

# PEEL: Police efficiency 2015

An inspection of Greater Manchester Police



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

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



Good

HMIC found that Greater Manchester Police is adequately prepared to face its future financial challenges. It has a good understanding of the demand for its service and is developing this further. It has a good track record of achieving savings and has set a balanced budget for 2015/16. However, plans to develop a new workforce model<sup>2</sup> are in the early stages and the force needs to agree a model that will meet demand beyond 2016 within its available budget. In last year's value for money inspection programme, which considered how forces had met the challenge of the first spending review period, Greater Manchester Police was judged to be good.

## Summary

HMIC judges Greater Manchester Police to be good. The force has a good understanding of the demand it currently faces and has commissioned academic research to provide an even more comprehensive understanding of demand. This work will inform a new force operating model to make the most efficient use of reducing resources.

The force has embarked on a wide-ranging transformation programme, with public service reform (PSR) at its heart. The Greater Manchester region is at the forefront of regional devolution. In June 2015 the police and crime commissioner (PCC) was appointed as the interim mayor. The PCC continues to have responsibility for policing, while taking on the role of coordinating all local authority and public sector services in preparation for the first mayoral elections in May 2017. This places the force at the centre of the changes and new ways of working.

The current workforce model is matched to the force's current demand, organisational and financial requirements. The force has a good understanding of the skills it needs to develop its current workforce.




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

<sup>2</sup> Workforce model – the way in which the workforce is organised; in the case of the police, it includes police officers, even though they are holders of the office of constable and therefore not employees of their police forces; it also includes police community support officers and police staff.

However, based on current plans, the force's projected workforce model is not sustainable or affordable beyond 2015/16. Despite a reduction in the number of police officers and staff the force still has a considerable predicted savings gap in 2016/17. The force has developed four options for a workforce model beyond 2016, all of which are at an early stage their design.

The force has a good history of achieving or exceeding savings requirements and has set a balanced budget for 2015/16 with robust and effective financial controls in place. It has secured additional funding to support its work with vulnerable people and for specialist policing. The force's financial plans are aligned to and support the objectives set out in the PCC's police and crime plan and, in particular, support the PSR agenda.

<p><b>How well does the force use its resources to meet its demand?</b></p>	<p><b>How sustainable and affordable is the workforce model?</b></p>	<p><b>How sustainable is the force's financial position for the short and long term?</b></p>
<p> <b>Good</b></p>	<p> <b>Requires Improvement</b></p>	<p> <b>Good</b></p>
<p>The force has a good understanding of the complexity and level of demand for its services that it currently faces and has commissioned work from a university to provide a more detailed insight into its demand. This work will inform a new force operating model aimed at making the most efficient use of reducing resources.</p> <p>The force is currently able to meet demand with the resources available although the present focus on protecting vulnerable people is putting strain on</p>	<p>In the main the force's current workforce model matches its demand, organisational and financial requirements.</p> <p>The force's review of demand has informed the development of a new local policing model. This is being piloted in the Salford division, along with a new shift system, and the force intends to roll this model out across the force from early 2016.</p> <p>The force has embarked on a programme of major reform to ensure that it is "fit for the future." This</p>	<p>The force has a good history of achieving or exceeding savings requirements and has set a balanced budget for 2015/16.</p> <p>The force has secured additional income to support work with victims and perpetrators of domestic abuse, an extended offender management programme, and raising awareness of and preventing child sexual exploitation (CSE). The force has also submitted a £2m bid to the College of Policing's Police Knowledge Fund to extend</p>

