deployment is not operating effectively; and neighbourhood officers are frequently called upon to respond to calls for service which require an immediate response. The force is aware of this issue and a key element of the WMP2020 programme is the ability to 'brigade resources' to build resilience.

The force has an IT solution, called 'Signals for noise', which is used to monitor daily demand to identify variations in calls for service and crime types and to identify emerging trends. This enables the force to move resources in response to short-term fluctuations in demand. For example, it has moved resources out of burglary investigation as burglary has fallen by 40 percent but increased resources in public protection work as this has become a higher priority. The force recognises that this creates a potential skills gap and the WMP2020 programme aims to put the force at the cutting edge of training and professional development to bridge such gaps.

The force has a workforce strategy team that is mapping the future resources required to match demand and a resource planning group to monitor and agree staff movements around the force. This has allowed the force to identify succession planning risks and start intervention measures to mitigate the risks. The force is committed to maintaining an operating model that matches demand, meets skills requirements and is representative of communities. For example, the force recruited 162 new officers in 2014/15 with a further 91 new officers to be recruited in 2015/16.

The force also seeks to match resources to demand by exploring opportunities for collaboration and strategic partnerships. For instance, the force is working with partner agencies to establish multi-agency safeguarding hubs (MASH) to identify better the safeguarding needs of the most vulnerable. Hubs are already established in Sandwell, Birmingham and Coventry and four further MASHs are due to be

established in Solihull, Dudley, Wolverhampton and Walsall in 2015. The force has identified an increased reporting of child sexual exploitation and is working to establish resources and processes to match this increasing demand. The force is mapping key locations and offenders and is in the process of writing a five-year strategy.

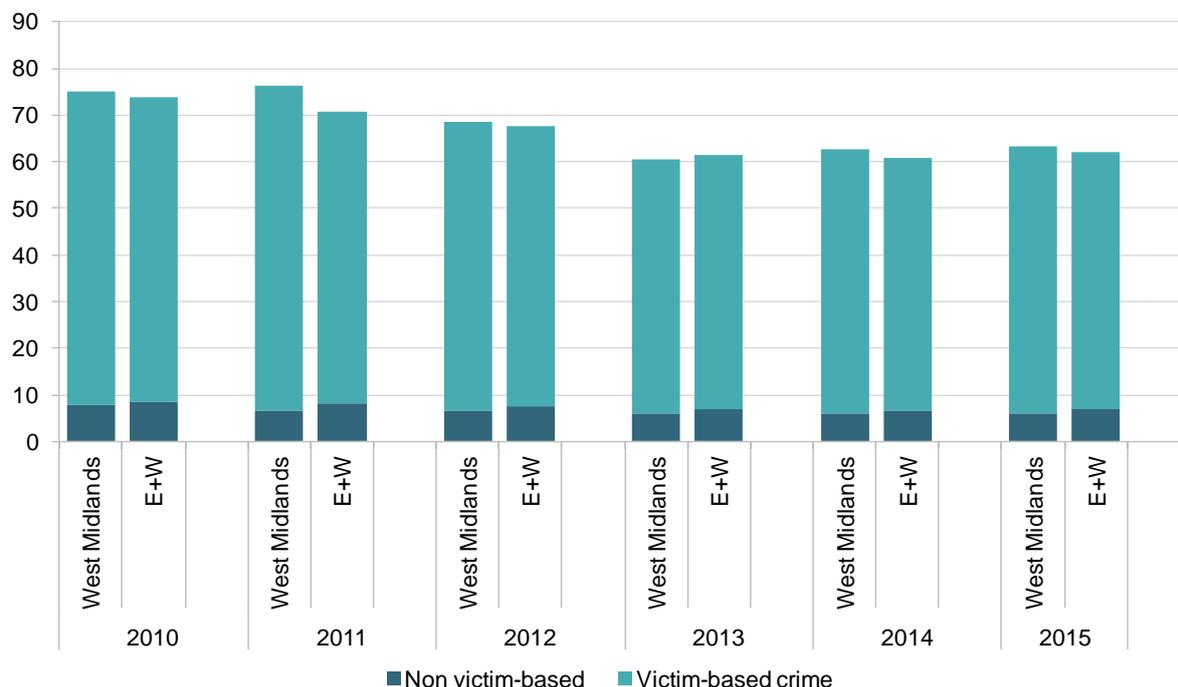
## **How well are the force's services meeting the demand from the public?**

To assess the force's response to public demand, HMIC considered police recorded crime figures and rates in West Midlands, 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. drug offences). 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 West Midlands had a victim-based crime rate of 57.4 and a non-victim-based crime rate of 5.9 per 1,000 population. This represents a decrease (15 percent) in the victim-based crime rate and a decrease (24 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 police recorded crime rate can be seen in Figure 1 on the following page.

