

# PEEL: Police efficiency 2015

An inspection of Cleveland Police



October 2015

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ISBN: 978-1-78246-867-7

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

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



Requires improvement

HMIC found that Cleveland Police is partly prepared to face its future financial challenges. It has balanced the budget and has a good track record of achieving savings, although future plans beyond 2016 are projecting a budget deficit. The force needs to improve its understanding of the demand on its services and will need to change its processes and workforce allocation significantly to meet demand and address this deficit. In last year's value for money inspection, which considered how forces had met the challenge of the first spending review period, Cleveland was judged to be good.

## Summary

HMIC judges Cleveland Police to require improvement. The force has been required to cut its spending by 21 percent since 2010, which is higher than the England and Wales average of 18 percent. It has successfully achieved the savings needed to date, cutting its police officer strength by 23 percent and outsourcing its back office support functions to a private sector provider, including its call handling and systems for deploying police officers.

The force has some knowledge of the demand on its services but requires a better understanding of this to allow it to match its resources to demand more efficiently. Cleveland Police responds to higher levels of incidents as emergency and priority than other forces. While it responds well to emergency calls for service and endeavours to respond to all crimes, this is stretching the force's resources. As a result there is little capacity to undertake proactive policing work in order to reduce crime and anti social behaviour.

There has been limited change to the workforce model since the force restructure in 2013. Since then the volume and type of demand on its services has changed and the number of police officers has continued to fall in order to make the savings needed.

The force is now facing further financial cuts and HMIC is concerned that the force does not yet have any detailed plans in place to balance its budget after April 2016. It predicts a cumulative deficit of £11m by 2018/19. The force is exploring options to

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

increase income and maximise funding opportunities, but the scale of further savings required is considerable and the scope in which to find those savings is limited, partly as a result of a long-term outsourcing contract with a private sector provider. The force will need to consider significant changes in the way the force delivers policing to the public.

<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>Requires Improvement</b></p>	<p>  <b>Requires Improvement</b></p>	<p>  <b>Requires Improvement</b></p>
<p>Cleveland Police is one of the few forces that still attends all calls reporting a crime. The force responds well to emergency calls and priority incidents. However, the high demand from these means that resources are stretched and police officers are unable to spend enough time on proactive policing activities that could reduce demand for its services from crime and anti-social behaviour.</p> <p>The force is developing a better understanding of demand. Day to day changes in demand are managed but beyond this it is struggling to match its current level of resources to meet all the demands on its services.</p> <p>The force has a clear and comprehensive</p>	<p>The current workforce model was designed in 2013 to fit demand for the force's services at that time. The volume and type of demand for service has now changed, and the number of police officers has continued to decrease in order to make the savings needed – however there has been limited change to the workforce model. It therefore no longer sufficiently supports the force responding to its demand. The current workforce model will not be affordable based on the further budget cuts the force needs to make.</p> <p>The force's planned improved understanding of demand will inform the future workforce model including the resources,</p>	<p>The force has a good track record of achieving substantial savings and despite facing higher than average saving requirements has managed to maintain a sustainable position to date. Savings so far have been found mainly from reducing police officer numbers and from outsourcing many of the force's back office support functions to a private sector provider.</p> <p>The force exercises strong financial control. The chief finance officer has good oversight and governance of both strategic and day-to-day financial management.</p> <p>The force's financial plans directly reflect and are based on the objectives set out in the police and crime</p>

<p>performance framework to monitor and manage its performance but there is limited evidence that the force knows to what extent it is currently achieving value for money. It is not monitoring the effects of efficiency changes and process improvements on the quality of its services.</p> <p>The force is making good use of technology which it is further developing to enable frontline officers to be more efficient. It is embracing collaborative working to reduce costs and provide future resilience. The force has recognised the value of working with local public sector organisations to manage demand better, and progress is being made in providing an improved service for the public.</p>	<p>skills and behaviours that will be required. The force has a strategic vision for the future of the organisation. This includes defining what local policing is for Cleveland, working in collaboration with other organisations, and making back office support services more efficient and effective. However, it has not yet developed a detailed plan for how the workforce will need to change to match demand, organisational and financial requirements.</p>	<p>plan. The force chief finance officer works closely and constructively with the police and crime commissioner's chief finance officer.</p> <p>However HMIC is concerned that the force is facing a considerable challenge with a financial deficit from April 2016 onwards. It has as yet made no detailed plans for likely reductions in spending. The force has made limited progress in generating other income but has maximised funding opportunities through Home Office Police Innovation Fund bids.</p> <p>The scale of the likely savings is considerable and the scope in which to find those savings is limited without significant change to the way the force delivers policing to the public.</p>
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## Force in numbers



### Financial position

Forecasted change in expenditure 2015/16 to 2018/19

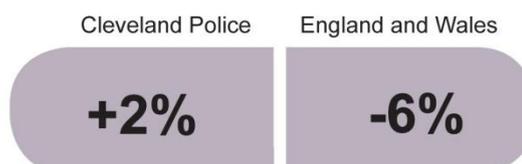


It is important to note that some forces only provided figures for savings they had formally signed off at that point, while others provided estimates for the whole period. As a result, the savings figure above might not reflect the full saving which the force might have to make. 2014/15 GRE has been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



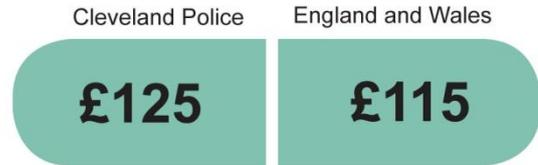
Planned proportion of police officers on the operational frontline 31 March 2018





## Organisation

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

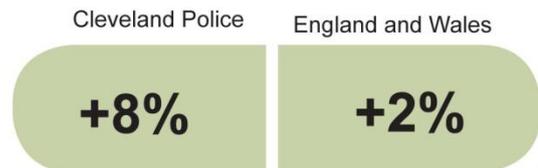


Workforce cost per head of population compared to England & Wales (2014/15)



## Key statistics

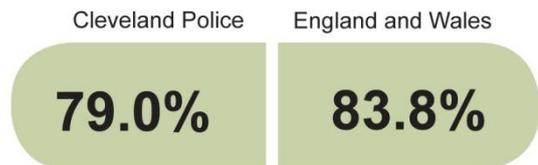
Changes in recorded crime (excluding fraud) 12 months to 31 March 2014 to 12 months to 31 March 2015



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:** Cleveland, confidence interval +/- 1.8 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. HMIC 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 Cleveland 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?