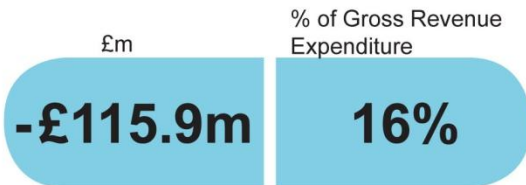
<p>those resources.</p> <p>The force has established a number of initiatives to reduce demand, and identify and remove duplication of effort. It is committed to public service reform and plays an integral part in driving work with other local organisations, in support of the continuing move to increased devolution for Greater Manchester.</p> <p>The force has robust arrangements to manage costs and is developing its approach to managing performance to better understand the link with outcomes for the public.</p> <p>The force is developing new ways of working and is making good use of technology. It has plans to improve the use of technology to enable frontline officers to be more efficient and to improve interaction with the public.</p>	<p>covers four principal areas: local policing; support services; specialist protective services and information technology.</p> <p>However, based on current plans, the force's projected workforce model is not sustainable or affordable beyond 2015/16. Despite a reduction in the number of police officers, through leavers and retirement, and a plan not to recruit further officers, the force still has a considerable predicted savings gap in 2016/17.</p> <p>The force has presented four options for a workforce model beyond 2016, all of which are at an early stage of development. There is an immediate need for the force to agree a model that will meet demand beyond 2016 within its available budget.</p>	<p>research on the complexity of demand in specialist policing areas, such as roads policing, firearms and public protection.</p> <p>The force has robust and effective financial controls in place. Pay budgets are held centrally and expenditure, other than from minor delegated budgets, requires the approval of the assistant chief officer.</p> <p>The force's financial plans are aligned to and support the objectives set out in the PCC's police and crime plan. The PCC is provided with timely and relevant financial information and the force and the office of the police and crime commissioner have a joint approach in financial planning.</p> <p>The force has a good understanding of its future budget requirements. At the time of the inspection, the force had identified predicted shortfalls from 2016/17 onwards, and plans to bridge this gap are at a very early stage of development.</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)

Greater Manchester Police      England and Wales

**£127**

**£115**

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

Greater Manchester Police      England and Wales

**£177**

**£165**



## Key statistics

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

Greater Manchester Police      England and Wales

**+10%**

**+2%**

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

Greater Manchester Police      England and Wales

**-17%**

**-16%**

Victim satisfaction 12 months to 31 March 2015

Greater Manchester Police      England and Wales

**82.2%**

**83.8%**

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

Greater Manchester Police      England and Wales

**No change**

**No change**

**Victim satisfaction:** Greater Manchester, confidence interval +/- 0.9 percent. England and Wales, confidence interval +/- 0.2 percent.

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



## Introduction

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

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

To answer this question we looked at three areas:

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

During our inspection we collected data and plans from forces, surveyed the public to see if they had noticed any changes in the service they received and conducted in-force inspections. 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 Greater Manchester 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?

Greater Manchester Police has a comprehensive understanding of its current demand as a result of a detailed assessment of known demand including calls for service, incidents, arrests and crime levels, as well as the demand associated with managing serious and organised crime and protecting vulnerable people. The force also sought to identify and assess hidden and emerging demand in areas such as on-line crime, human trafficking and child sexual exploitation (CSE).

The force has commissioned work from a university to provide greater insight into the demand facing the organisation in respect of responding to crimes and incidents, neighbourhood policing and crime investigation. This will allow the force to make the most efficient use of its reducing resources. The force has also made a £2m bid to the College of Policing's Police Knowledge Fund, to extend this research to cover specialist functions, including roads policing, firearms and public protection. The force is working with the College of Policing to undertake a review of custody procedures, to identify options to reduce demand while improving the safety of detained persons. This is intended to include consideration of alternative approaches, including the use of restorative justice<sup>3</sup> and voluntary attendance at police stations by suspects.

The Greater Manchester area is at the forefront of regional devolution. All the organisations that we spoke to described Greater Manchester Police as being the driving force behind increased collaboration with and between the ten local authorities and other public sector agencies, under the banner of public service reform (PSR).

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<sup>3</sup> Restorative justice brings together people harmed by crime or conflict with those responsible for the harm, to find a positive way forward.

In Greater Manchester, PSR is designed to increase the flexibility of arrangements to work together; remove barriers to information sharing; improve service provision for local people; and reduce demand by identifying effective solutions to enduring problems, while providing continuing efficiencies and cost savings. The force is committed to the concept of PSR and has invested considerable time and resource into reforming this multi-agency approach.