**Figure 1: Police recorded crimes per 1,000 population from West Midlands 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 West Midlands, 83 percent<sup>3</sup> were satisfied with their whole experience with the police in the 12 months to 31 March 2015. This is lower than the national victim satisfaction rate of 83.8 percent<sup>4</sup> over the same time period. There has been a significant decrease in victim satisfaction between the 12 months 31 March 2011 and the 12 months to 31 March 2015 in West Midlands.

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

<sup>3</sup> West Midlands, confidence interval +/- 0.0 percent.

<sup>4</sup> England and Wales, confidence interval +/- 0.2 percent.

**Figure 2: Methods of public engagement used by West Midlands 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	Yes
Local phone (not 999 or 101)	No

**Source: HMIC Efficiency data collection**

The force has been successful in reducing its budget while maintaining the quality of service to the public. So far it has removed £146m from the police budget while only reducing one service standard (it no longer sends forensic teams to vehicle crime cases). Recorded crime rates have increased in the 12 months to March 2015 (0.6 percent) although they are still below the most similar group (MSG) average.

The force initiated activity to understand how the public contact the police and adjusted its services accordingly. Research into the use of front office facilities by the public was conducted and 31 front counters that were not heavily used were closed to reduce costs. As part of WMP2020, the force has been mapping the customer journey, the current experience of the public, partners and staff involved in domestic violence, burglary and neighbourhood anti-social behaviour. This included calls back to 80 victims, and analysis which identified a demographic with a high percentage of under-35s. The force is seeking to match its services to public demand through greater use of social media to gather views on what matters to the public and broadening the range of channels for engagement with the force. This is informing the development of an internet-based self-service portal for the public, which is intended to increase the opportunities for digital engagement and improve services.

## How well is the force managing demand?

The force has a clear, real-time approach to managing demand and has recently introduced an IT portal to help local commanders to undertake real-time assessment of demand and allocate resources more effectively. The force intends that this will promote a one-team approach to managing demand.

HMIC found evidence that frontline supervisors take responsibility for dynamically managing demand by reallocating patrols and identifying alternative resources to meet urgent and immediate calls. However, the ability of contact centre staff to support flexible deployment is hampered by IT limitations. The force intends to address this in the WMP2020 programme with enhanced IT solutions supporting a "Mission Control Centre" operating on a 24/7 basis and using real-time intelligence to better direct resources across the force's internal borders.

The force seeks to reduce demand by taking effective preventative action. For example, the force's contact centre highlights the top 10 demand locations/repeat callers, and neighbourhood teams undertake problem-solving activity to reduce further demand. This is supported by a commitment from statutory partners and other law enforcement agencies to share and co-locate resources to enable the force and its partners to engage in problem-solving activity to reduce complex crime and anti-social behaviour.

The force collaborates effectively with strategic partner agencies to improve the management of demand. The force operates mental health street triage vehicles staffed with police officers, ambulance staff and mental health nurses to respond to demand for both police and ambulance. Clinical staff are on hand to help officers decide on the best option for individuals in crisis, offering professional advice on the spot, accessing health information systems, and helping to identify the appropriate kind of support. As a result of this initiative, the use of powers under section 136 of the Mental Health Act 2007 has been reduced by 50 percent across the force and combined annual savings for the agencies involved amounts to £642,000. As well as achieving a substantial cost saving, the street triage is providing an improved service for vulnerable people.

The force is also working in partnership with public sector partners to develop a 'violence prevention alliance'. The alliance partners include Public Health England, National Centre for Violence Prevention, ambulance service, fire service and volunteers. The force has nominated a 'Violence Champion' supported by a violent crime problem profile that includes analysis of five years of police data and violence data from local A&E units, including offender profiling.

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

The force has robust arrangements for monitoring costs and outputs through monthly budget and performance monitoring meetings and quarterly performance reviews run by chief officers. The force actively considers value for money: it considers its crime, outcome and satisfaction rates against its expenditure. Its precept is the second lowest in the country and it has been assessed as having high standards in relation to crime recording.

The force has previously used priority-based budgeting (PBB) to identify efficiency savings and has run this again to inform the 2015/16 budget cycle. PBB has been applied to all functions within the force including the Local Policing Units (LPUs). The force examined what services were being provided, at what cost, how the service could be done for less and whether there were choices about altering the service level. PBB has achieved £6m savings in 2015 and £60m over the last four years. The force does not have detailed activity-based costing (ABC) in place and intends to improve this, through selective application to inform the WMP2020 change programme.