HMIC's report for Cleveland Police, *Responding to Austerity*,<sup>2</sup> recognised that the force's understanding of demand on its services from the public and allocation of resources was good. In setting up the current policing model for Cleveland in 2013, the force analysed demand on its services from the public at that time and allocated resources accordingly. However, the force recognises that over recent years, this demand has changed and new types of crime have emerged requiring a different approach. The way policing is organised and resources allocated by the force no longer fully aligns to the demand on its services from the public it is now experiencing.

There is a plan to reduce demand. The high level vision for how demand can be better managed is through early interventions with a focus on threat, risk and harm. The plan includes a systematic approach using a 'demand reduction matrix' which determines the type of intervention required by victim, offender and location in order to manage demand.

There has been no recent analysis of the entire demand for police services in Cleveland. The force has done some recent work to understand specific areas of demand better. This includes an assessment of demand on all emergency services in dealing with people with mental health problems, and an analysis of the demand from the night-time economy of town centres and licensed premises.

The force is working well with other public sector organisations in Cleveland to understand demand better. The amount of time officers spend dealing with vulnerable people and people with mental health problems has been analysed, and used to inform the introduction of a triage team with specialist nurses.

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<sup>2</sup> *Responding to Austerity: Cleveland Police*, HMIC, 22 July 2014, [www.justiceinspectorates.gov.uk/hmic/wp-content/uploads/cleveland-responding-to-austerity.pdf](http://www.justiceinspectorates.gov.uk/hmic/wp-content/uploads/cleveland-responding-to-austerity.pdf)

The force has a longer term plan to reduce demand by working with other forces and public sector organisations to deliver services differently in the future. This will rely on early intervention by the correct organisation.

The force regularly updates its assessment of the greatest threats and risks causing harm to communities so that it can ensure that resources are directed at tackling these issues. This has identified emerging and increasing areas of demand, such as vulnerable victims (particularly around mental health), sexual offences, child sexual exploitation and cyber-crime. The force has recognised the importance of having a better understanding of demand to ensure that resources can be most efficiently used to prioritise and respond effectively. It is seeking to enhance its understanding through work within its change programme (called Orbis+).

A more detailed understanding of demand exists in some areas of its operations such as neighbourhood policing, protecting vulnerable people and crime scene examination. While there is an emerging picture from the analysis done so far, this does not yet cover the totality of demand in enough detail to inform the workforce model, nor to equip the force to respond efficiently to threat, risk and harm.

The change programme is taking a phased approach. One of the phases involves mapping demand across the force's core functions to understand it better and has commissioned its private sector provider to develop a resource and service modelling tool. An earlier phase included activity analysis, process mapping and learning from other forces to enable demand to be assessed and assumptions made to populate the resource and service modelling tool.

The aim of this modelling tool is to enable Cleveland to understand demand on all resources better, and allow the force to ensure its workforce has the right skills and capacity to respond appropriately. Future developments will incorporate other organisations' information, such as health data, which can have an impact on demand for police services, providing a more comprehensive picture of demand. There have been delays in the development of both this tool and a system to record and plan staff duties. Both of these systems need to be in place for Cleveland to make progress.

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

The way the workforce is allocated to and fits with the structures in the operating model no longer fully supports the force in responding to the changes in demand it faces. The force changed to its current operating model<sup>3</sup> in 2013. It is made up of departments covering the whole force area along with locally-based police officers and staff. The force has outsourced many of its back office and support functions to a private sector provider.

Frontline staff initially attend crime and incidents. Resources can be deployed anywhere in the force area if required. At a local level the force has integrated neighbourhood team (INTs) who work directly with local communities to develop longer term solutions which reduce demand. Additional resources can be requested by teams when needed.

The control room, which deals with calls from the public and the deployment of officers to incidents, is one of those support functions that has been outsourced. Control room staff assess risks and prioritise calls and record incidents which are then attended by officers within the response teams. However, officers are frequently taken out of neighbourhood teams to assist with response duties due to the high volume of calls and incidents. The force policy is to send an officer to attend all crimes, even where this may not be required. Calls which do not need an immediate, priority or scheduled response are filtered through an incident management team (IMT) for advice or to schedule non-emergency appointments. Eleven diary cars respond to scheduled appointments across the force area. A telephone investigation unit (TIU) has recently been piloted to undertake desk-based investigations, removing the need for officers to respond to all calls and making more efficient use of officer time.

The force works well with the outsourced control room and there are good working relationships at a local level. However, the outsourcing contract limits the ability of the force to deliver change in a flexible and timely way. For example, there has been a significant delay in implementing two IT systems (a demand modelling tool and a duty management system). It is a lengthy process to make changes to the ways of working within the contracted agreement which may be required in order to be responsive to the changing needs within the policing environment. This means that the force cannot always respond quickly to changes in demand or processes.

The force recognises that the resource allocation within the current operating model no longer reflects the demand from the public for its services, which makes it difficult to match resources to demand other than calls for service. This position was confirmed by staff who felt overwhelmed by work, and who were often taken away

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<sup>3</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.

from the kinds of preventive policing work that might help to reduce demand, in order to respond to emergency calls. However, staff have seen the benefits of the flexibility in the policing model, sharing a feeling of 'all being in this together' and supporting each other.

## **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 Cleveland; victim satisfaction levels; and whether the force is using different ways to communicate and engage with the public.

Although police recorded crime is by no means a complete measure of all demand a police force faces, it does provide a comparable performance indicator across all forces. Crime rates are reported as a number of crimes per 1000 population in each force area to enable comparison between areas. Total 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 recorded crime in the year ending 31 March 2015. This increase in police recorded crime is likely to 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 Cleveland had a victim-based crime rate of 67.6 and a non-victim-based crime rate of 7.5 per 1,000 population. This represents a decrease (7 percent) in the victim-based crime rate and a decrease (30 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 police recorded 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 next page).