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

In the main, the force matches resources to meet current demand. The force undertakes an annual strategic threat and risk assessment (STRA) which is reviewed by the senior leadership team quarterly and is used to set and monitor the priorities for the force. The force holds weekly meetings at local and departmental level to align resources to identified threat, harm and risk. The force holds daily local and force level 'pacesetter' meetings to identify emerging issues and ensure resources are placed where they are most needed.

The current operating model was introduced three years ago, following the application of a priority-based budgeting process, which was informed by modelling of known and predicted demand. The force operates a central hub within headquarters, which is responsible for the coordination and deployment of specialist resources such as roads policing, firearms and dog units across the force area, in support of local policing. Each of the force's eleven divisions has its own hub, which coordinates local resources to meet demand. While it still retains eleven divisions, the force has reduced the number of divisional commanders from eleven to six, with each commander being responsible for one, two or three divisions. In those areas where the commander had responsibility for two or more divisions, there was evidence that resources were being deployed more flexibly across divisional boundaries to meet demand.

The force acknowledges that its operating model needs to change in order to deal with the known and anticipated budget cuts in the future. It has been working to develop a new operating model, which is currently being piloted in the Salford division. The new model establishes integrated neighbourhood policing teams (INPTs) with officers who respond to incidents, those who undertake local problem-solving with communities and those who investigate crimes being pooled to provide a more joined-up response. The aim is to reduce demand by resolving issues more quickly at the first point of contact. The Salford pilot will also see a new shift system introduced from July 2015, to better match resources to demand. It is intended that the operating model and shift system be rolled out across the force area in 2016. The majority of staff we spoke to were aware of the proposed changes and felt that the creation of larger, integrated teams would better match resources to demand and enable an improved service to the public.

The force has undertaken a number of initiatives to match resources to demand, for example the establishment of the community risk intervention team (CRIT), and assigning local resolution officers (LROs) to incidents. CRIT is a joint initiative with the North West Ambulance Service (NWAS) and Greater Manchester Fire and Rescue Service, which sees ambulance and fire service staff undertaking welfare checks and responding to calls for concern about individuals where there is no threat of violence. LROs are based in divisions and resolve many low-level problems with the caller over the telephone, without the need for an officer to attend an incident.

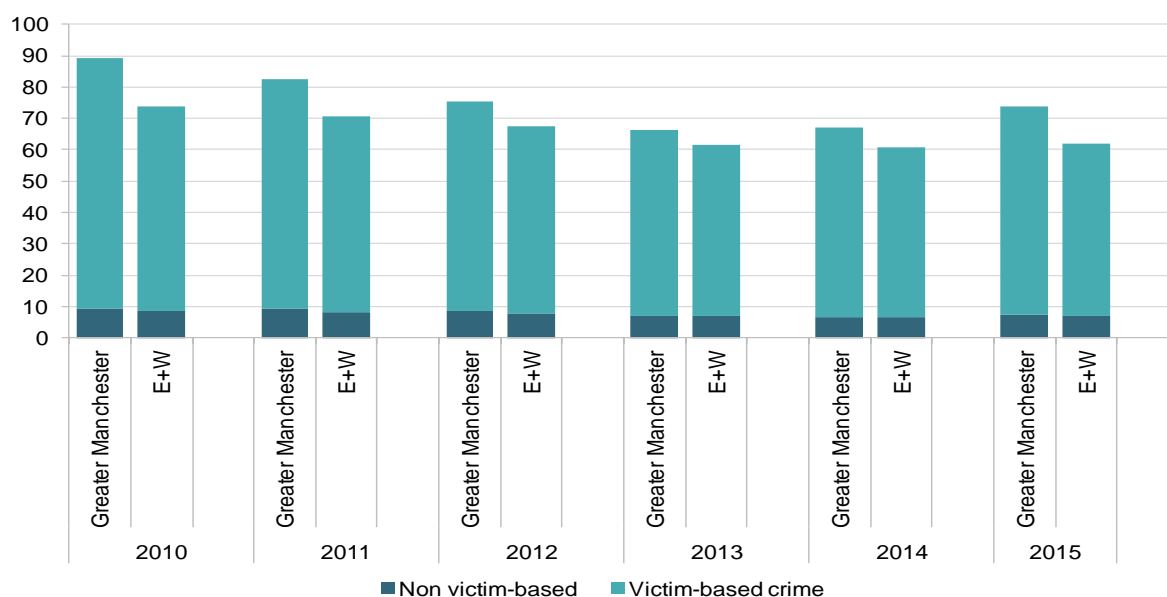
## **How well are the force's services meeting the demand from the public?**