The force compares its performance to other organisations, including the use of HMIC Value for Money profiles. Prior to the contract with its commercial partner it had carried out market testing to outsource back office functions, but did not pursue this as it would not have achieved sufficient savings. It also works to improve the understanding of costs, for example a training costing model is being shared with other forces across the country for future benchmarking.

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

The force has designed a clear programme to introduce the major changes to the way it aims to provide services in the future. The force has worked with its IIP partner to design the WMP2020 programme, which has been built on jointly agreed principles. The force's senior officers take an active role in designing and managing the WMP2020 programme. Programme development is underpinned by a senior leaders' reference group (staff and officers), insight from subject matter experts (30 inspectors and staff equivalents), a change network (100 inspectors and staff equivalents), an online ideas generation campaign (50 ideas put forward), and fortnightly meetings with the trade unions and staff associations.

Overall the force is taking a balanced approach between cost reduction, process improvement and transformation, with a phased approach to implementing the 34 projects in the WMP2020 programme. Some 12 of the projects commence in 2015 with outline business cases already being developed. In order that the plans are both effective and affordable they will be sequenced so that the early projects lay the foundations for later ones.

The force proposes a radical shift from reactive policing to preventative and will focus on mental health, troubled families, integrated offender management and partnership working. The intention is to support this with improved IT that provides officers and staff with the information required to identify the most appropriate intervention to prevent reoccurrence.

The force recognises that it needs to develop better IT arrangements in order to improve services. There is a clear frustration with the current IT software, with issues surrounding multiple logins, slow access to systems, multiple intelligence sources and failings in AVLS<sup>5</sup> (its technical reliability and the accuracy of the information it contains on officers on duty). The force recognises that significant improvement is required, for example, replacement of a number of different IT platforms with a single integrated platform to support the capture of incidents through investigation to disposal. The integrated IT platform is one of the first WMP2020 projects planned for implementation by April 2017 with benefits anticipated from May 2018.

The WMP2020 programme will require significant engagement with partner agencies to provide a preventative rather than a reactive policing approach and to reduce demand. The force intends to take a phased approach with local authorities, working alongside partners on a case-by-case basis. It has commenced with a number of high-level partner events across the seven different local authority areas.

The force recognises that there are different levels of understanding within the force about the change programme depending on how people have been affected so far. The WMP2020 programme has already undertaken a range of staff engagement activities including chief constable road shows, social media campaigns, 80 internal and external workshops and 3,500 responses to a ways of working survey. The force knows that it cannot yet be clear on what the programme will mean for every area and a WMP2020 communication strategy is being prepared to manage ongoing engagement as the programme develops. In particular the force intends to use a change tracker tool in June 2015 to survey the workforce's attitude, readiness and willingness to change.

---

<sup>5</sup> Automatic Vehicle Location System (AVLS) is a geographic positioning system that transmits data from a police vehicle to a computer via the Airwave Radio.

The force seeks value for money through its management of the contract with its commercial partner, with key performance criteria linked to holdback/incentive payments. Some of the constituent parts of the change programme go out to tender which ensures the force is getting best value and the force has taken steps to ensure that it has the capacity and capability to deliver the WMP2020 programme, including an obligatory skills transfer process between staff of its commercial partner and the force.

As well as the partnership with its commercial partner, the force also collaborates with neighbouring forces on specialised policing, such as the Regional Organised Crime Unit (ROCU) and motorway policing. The force takes the view that extending such force-to-force collaboration would not realise significant financial savings.

The force actively encourages new ways of working to bring about improvement. The force learning and development department has introduced new training methods, for example using a theatre company to deliver vulnerability training. Working in partnership with universities, the force supports police employees to have access to training at a reduced cost by providing training facilities in police buildings. Funding is also made available for university study if the research undertaken links to force priorities.

## Summary of findings



**Good**

The force has a good understanding of current demand and the operating model in place means that the force is able to respond to calls for service. The force can move resources dynamically to respond to short-term variations in demand.

The force is working to understand future demand, but this analysis is less well-developed.

The force has embarked on an impressive change programme, WMP2020, a five-year programme to transform how the force intends to deliver policing. The most fundamental change will be a shift to a more preventative style of policing, combined with more focused neighbourhood policing.

The force has sought to ensure that the WMP2020 contract provides value for money by including key performance criteria linked to holdback/incentive payments and an obligatory skills transfer process between its commercial partner and force staff.