Of those who have been the victim of a crime in Cleveland, 79.0 percent were satisfied with their whole experience with the police in the 12 months to 31 March 2015.<sup>4</sup> This is lower than the national victim satisfaction rate of 83.8 percent over the same time period.<sup>5</sup> There has been a significant decrease in victim satisfaction between 84.4 percent the 12 months to 31 March 2011 and 79.0 percent in the 12 months to 31 March 2015 in Cleveland. The force's services are currently struggling to both respond to immediate demand from the public and invest officer time in preventive policing that would help to reduce demand in the longer term. In the 12

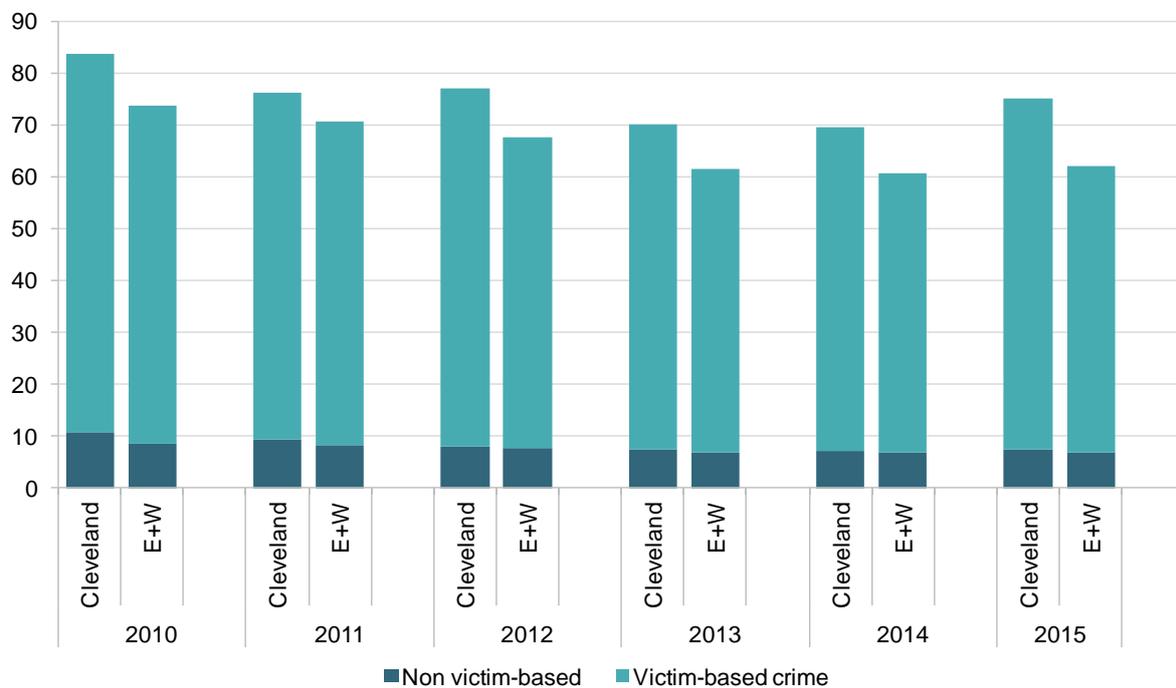
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<sup>4</sup> Cleveland, confidence interval +/- 1.8 percent.

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

months to 31 March 2014, Cleveland Police responded to higher levels of incidents as emergency and priority than other forces. There is a strong commitment within the force to provide a police response to all crimes. However, the force is now struggling to cope with this volume of demand. Officers are regularly taken off their neighbourhood policing duties to assist with the response to incidents across the force area. This means that the valuable proactive work, for example, problem solving with partner organisations at a local level to tackle the causes of crime and anti-social behaviour, is not being undertaken as comprehensively as needed; there is limited opportunity to patrol crime and anti-social behaviour hotspots to provide visibility and reassurance to the public.

**Figure 1: Police recorded crimes per 1,000 population in Cleveland 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)**

The force has recognised that it needs to manage demand better in order to meet the needs of the public better. A telephone investigation unit (TIU) was set up earlier this year, which aims to reduce the demand on response staff by resolving low-level investigations without police attending. Early results are starting to show some success. Between February and May this year, over a thousand crimes were dealt with by the TIU, almost half of which were satisfactorily resolved without sending a police officer.

This means that police time can be freed up to deal more quickly and effectively with emergency calls. The force is making more use of appointments for police officers to attend where an immediate response is not needed. This means that the public get a better service and the police officers can make more efficient use of time.

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

**Figure 2: Methods of public engagement used by Cleveland Police in the 12 months to 31 December 2014**

<b>Are the following communication channels being used by the Force?</b>	
Facebook	Yes
Twitter	Yes
Email	Yes
Text message	Yes
Web forum	Yes
Instagram	No
Local phone (not 999 or 101)	Yes

**Source: HMIC Efficiency data collection**

Forces are exploring different ways in which the public can gain access to policing services. Cleveland Police has an extensive programme to save money by reducing the number of police buildings it operates from, while at the same time continuing to introduce new arrangements for the public to access policing services.

Like other forces, Cleveland Police is making use of the internet and social media to communicate with the public and is developing different ways for the public to contact the police. The force plans to use online reporting of crime and updates to victims as a convenient alternative to attending a police station. Where it is appropriate, social media, such as YouTube, Twitter and Facebook are used.

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

The force could improve the way it currently manages its demand. Its policy of sending an officer to attend every crime consumes most of its police officer time, leaving little time for proactive work or local problem solving with communities. This means the force is less likely to intervene at an earlier stage before crime or anti-social behaviour is committed, and reduces demand in the longer term.

Cleveland Police receives a high volume of calls, including those which are either emergency or priority incidents. The force continues to respond to calls where crimes are reported. It is working to change this policy, identifying categories of incidents that do not require the police to attend (for example, where there are no lines of enquiry to investigate).

The force has started to implement processes to manage incoming demand, better, through offering a police visit at an appointed time rather than immediately and through establishing the telephone investigation unit. The benefits of these changes have yet to be realised in freeing up officer time. While the change in processes has reduced some of the demand on response officers, often further work is required and these calls appear in a job queue, sometimes days later. Managers within the control room are contractually required to meet targets for the time to deploy an officer to the scene of an incident. This, coupled with the demand pressures, is resulting in calls being allocated to officers at speed in peak times with little regard to the time that officers need to spend with victims to provide a quality service. The control room contract currently inhibits the shift required away from targets to a focus on the quality of response required in response to threat, risk and harm, although we recognise that the private sector provider has worked in partnership with the force to change some of its processes in support of this cultural shift.