To assess the force's response to demand from the public, HMIC considered police recorded crime figures and rates in Greater Manchester; 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 the number of crimes per 1,000 population in each force area to enable comparison between areas. Total police recorded crime is made up of victim-based crime (e.g. theft) and non victim-based crime (e.g. possession of drugs). Two thirds of forces showed an annual increase in total police recorded crime in the year ending 31 March 2015. This increase in police recorded crime may have been affected by the renewed focus on the quality and compliance of crime recording since HMIC carried out a national inspection of crime data integrity in 2014.

In the 12 months to 31 March 2015 Greater Manchester had a victim-based crime rate of 66.5 and a non victim-based crime rate of 7.3 per 1,000 population. This represents a decrease (17 percent) in the victim-based crime rate and a decrease (23 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 Greater Manchester 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 Greater Manchester, 82.2 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 no significant change in victim satisfaction between the 12 months to March 2011 and the 12 months to March 2015 in Greater Manchester.

The force has introduced a computerised duties management system (DMS) which requires all police officers and staff to book on and off duty. One advantage of this system is that the staff in the operational control branch (OCB) now have a more accurate picture of resources on duty and available to respond to calls for service from the public.

The force has made protecting vulnerable people its priority and has trained all frontline staff, including call handlers, on the identification and treatment of vulnerability. This has meant that call-handlers are now spending longer on calls from the public, which is creating a strain on capacity. HMIC inspectors heard from officers and staff across the force that the emphasis on vulnerability, as the force priority, was having an adverse impact on their ability to respond in a timely manner to other calls for service, such as crimes where the victim was not vulnerable.

<sup>4</sup> Greater Manchester, confidence interval +/- 0.9 percent.

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

The emphasis on vulnerability is in line with the police and crime plan objective of protecting vulnerable people and supports the principle of the force identifying and responding to threat, risk and harm.

The force has kept the receipt and handling of calls from the public as a separate function from that which deploys officers to attend those calls. OCB staff that we spoke to felt that this was leading to inefficiencies. They also felt less well informed of and involved in the various change programmes continuing across the force area.

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

**Figure 2: Methods of public engagement used by Greater Manchester 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	Yes
Local phone (not 999 or 101)	Yes

**Source: HMIC Efficiency data collection**

Forces are exploring different ways in which the public can access policing services. Like other forces, Greater Manchester Police is making use of the internet and social media to communicate with the public, and developing different mechanisms for the public to contact the police. The force is engaged in a programme of work to improve digital channels for the public to engage with the force, for example on-line crime reporting, on-line chat and sending alerts out to the community. This is due to be rolled out in 18 months to 2 years.

## How well is the force managing demand?

The force is committed to a number of force-to-force collaborations, including the regional organised crime unit (ROCU) and regional motorway policing. Much of the force's collaborative effort is dedicated to working on PSR, forming part of the Greater Manchester Combined Authority. They are developing PSR hubs, in which a range of public sector staff are located and work together to identify solutions for individuals and families with complex needs and who place disproportionate demands on local public services, with a view to reducing the demand from these individuals and families.