The force has a clear, real-time approach to managing demand and has introduced an IT portal to assist local commanders to allocate resources more effectively. The force has identified that current IT arrangements are inadequate for future

requirements and the WMP2020 programme includes the introduction of an integrated IT platform and a 24/7 “Mission Control Centre” to better direct force resources.

The force has also analysed how the public make contact with the police and is developing a self-service internet portal for the public.

The force has a clear, real-time approach to managing demand and has introduced an IT portal to assist local commanders to allocate resources more effectively. The force has identified that current IT arrangements are inadequate for future requirements and the WMP2020 programme includes the introduction of an integrated IT platform and a 24/7 “Mission Control Centre” to better direct force resources.

The force has also analysed how the public make contact with the police and is developing a self-service internet portal for the public.

## How sustainable and affordable is the workforce model?

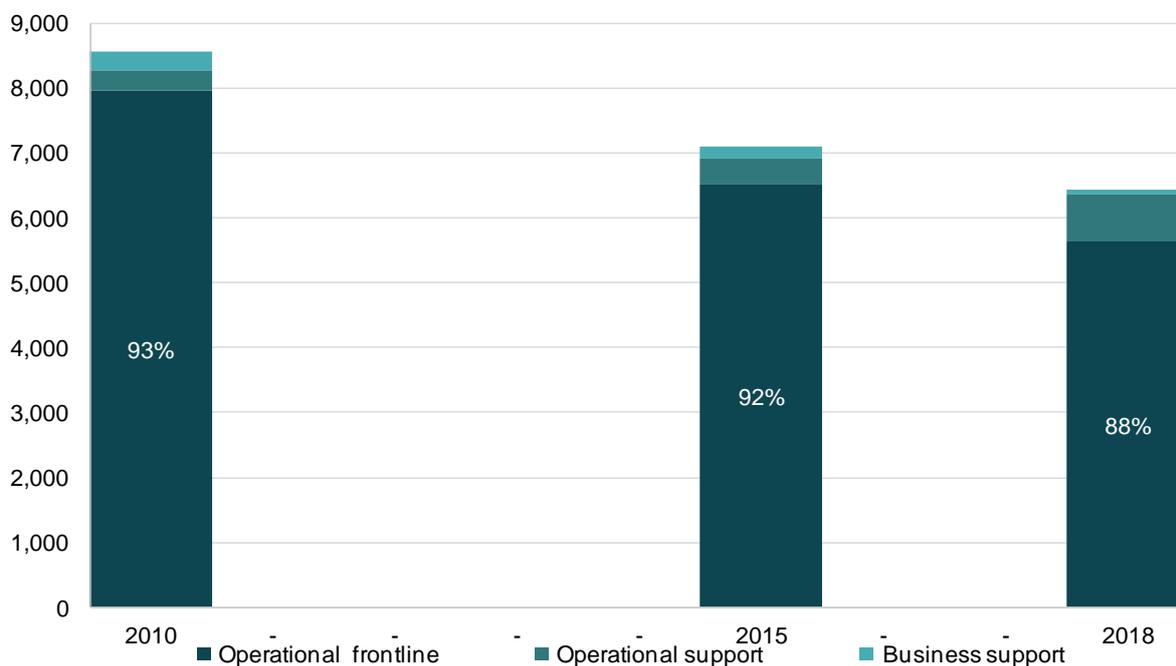
HMIC examined how West Midlands Police has structured its workforce (i.e. its mix of police officers, staff and PCSOs, and the proportion of all these groups working in frontline positions) and assessed whether this was affordable and sustainable as the force responds to its financial challenge. We also 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?**

West Midlands Police 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 £146m, the equivalent of 22 percent of the 2010/11 gross revenue expenditure for the force. Savings were made in both the pay and non-pay budgets. Since 2010, West Midlands police has seen a reduction of 1,493 police officers, 518 staff and 191 PCSOs full-time equivalent (FTE).

In West Midlands, there have been falls in the total number of FTE police officers over the period 2010 to 2015, as shown in figure 3. During this time period the proportion in frontline roles has fallen from 93 percent in 2010 to 92 percent in 2015. The force expects to reduce this proportion looking ahead 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 West Midlands 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**

In the main, the current operating model enables the force to respond effectively to most areas of demand. The force has mapped its workforce numbers through to 2020 and its workforce plans are well aligned with financial and change plans as part of the WMP2020 programme. It understands that the current operating model cannot be sustained with further budget reductions and that the way in which the workforce is structured presents some limitations on the development of the future operating model. The force has assessed the use of voluntary exit for police officers as being too expensive and so has to rely on officer numbers reducing through retirement or officers deciding to leave of their own volition. This means that 65 percent of the force's budget is a fixed cost tied up in officer pay and the force's financial flexibility is therefore limited to its police staff and non-pay budgets.