Senior managers maintain a close overview of demand through twice daily 'pacesetter' meetings. These meetings focus on the incidents awaiting attendance; outstanding arrests needing to be made; planned activity; activity in areas of concern (hot spots); and resourcing. These meetings consider activity from the previous 24 hours and enable the force to move resources quickly to respond to threat, risk and harm to victims and communities.

The subsequent briefing of frontline officers following these pacesetter meetings is inconsistent in delivery and varies in content. Some officers describe regular briefings that direct them to priorities and hot spot areas. Other officers say they are frequently not briefed. This means that scarce resources are not consistently directed appropriately to manage and prevent demand. When officers do have capacity to patrol crime and anti-social behaviour hot spots as a preventive tactic they are often not briefed properly. Further, although officers provide high visibility policing in these areas, they miss opportunities to undertake problem-solving work to address the underlying issues.

Staff in Cleveland told HMIC that they feel they are 'run ragged' and 'exhausted'. They are regularly taken away from neighbourhood policing to help to respond to emergency calls. They also said that they are constantly apologising to members of the public for delays in attending.

They want to provide a good quality service to victims but are concerned that the volume of demand is having an impact on their ability to do this. Wider community issues, described as 'hidden demand', are not being addressed as they don't appear in the call queue, and therefore are not made a priority.

The higher than average sickness absence experienced by the force, coupled with the percentage of officers on restricted duties, compounds the pressure on available resources. The force has recognised this and recently implemented a more robust yet supportive sickness management process.

The force has a good relationship with partner organisations. A reduction in some resources from its partners as a result of their own austerity measures has had a negative impact on the force. Evidence of this includes reductions in local authority wardens, anti-social behaviour (ASB) officers, and a reduced ASB hotline service. However, despite the cuts, the force is working well with partners to find innovative ways to reduce demand. Examples include:

- Middlesbrough Safe Places provides safe havens where those suffering the effects of drugs or alcohol can be taken and cared for by local authority staff.
- Safe in Tees uses 'street angels' and taxi marshals to assist members of the public and vulnerable people. This helps reduce the demand arising from crime and disorder, alcohol, and other crimes (such as drug and knife use) at weekends.
- The troubled families programme co-ordinates support to individuals and families causing concern regarding crime and anti-social behaviour within the four local authority areas.
- A mental health agreement results in organisations working together to tackle demand from mental health or perceived mental health patients, and effective deployment of resources by the correct organisation. This is still in its infancy but there have been early positive results.
- A mobile mental health triage team, comprising two nurses specialising in mental health, drugs and alcohol is available seven days a week. It provides an assessment of the patient and, if required, manages the patient removing the need for a police officer.
- Development of a joint protocol with the ambulance service enables better management of demand placed on police officers.

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

The force has a clear and comprehensive performance management framework to monitor performance both in terms of the quantity and quality of the service it provides. Good governance structures are in place to monitor performance, including a quarterly strategic performance group and a monthly tactical performance group.

While there is some evidence of the force having an understanding of the relationship between costs of delivery and service outcomes this could be more developed. This indicates that the force cannot fully understand what extent it is currently achieving value for money. The change programme reviews the costs of activities to indicate the amount of efficiency savings made. However, the force needs to demonstrate a better understanding of whether changes in service achieve efficiencies in both staff time and savings. The force anticipates that this will become clearer once the demand planning tool is implemented.

HMIC found limited evidence that the force was monitoring the effects of efficiency changes and process improvements on the quality of its services. For example, as a result of mothballing a custody office, officers are required to travel further resulting in them being extracted from their local area and unavailable to respond to calls. There is limited monitoring of this by the force beyond custody waiting times.

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

The force has a programme of continuous improvement through the change programme (called Orbis+). Previous phases of the change programme focused on structure, culture, estates and technology. The current phase has four stages of in-depth business reviews, some of which are complete and others which will include the implementation of earlier stages and reviews of incident resolution, mobile data solutions, the demand model, frontline supervision, prisoner handling, intelligence, fleet management, and shift pattern implementation.

As part of the ten-year private partnership arrangement that outsourced some back office services, the force and its external partner initiated a transformation programme of more than 40 projects. This includes a number of projects focused on the information communications technology (ICT) infrastructure. As part of the ICT developments, improved mobile technology for frontline officers will replace the existing devices, giving frontline officers greater access to police systems whilst out in the communities, enabling them to operate more efficiently.

The force has developed a mobile technology application called iMap which is now available to officers on a smartphone. This provides geographical maps of crimes and incidents, repeat locations, CCTV locations and licensed premises, which allows neighbourhood officers to understand their local areas better. The force was rolling out this application at the time of HMIC's inspection.

The force recognises the value of collaborating with neighbouring forces to improve efficiency and provide resilience for the future. This includes further development of the North East regional special operations unit and the Cleveland and Durham specialist operations unit. Opportunities to work collaboratively are being explored with the fire service, and a tri-force collaboration with Durham and North Yorkshire police forces.

The force's vision for change has been communicated by the deputy chief constable to supervisors through a series of 'Towards 2020' sessions. These sessions covered how the force will work differently in the future. However, we found that the messages delivered in these sessions have not yet filtered down to staff who work on the frontline, where there is limited awareness of future direction and change.

The capacity to deliver change on a considerable scale is a challenge for Cleveland Police. The force is restricted in the speed with which it can implement change by its contractual arrangements with a private sector provider which require protracted business case development and agreement prior to implementation. In addition the force's own resources are limited.

## Summary of findings



**Requires improvement**

Cleveland Police is one of the few forces that still attends all calls reporting a crime. The force responds well to emergency calls and priority incidents. However, the high demand from these means that resources are stretched and police officers are unable to spend enough time on proactive policing activities that could reduce demand for its services from crime and anti-social behaviour.

The force is developing a better understanding of demand. Day to day changes in demand are managed but beyond this it is struggling to match its current level of resources to meet all the demands on its services.