The force has established a number of other initiatives to reduce demand and identify and remove duplication of effort. Project Solution in Oldham has identified the most prolific users, not just of police services but across a range of public services. By working in collaboration with other organisations, underlying issues can be identified and resolved, thereby removing the demand for police services. One example cited to HMIC was about an elderly lady who rang the police regularly to report the theft of her motor vehicle. The lady did not actually own a vehicle; however, she was lonely and suffering from dementia. By arranging for a care service to telephone her on a daily basis, the calls to the police have stopped.

At times of peak demand, on Friday and Saturday evenings, NWAS provides resources in the police control room<sup>6</sup>, with a direct link to the ambulance control room and professional medical knowledge to effectively triage calls routed to the police. According to the force, this is under evaluation but is believed to have reduced the amount of time spent by police officers waiting for the attendance of specialist health resources.

The force has also engaged in a number of pilot projects, currently under evaluation, to reduce the demand on the police in respect of mental health issues. One pilot involved the provision of mental health professionals for 24-hour advice and a triage function to the police, which the force reports has resulted in a reduction in the use of police powers of detention under the Mental Health Act. The deputy police and crime commissioner chairs the strategic mental health partnership board. Designated mental health suites are available across the force, which removes the need for police custody suites to be used as places of safety. This initiative has been supported by mental health trusts providing awareness training to custody staff; this training is now being rolled out to all frontline staff.

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<sup>6</sup> Facility in which call-handlers and radio operators answer telephone calls from the public, determine the circumstances of the incident, decide what needs to be done, and initiate the initial response.

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

The force has a long history of a performance culture focused on recorded crime and end results. This culture was embedded across the organisation and was reinforced by monthly performance review and accountability meetings. The force is working to change this to a more positive performance culture, and is currently reviewing its performance management framework. It is looking to develop a model that will capture progress in terms of outcomes and the level of partnership involvement and support. During the inspection we found no evidence that the former numbers-based culture prevails – indeed, everyone we spoke to commented on the change of focus away from numbers to vulnerability. While the monitoring and measurement of outcomes is more difficult to evidence, the force needs to ensure that it does not create a void in performance management during this period of development.

Progress on the force's change programme is monitored by the Chief Officer Group Board (strategic change board). HMIC has evidence of several examples where changes have been piloted and evaluated before being implemented across the force which helps to ensure that the impact of changes on output, outcomes and costs are considered.

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

The force has embarked on a series of major projects under the banner "fit for the future" with the aim of preparing the organisation for the known and predicted changes in budget, staffing and demand. The principal projects are transforming local policing; transforming support services; transforming information technology and transforming specialist protective services.

Transforming local policing involves the piloting of the new integrated neighbourhood policing team (INPT) operating model at Salford, alongside the new shift pattern, with a view to rolling this out across the force during 2016; the introduction of local resolution teams to respond more quickly to customer needs; and a review of the custody facilities across the force area to identify the most effective and efficient way of providing the custody function.

The transforming support services project is reviewing the core of headquarters activity and looking to build on the collaboration agreement with Trafford Council for the provision of human resource (HR) functions, while also reviewing the force's estate strategy and the business support services provided to divisions.



The transforming specialist protective services project has already commissioned a review of how the force deals with vulnerability and a review of forensic science service provision. The force has explained that this has identified £2m savings by removing processes that do not add value.

In the information systems transformation programme (ISTP) the force intends to invest around £30m over five years, to replace its outdated command and control, crime and intelligence systems; prepare the force for the introduction of digital case files in the criminal justice system; improve online engagement and interaction with the public and see the provision of mobile data to frontline staff. The ISTP has involved extensive consultation with officers and staff, to ensure that the systems and products are what they will need to carry out their roles more effectively. The programme also recognises that PSR requires a greater sharing of information between local organisations and it is therefore based on a single data store, supported by technology that can flex for the future and which can link into partner organisations' systems.