The force has a good understanding of the skills it needs to develop in its workforce. West Midlands Police recruited 162 new officers in 2014/15 with a further 91 new officers to be recruited in 2015/16 and is using this as an opportunity to re-model the workforce for future organisational and financial requirements. The force understands that if it is to change its future neighbourhood policing model it will need to further professionalise this area. Analytical skills need to increase across the force and there are pockets of skills gaps in project management, contract management and client-side management. The force has brought in skills from its commercial

partner to improve skills in its IT department. The force has developed a training programme for its new custody officers, where there was a skills gap. It recognises that it lacks a medium-term skills development programme; however the WMP2020 programme aims to put the force at the cutting edge of training and professional development.

## 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 West Midlands 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	8,626	-17%	-12%	7,133	-9%	-6%	6,472
Police Staff	3,667	-14%	-19%	3,148	-9%	-6%	2,852
PCSOs	811	-24%	-27%	620	-6%	-11%	581
<b>Workforce total</b>	<b>13,104</b>	<b>-17%</b>	<b>-15%</b>	<b>10,901</b>	<b>-9%</b>	<b>-6%</b>	<b>9,905</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

In collaboration with its commercial partner, the force has embarked on a five-year programme to transform how the force intends to deliver policing in 2020 and to design an operating model for the force to match predicted demand, organisational and financial requirements.

A central theme of the WMP2020 programme is a shift in emphasis away from reactive policing to a more preventative style. The force has a well-developed understanding of the resources it will have at its disposal through to 2020 and is developing future demand assumptions based on the shift from reactive to preventative policing. The future workforce is being modelled on this basis. An important element of the WMP2020 programme is the ability to 'brigade resources', supported by a 24/7 'Mission Control Centre' to direct resources according to demand.

The force is investing in new technology to make more efficient use of reduced resources. Mobile data equipment is being provided to frontline staff to make them more efficient and visible and a customer self-service internet portal is being developed to increase online services. To support this approach, officers and staff will receive additional training to provide one-contact resolution for the public.

The force has taken steps to ensure that it has the capacity and capability to deliver the WMP2020 programme, including recruiting additional resources for client-side management and IT together with a plan to ensure appropriate skills transfer between its commercial partner and force staff.

## Summary of findings



**Outstanding**

The force's operating model matches current demand, organisational and financial requirements. The force has a well-developed understanding of the resources it will have at its disposal through to 2020, but, with 65 percent of the force's budget as a fixed cost tied up in officer pay, its financial flexibility is limited to its police staff pay and non-pay budgets.

In collaboration with its commercial partner, the force is designing a future operating model to transform how the force intends to deliver policing in 2020, based on a shift from reactive to preventative policing, while making significant cuts to the budget. The future workforce is being modelled on this basis, with plans to brigade resources to build resilience at a force level and a 24/7 'Mission Control Centre' to direct these resources according to demand.

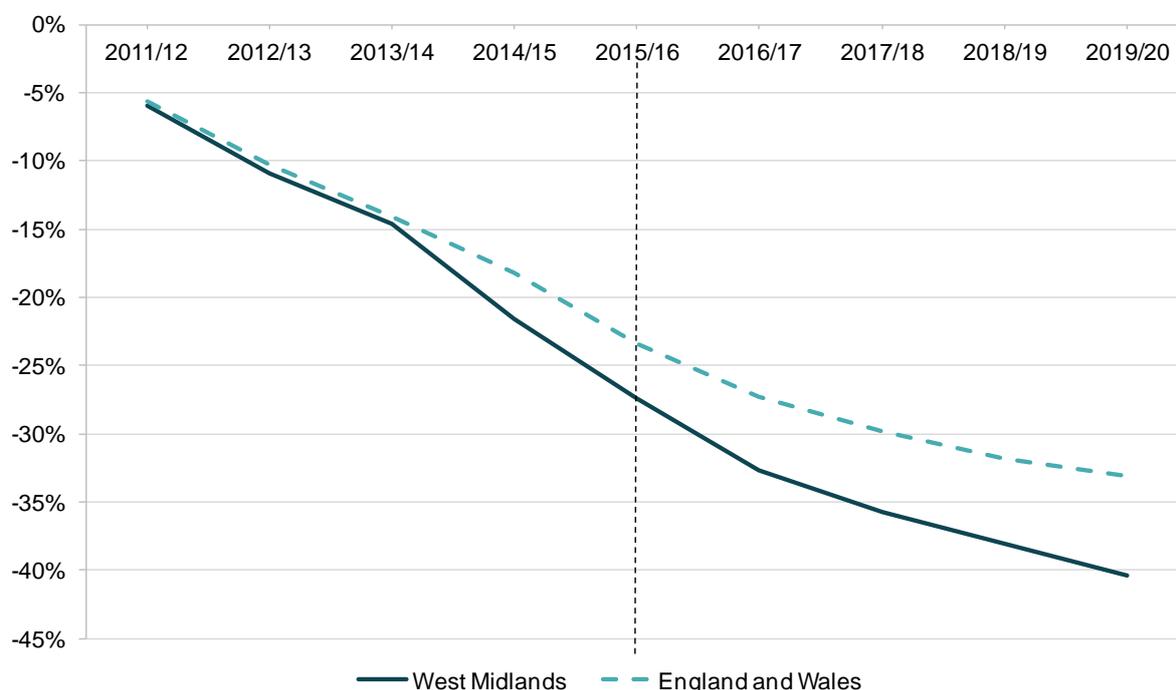
## **How sustainable is the force's financial position for the short and long term?**