The force has a clear and comprehensive performance framework to monitor and manage its performance but there is limited evidence that the force knows to what extent it is currently achieving value for money. It is not monitoring the effects of efficiency changes and process improvements on the quality of its services.

The force is making good use of technology which it is further developing to enable frontline officers to be more efficient. It is embracing collaborative working to reduce costs and provide future resilience. The force has recognised the value of working with local public sector organisations to manage demand better, and progress is being made in providing an improved service for the public.

#### **Areas for improvement**

- The force should gain a fuller understanding of current demand for its services, and likely future changes in demand. This is so it can make best use of its resources by matching them to demand to meet the needs of the public.

## How sustainable and affordable is the workforce model?

HMIC examined how Cleveland 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?**

Cleveland Police forecasted a total savings requirement over the first four years of the spending review as part of the value for money inspection (2011/12 to 2014/15) of £30.96m, 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, Cleveland Police has seen a reduction of 399 police officers, 514 staff and 70 PCSOs full-time equivalents (FTE).<sup>6</sup>

The force changed to a new policing model in 2013 to fit the demand for the force's services at that time. Cleveland's overall workforce model differs to that of most other forces as it has two private sector partnership arrangements. One of these provides custody services for the force, and the other provides call centre services and many back office and support functions.

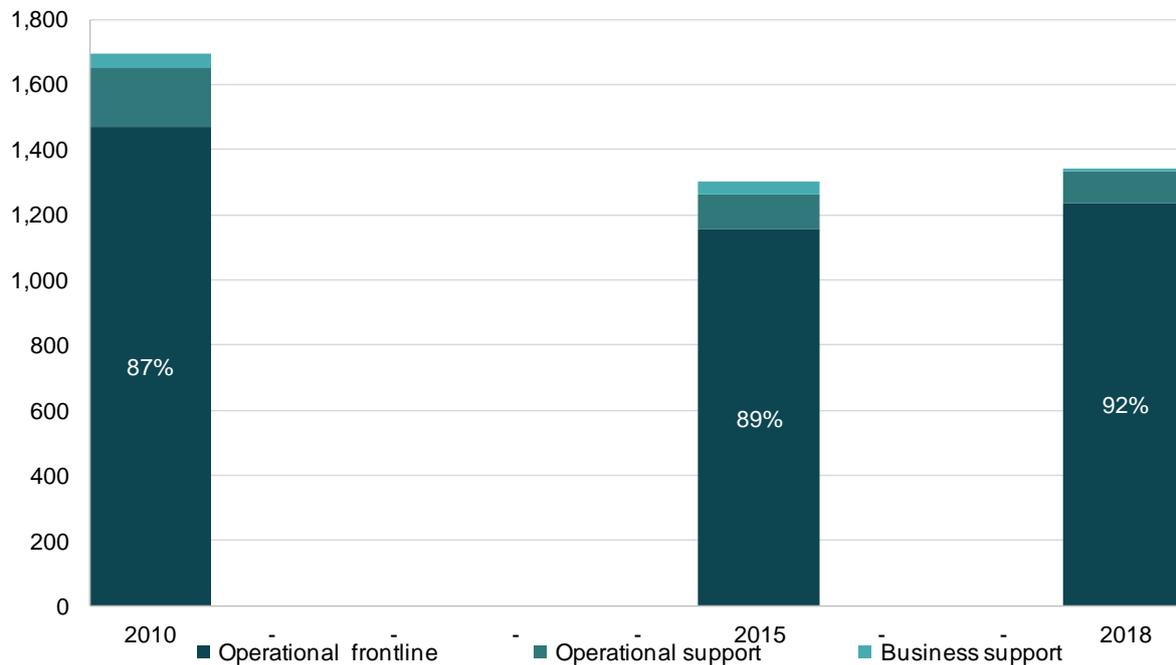
In Cleveland, there have been falls in the total number of police officer FTE over the period 2010 to 2015, as shown in figure 3 (on the next page). During this period the proportion in frontline roles has increased from 87 percent in 2010 to 89 percent in 2015. The force expects to increase this proportion for 2018. Reductions in officer numbers have been greater than expected with more officers leaving during this period, resulting in the force being below its planned officer numbers during 2015/16. The force expects to increase this proportion returning to planned levels for 2018.

HMIC is concerned that there is a risk that the force lacks the capacity to deliver large-scale change at the pace and scale required; at the same time as responding to current demands on its service. It is intended that future change plans will involve a significant restructure of the workforce and processes.

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<sup>6</sup> The reduction of majority of 514 police staff is a result of Cleveland Police's partnership agreement to outsource services to a private sector provider.

**Figure 3: Actual and Planned changes to police officer full time equivalents (FTE) in operational frontline, operational support and business support roles in Cleveland 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**

During the last year, the time taken to recruit appropriate people into the organisation, and train them, to fill the gap in officer numbers while meeting planned recruitment had an impact on the force's available resources to manage demand. The force has recently addressed this, with new officers now trained and soon to be used for active duty.

The force is limited in the reductions it can make in police staff numbers due to its outsourcing arrangements, with many former police staff now being employed by the private sector provider.

The force has only limited information on the skills available across the workforce. It has information on who is trained and there is a system detailing what skill sets are needed in different roles, but the force recognises that there is more work to do to pull all the information together in a central system, which it plans to do in November 2015. There are instances where high demand is resulting in officers being moved to roles for which they are not sufficiently well-trained (during interviews with staff several stated that uniformed officers were being tasked to deal with investigations into a number of serious offences, including serious assaults, rapes and CSE'). In addition, staff perception is that there is a considerable number of acting supervisors within the force who have not received sufficient training. There is a risk this could have a negative impact on both the quality of service and on investigations.

## 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 Cleveland 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	1,724	-23%	-12%	1,326	2%	-6%	1,351
Police Staff	711	-72%	-19%	197	-6%	-6%	185
PCSOs	193	-36%	-27%	123	7%	-11%	132
<b>Workforce total</b>	<b>2,629</b>	<b>-37%</b>	<b>-15%</b>	<b>1,646</b>	<b>1%</b>	<b>-6%</b>	<b>1,668</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

HMIC found that the force does not yet have a detailed plan for the changes needed to the workforce in future. The force has recently agreed a longer-term vision and has a short-term plan to reduce workforce numbers to match the finances available, but it is not yet clear to what extent the future workforce will be able to provide services to the public.