The ISTP also has an important mobile element. The force has made a number of previous attempts at mobile working to allow officers to work more flexibly, away from police stations. The force has now piloted a new system in Rochdale which has received strong support from officers and the system will roll out in other areas, from April 2016, to all operational staff. The new system means that the force is not dependent on a single device or supplier, allowing it to be more flexible and to get the best value for money. The force estimates that the provision of this equipment will mean that those using it will be able to spend an additional one to two hours per shift out of the station, improving the visibility of policing and the capacity to respond to calls for service.

Through PSR the force is working with local organisations to tackle the demand on all public services, often caused by families with complex needs and dependencies. According to force figures, the first phase of its troubled families programme engaged 322 such families and, over a twelve-month period reduced the calls for service from those families from 5,786 to 1,597. The force now plans to extend this approach to cover 4,000 families in phase two and to 28,000 families over the next five years. The Greater Manchester devolution settlement includes the aim of expanding this work further to include an additional 50,000 families with employment needs. The force intends to deploy a core of police community support officers (PCSOs) in each division, to act as key workers with these families and is negotiating with the ten local authorities to contribute 25 percent of the salary costs for these staff.

Many of the officers and staff that we spoke to were aware of PSR and many aspects of the change programme. However, more work is needed for the force to assure itself that the extensive change programme currently underway is robustly managed, and that the results are appropriately evaluated and monitored.

## Summary of findings



**Good**

The force has a good understanding of the complexity and level of demand for its services that it currently faces and has commissioned work from a university to provide a more detailed insight into its demand. This work will inform a new force operating model aimed at making the most efficient use of reducing resources.

The force is currently able to meet demand with the resources available although the present focus on protecting vulnerable people is putting strain on those resources.

The force has established a number of initiatives to reduce demand, and identify and remove duplication of effort. It is committed to public service reform and plays an integral part in driving work with other local organisations, in support of the continuing move to increased devolution for Greater Manchester.

The force has robust arrangements to manage costs and is developing its approach to managing performance to better understand the link with outcomes for the public.

The force is developing new ways of working and is making good use of technology. It has plans to improve the use of technology to enable frontline officers to be more efficient and to improve interaction with the public.

## How sustainable and affordable is the workforce model?

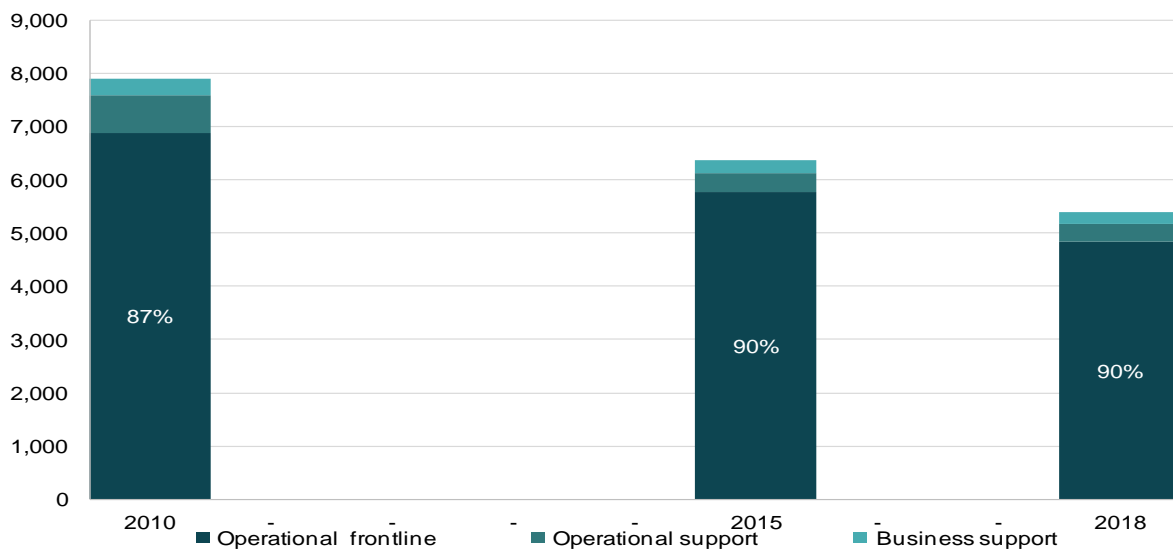
HMIC examined how Greater Manchester Police has structured its workforce (i.e. its mix of police officers, staff and PCSOs, and the proportion of all these groups working in frontline positions), and assessed whether this was affordable and sustainable as the force responds to its financial challenge.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