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?**

West Midlands Police forecasted savings of £146m over the first four years of the spending review (2011/12 to 2014/15), the equivalent of 22 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 forecast planned savings for 2015/16 to 2019/20, against the 2010 gross revenue expenditure baseline for West Midlands 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 achieved its savings requirement and balanced the budget for the previous spending review period. The force used £13.6m from reserves in 2014/15. The force achieved an underspend of £2.6m in 2014/15 and this amount was added back to reserves. The underspend came from achieving savings ahead of schedule on estates, fleet and facilities management.

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

West Midlands Police has planned a balanced budget of £557.8m for 2015/16, which includes a cut in spending of £39.7m. It is forecast that the reduction will be split between £13.6m (34 percent) from the pay budget and £10.3m (26 percent) from the non-pay budget in this year's savings. The force is planning to use reserves to bridge the remainder of the spending reductions. Since the 2010 baseline, at the start of the spending review, this represents savings of 27 percent.

The force has set a balanced budget for 2015/16, which includes the use of £15.8m of reserves and recognises arrangements for delivery of WMP2020 with its commercial partner.

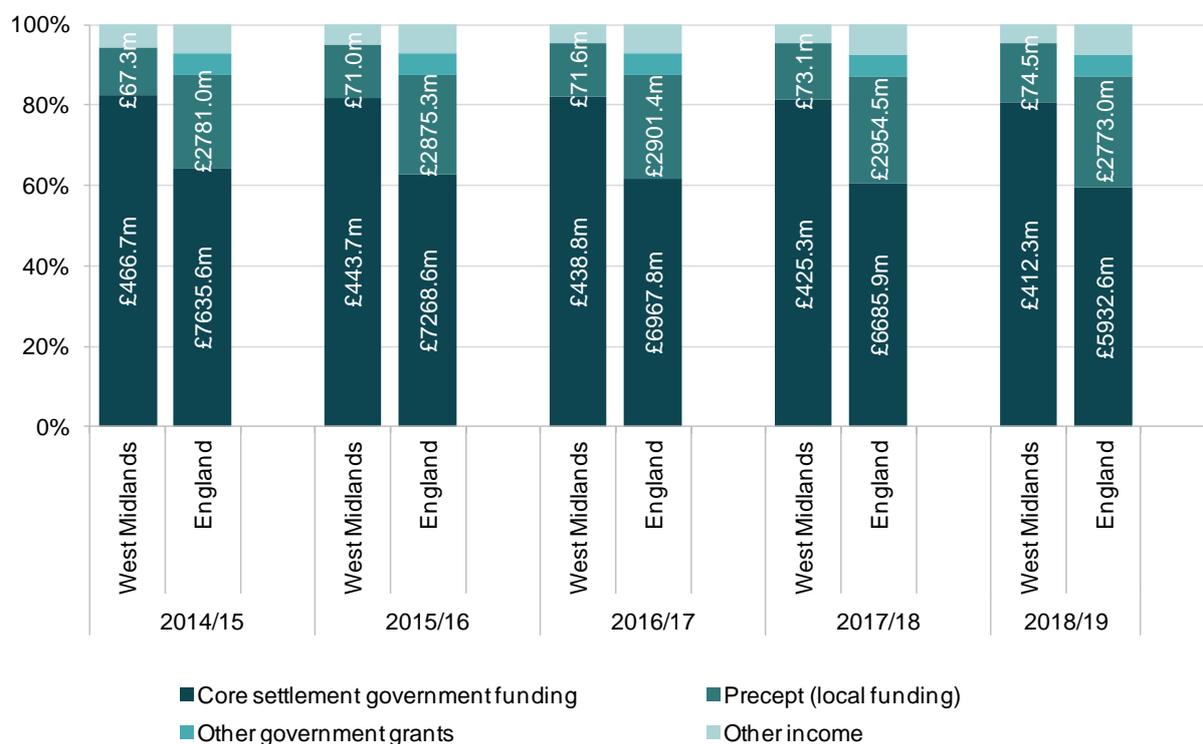
The budget also assumes a £5m saving this year as a result of implementing the WMP2020 change programme and, if this is not achieved, there are financial penalties in place for its commercial partner. As an additional contingency the force has set aside reserves to eliminate the risk of not balancing the budget.