The force's leadership team has communicated the longer-term vision for the force, branded as 'Towards 2020'. The vision has three core areas: defining local policing; operational collaboration – considering what must be led at a local Cleveland level; and maximising the value from enabling services (such as information and communication technology, and business support services).

Cleveland Police estimates that it needs to reduce its spending by a further £12.4m between April 2015 and April 2019. In common with most forces the vast majority of Cleveland's budget is spent on staff and therefore most of these cuts will have to be found from further reductions to the size of the workforce. Unlike most forces Cleveland employs very few civilian staff, with most being employed by the private sector provider that is contracted by the force to provide many back office and support services. The force's ability to make changes to the way these services are provided is limited by the contract in place. The force is anticipating a smaller than average reduction in police officer numbers.

The force considers that it needs 1,351 police officers and 132 PCSOs to fulfil its current policing obligations. The aim is to maintain this officer and PCSO strength until the force has a more informed view of demand and greater certainty over future funding.

To maintain police officer numbers at the required level, approximately 300 officer recruits are planned over the next four years. The force recognises that this is an ambitious target but essential to sustain an effective policing service due to unprecedented and higher than expected numbers of leavers in previous years, and further retirements in future years. The force will need to consider carefully how it will ensure skills requirements for these new officers reflect likely future demand and ways of operating given that recruitment is a significant long-term financial commitment.

## Summary of findings



**Requires improvement**

The current workforce model was designed in 2013 to fit demand for the force's services at that time. The volume and type of demand for service has now changed, and the number of police officers has continued to decrease in order to make the savings needed –however there has been limited change to the workforce model. It therefore no longer sufficiently supports the force responding to its demand. The current workforce model will not be affordable based on the further budget cuts the force needs to make.

The force's planned improved understanding of demand will inform the future workforce model including the resources, skills and behaviours that will be required. The force has a strategic vision for the future of the organisation. This includes defining what local policing is for Cleveland, working in collaboration with other organisations, and making back office support services more efficient and effective. However, it has not yet developed a detailed plan for how the workforce will need to change to match demand, organisational and financial requirements.

### 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 behaviours expected of them.
- The force should fully communicate the future vision of its policing model to the workforce.

## **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?**

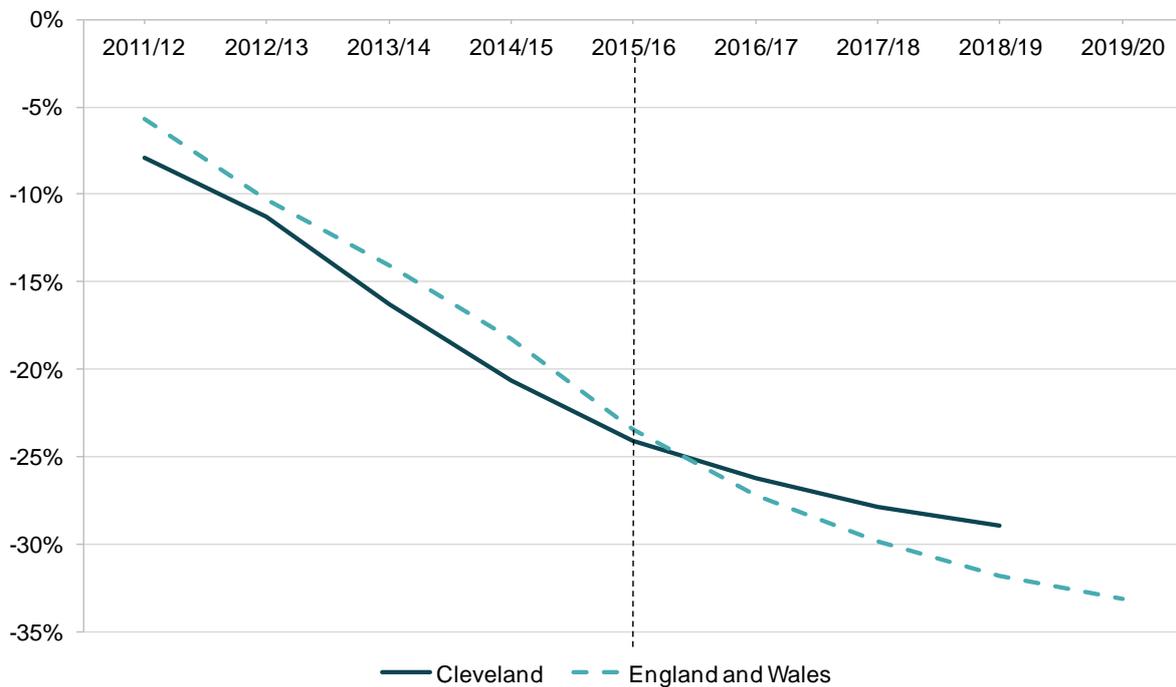
Cleveland Police forecasted savings of £30.96m over the first four years of the spending review (2011/12 to 2014/15), the equivalent of 21 percent of the 2010/11 gross revenue expenditure for the force. Over the period savings were made in both the pay and non-pay budgets, so as to balance budgets by 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 (see figure 5).

The force has a good track record of achieving its planned savings. Cleveland Police faced a difficult challenge but it achieved its savings requirement of £31m over the first four years of the spending review, this equates to 21 percent of its 2010/11 general revenue expenditure (GRE). This is higher than the average for England and Wales which was 18 percent. In addition, it had a balanced budget for 2014/15 with no funding gaps. There have been recent under-spends as a result of more people leaving the force than was expected.

The force has achieved savings over this period through strong financial controls and well-managed change programmes. Savings have come from reducing police officer numbers. In 2010 Cleveland had 1,724 police officers and by April 2015 this figure had reduced to 1,326. Compared to other forces, this is one of the largest reductions in police officer numbers at around 23 percent fewer than in 2010. The force has also achieved cost savings from outsourcing services to the private sector. During every year, the force has reduced spending by more than the required amount.

The impetus for the first years of the force's financial plans was the need to make cost reductions. The force is now looking to inform the plans more by protecting people from threat, harm and risk through in-depth and meaningful demand analysis.