The force and the PCC have shared prudent assumptions on price and salary increases. A 1.99 percent precept increase was agreed for 2015/16. However the precept increase is a small part of the force's income, amounting to approximately £1m a year.

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

Figure 6 demonstrates the amount of funding that the force received from central government grant, as precept from local councils through council tax, and from other sources, such as Home Office special grants. West Midlands 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 West Midlands Police in the 12 months to 31 March 2015 to the 12 months to 31 March 2019, compared to English forces**



**Source: HMIC efficiency data collection**

The force has secured Innovation Funding totalling £2.5m in 2015/16, for development of a vulnerable person’s referral IT portal, the acquisition of body-worn cameras, ambulance data analysis and data sharing in relation to organised crime.

The force takes a considered approach to maximising other funding opportunities but recognises that it could do more in this area. Initiatives being developed as part of the WMP2020 programme may present future opportunities for funding.

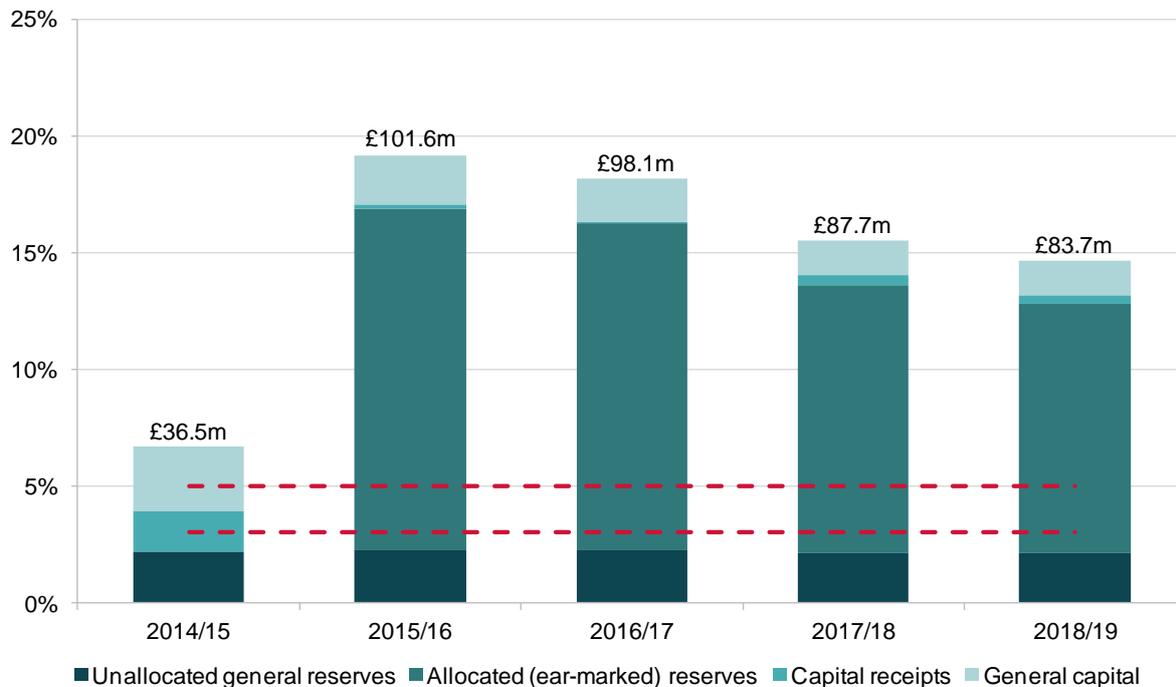
## How well does the force control expenditure?

The force’s level of reserves and how these are forecast to change over time is shown in figure 7. West Midlands Police reported that its total reserves were £36.5m 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 force has effective financial control in place. The force’s organisational change board oversees financial controls and an additional board overseeing change, which includes the police and crime commissioner. Both boards review all major changes to the WMP2020 programme. The organisational review forum tracks progress of the WMP2020 programme and monitors delivery by its commercial partner, issuing compliance notices if deadlines are missed.

The force has a prudent approach to the use of its large reserves. The force underspent by £7m in 2013/14 and 2014/15 (about 1 percent of total budget) which has been added to reserves. The force has large reserves, and is taking a prudent approach to reducing them to support its business aims. It will use £45m over the 5 years from 2015 to 2020, to support the implementation of the WMP2020 programme, including the recruitment of 450 new officers. Reserves of £30m are being used for capital projects including the build of two new custody facilities and the refit of the force headquarters (Lloyd House).

The force has set aside £25m as a budget resilience reserve in case the contract with its commercial partner fails. This would provide the force with time to adjust plans and deliver the target operating model and WMP2020 programme that its commercial partner has already designed.

The force has sufficient reserves to face any obvious financial risks such as next year's increase in National Insurance Contributions and any future savings requirements from central government. The force has low levels of borrowing and the ability to borrow more if it needs to, but has no plans to do so.

The force has recognised notable risk in relation to a number of contested cases connected to regulation A19 of police regulations and has set aside significant reserves for this purpose. Regulation A19 allows forces to enforce retirement of a serving officer once full pension entitlement has been achieved. The force was one of a number that used regulation A19. Nationally, the use of A19 is being contested by many of the officers affected.

The force is not reliant on reserves in order to achieve its savings and plans to have a balanced budget by 2020 with no use of reserves.

The force has a good range of methods for testing its value for money. One way it does this is through its management of the contract with its commercial partner, which requires set levels of performance. Some of the constituent parts of the change programme have to go out to further competition to ensure the force is getting best value. It has carried out several rounds of priority- and zero-based budgeting. It performs well in HMIC's value for money profiles and in CIPFA's police force benchmarking.

The force has tight control of expenditure. Pay budgets are centralised. The Resourcing and Deployment Group monitors officer vacancies and deployments and strictly controls recruitment and postings. The Police Staff Governance Group does the same for police staff. Other budgets are monitored monthly with reports to the Chief Officer Team and police and crime commissioner.

The force takes a rigorous approach to maintaining its operating model. The Local Policing Unit (LPU) model has been set and while local commanders can shift resources to respond to short-term increased demand they are not free to redesign at will.

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

The force works closely with the police and crime commissioner to ensure that financial planning supports the objectives of the Police and Crime Plan. The planned improvements and changes to the way the force operates have been grouped into four themes which form the heart of the new operating model, all underpinned by enhanced IT and more effective use of information: prepared to respond at pace; ready to learn and adapt; designed to listen and reassure; and geared to prevent harm. It is clear that this is a cohesive joint venture between the force and the PCC.

The objectives of the police and crime plan have been clearly identified and the force is held to account for delivery. Each LPU has a local delivery plan and work has been undertaken to map WMP2020 activity to force-wide and local police and crime plans.

## **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 force provides timely and relevant financial information to the police and crime commissioner and shared assumptions are used to develop financial planning. All budget plans are shared with the police and crime commissioner, who receives joint reports from the WMP2020 programme board, HR and finance functions. Progress on the WMP2020 programme is also reported on through quarterly performance reporting mechanisms.

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

The force has developed a strong understanding of its current financial position and its likely financial position in 2020. It has plans in place to achieve further savings through to 2020. The further savings required may be achieved by the implementation of the WMP2020 programme through the strategic partnership with its commercial partner. The force has identified savings across 35 separate business change processes aligned to a fundamental shift from reactive to preventative policing. The ambition is to make these savings without reducing the quality of service the force provides.

## Summary of findings



### Outstanding

The force has a secure financial position for the short and long term. The force achieved all of the savings required for the last spending review period and has plans in place to achieve further savings through to 2020. The further savings required may be achieved by the implementation of the WMP2020 programme, with most savings coming from staff reductions with the largest single portion being from reductions in police officer numbers.

The force has effective financial control in place and tight control of expenditure. The force has a prudent approach to the use of its large reserves and plans to use £44m of reserves over the 5 years from 2015 to 2020 to support the implementation of the WMP2020 programme.

The force works closely with the police and crime commissioner to ensure that financial planning supports the objectives of the police and crime plan and the force is held to account for delivery. The force provides timely and relevant financial information and uses shared assumptions to develop financial planning.

## 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 Valuing the Police programme. 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>6</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.

---

<sup>6</sup>*Striking a balance: Improving councils' decision making on reserves*, Audit Commission, December 2012. Available from <http://webarchive.nationalarchives.gov.uk>