**Figure 5: Estimated change in expenditure from 2011/12 to 2014/15, and forecast change in expenditure for 2015/16 to 2018/19, against the 2010 gross revenue expenditure baseline for Cleveland 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

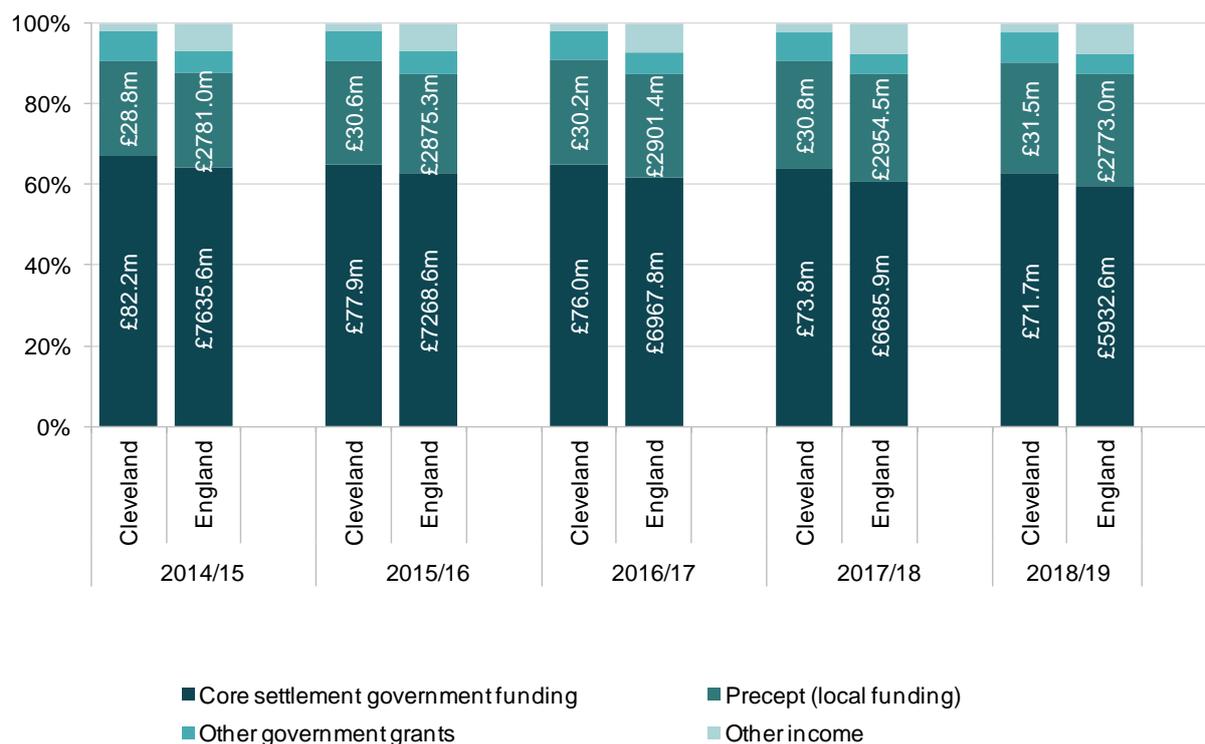
### **Has the force achieved a balanced budget for 2015/16?**

Cleveland Police has planned a balanced budget of £117.2m for 2015/16, which includes a cut in spending of £5.2m. It is forecast that the reduction will be split between £3.8m from the pay budget (74 percent) and £1.4m (26 percent) from the non-pay budget. The force plans to meet its reduction in spend without using its reserves as a bridge. Since the 2010 baseline, at the start of the spending review, this represents savings of 24 percent.

## 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. Cleveland 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 their 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 Cleveland Police in the 12 months to 31 March 2015 to the 12 months to 31 March 2020, compared to English forces**



**Source: HMIC efficiency data collection**

Cleveland Police works well in collaboration with others and has gained both financial savings and improved resilience through joint working. In 2014/15 the force expected to spend 29 percent of its net revenue expenditure on collaboration, which was considerably higher than the average of 16 percent for England and Wales.

The force is embracing collaboration, progressing with existing collaborations, and forming new collaborations for the provision of existing business areas. These include:

- Further development of the Cleveland and Durham specialist operations unit and the north east regional specialist operations unit.
- Sharing of premises with Cleveland Fire Service, for which a memorandum of understanding has been signed, and further plans for a shared training centre for blue light services in the future.
- A tri-force collaboration programme called Evolve with Durham and North Yorkshire police forces. Areas include firearms support; major crime investigation; technical support; professional standards and legal; police response to chemical, biological and radiological and nuclear (CBRN) incidents; and disaster victim ID. A statement of intent has been signed recently to progress this collaboration.

Cleveland Police is making good use of external funding to support improved services. Along with other forces, it has been successful in bids for Home Office innovation funding. These bids are for a tri-force command and control system in conjunction with Durham and North Yorkshire forces.

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

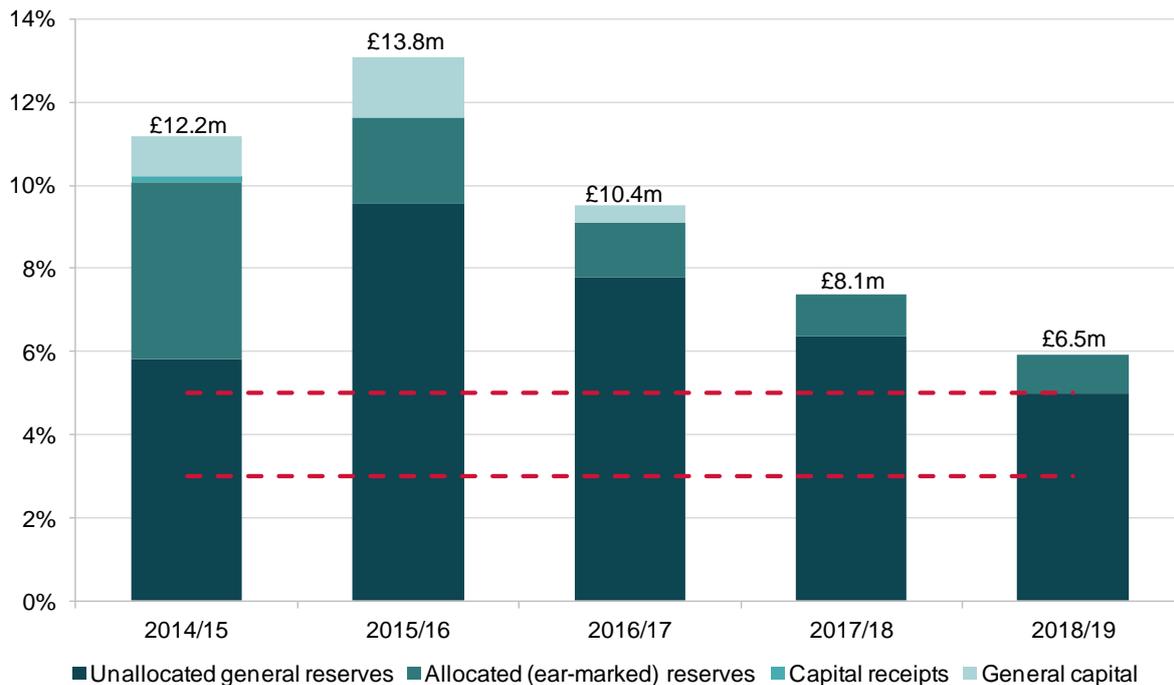
The force's level of reserves and how these are forecast to change over time is shown in figure 7. Cleveland Police reported that its total reserves were £12.2m in 2014/15. These are broken down into several categories:

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

The force exercises strong financial control. The chief finance officer is an assistant chief officer, a member of the force management board, and has good oversight and governance of both long term and day to day financial management. The skills mix within the finance team has been adjusted recently to ensure the appropriate skills are in place to support good governance. There are good working relationships between the head of human resources and the chief finance officer.

To date, no reserves have been used to bridge the funding gap. The PCC's current plans assume a contribution of £4.5m from reserves over the life of the force's long-term financial plan. The plan also assumes that additional funding will be allocated from earmarked reserves to cover the costs of medical retirements, recruitment of special constables, and any pay protection agreed in respect of the force's proposed job evaluation scheme.

**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

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

The force's financial plans directly reflect and are based on the objectives set out in the police and crime plan. The priorities in the police and crime plan for 2015 – 2017 are:

- Retaining and developing neighbourhood policing.
- Ensuring a better deal for victims and witnesses.
- Diverting people from offending, with a focus on rehabilitation and the prevention of re-offending.

- Developing better co-ordination, communication and partnership between agencies – to make the best use of resources.
- Working for better industrial and community relations.

## **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's chief finance officer works closely and constructively with the office of the police and crime commissioner (OPCC) finance officer. Assumptions about future costs and savings are jointly agreed and accountability is clear for financial plans. The long term financial plan (LTFP) and the annual budget are developed by the force and are then approved by the PCC. The force chief finance officer meets frequently with the OPCC chief finance officer and reports quarterly to an internal PCC scrutiny meeting. The relationship is transparent and documents are publicly available with meeting minutes on-line.

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

The longer-term plans for future savings are under-developed. The force is facing a significant challenge from April 2016 onwards. The required savings for 2015/16 have been identified. However HMIC is concerned that there are as yet no detailed plans in place to reduce spending by the anticipated amount after April 2016. The force is predicting that it will need to find a further £1.3m of savings in 2016/17 rising to £5.7m by 2018/19 in order to balance the budget in each year. The force has already seen one of the largest cuts in its police officer numbers, with a reduction of 23 percent since 2010 to 1,326 officers.

The workforce plan assumes workforce numbers will remain broadly constant. However, this is a holding position pending the 'reshaping' exercise that will be used to remodel the workforce and underpinning financial plan to provide a sustainable police force model based on patterns of demand and threat, risk and harm. It will also take account of process improvements, infrastructure efficiencies and prevention activity. This 'sustainable' police force model will form the basis of discussions with the PCC and its communities on funding options. The force is therefore facing a very significant challenge to make these savings. It has only limited influence under the current contractual arrangements over changes to its back office services which are outsourced to a private sector provider.

The force is reviewing how it will deliver services in the future with a reduced budget but is still running at a deficit from 2016/17 onwards. The work the force is doing includes:

- Modelling current and future demand informed by threat, risk and harm.
- Reshaping the operating and workforce models to identify optimum numbers, skill/ rank mix and deployment.
- Development of contract cost reduction proposals with private sector partners.
- Implementation of an estates plan, including the Cleveland community safety hub (a new shared headquarters with other public sector agencies).
- Formalised collaboration agreements with North Yorkshire Police and Durham Constabulary, Cleveland Fire Brigade, and an extension of Cleveland and Durham special operations unit.
- Further development of the North East regional special operations unit.
- Rationalisation of all non-pay budgets.

HMIC is concerned that the limited time and capacity to deliver change on such a scale is a risk for the force. Achieving these further savings will depend on developing and implementing a broad range of business transformation programmes, a restructure of the way policing is delivered, improving demand management and successfully renegotiating more efficient back office services.

## Summary of findings



**Requires improvement**

The force has a good track record of achieving substantial savings and despite facing higher than average saving requirements has managed to maintain a sustainable position to date. Savings so far have been found mainly from reducing police officer numbers and from outsourcing many of the force's back office support functions to a private sector provider.

The force exercises strong financial control. The chief finance officer has good oversight and governance of both strategic and day-to-day financial management.

The force's financial plans directly reflect and are based on the objectives set out in the police and crime plan. The force chief finance officer works closely and constructively with the police and crime commissioner's chief finance officer.

However HMIC is concerned that the force is facing a considerable challenge with a financial deficit from April 2016 onwards. It has as yet made no detailed plans for likely reductions in spending. The force has made limited progress in generating other income but has maximised funding opportunities through Home Office Police Innovation Fund bids.

The scale of the likely savings is considerable and the scope in which to find those savings is limited without significant change to the way the force delivers policing to the public.

#### **Areas for improvement**

- The force should develop clear and realistic plans for achieving the likely savings required beyond 2015/16.

## 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>7</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>7</sup> *Striking a balance: Improving councils' decision making on reserves*, Audit Commission, December 2012. Available from <http://webarchive.nationalarchives.gov.uk>