Greater Manchester Police forecasted a total savings requirement over the first four years of the spending review as part of the value for money inspection programme (2011/12 to 2014/15) of £120.19m. This is the equivalent of 16 percent of the 2010/11 gross revenue expenditure for the force. Savings were made in both the pay and non-pay budgets. Since 2010, Greater Manchester Police has seen a reduction of 1,445 police officers, 644 staff and 38 PCSOs full time equivalent (FTE).

In Greater Manchester, there have been falls in the total number of police officers FTE over the period 2010 to 2015, as shown in figure 3. During this time period the proportion in frontline roles has increased from 87 percent in 2010 to 90 percent in 2015. The force expects to maintain this proportion looking forward to 2018.

**Figure 3: Actual and planned changes to police officer full-time equivalents (FTE) in operational frontline, operational support and business support roles in Greater Manchester 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 force's current workforce model matches demand, organisational and financial requirements.

The force has undertaken a comprehensive review of demand for officers who respond to incidents, those who undertake local problem solving with communities and those who investigate crimes. The research to date has informed a revised local policing model, which is being piloted in the Salford division, where a new shift system will be introduced from July 2015. The force intends to roll out its new INPT model across the force from early 2016.

The force has a good understanding of the skills it needs to develop its current workforce. The force's plan of a strong, integrated neighbourhood policing model, supported by specialist capabilities will be within the PSR framework.

## 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 Greater Manchester 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	8,148	-18%	-12%	6,703	-20%	-6%	5,385
Police Staff	4,199	-15%	-19%	3,555	-3%	-6%	3,460
PCSOs	842	-4%	-27%	804	3%	-11%	825
<b>Workforce total</b>	<b>13,189</b>	<b>-16%</b>	<b>-15%</b>	<b>11,062</b>	<b>-13%</b>	<b>-6%</b>	<b>9,670</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

The force has embarked on a programme of major redesign to ensure that it is "fit for the future". This covers four principal areas of local policing; support services; specialist protective services and information technology.

So far the force has not needed to consider voluntary severance for police officers but this may need to be reconsidered in the future as the force seeks to meet future cost reductions. The force did not recruit any new police officers in 2014/15 and does not plan to recruit any new officers in the next two years.

The number of police officers has reduced since 2010 and the force predicts that it will reduce further by 2018/19. Since 2010 the total workforce has reduced and this is set to continue to 2018/19.

Based on current planning, the force's projected workforce model is not sustainable or affordable beyond 2015/16. Despite a reduction in the number of police officers, through leavers and retirement, and a plan not to recruit further officers, the force still has a considerable predicted savings gap in its 2016/17 budget.

As a result of this inspection, a number of options are now being developed, albeit at a very early stage. Four options were presented to the inspection team, all of which involved significant reductions in the number of PCSOs, together with a realignment of PCC commissioning funds and variable financial support from reserves.

## Summary of findings



**Requires improvement**

In the main the force's current workforce model matches its demand, organisational and financial requirements.

The force's review of demand has informed the development of a new local policing model. This is being piloted in the Salford division, along with a new shift system, and the force intends to roll this model out across the force from early 2016.

The force has embarked on a programme of major reform to ensure that it is "fit for the future." This covers four principal areas: local policing; support services; specialist protective services and information technology.

However, based on current plans, the force's projected workforce model is not sustainable or affordable beyond 2015/16. Despite a reduction in the number of police officers, through leavers and retirement, and a plan not to recruit further officers, the force still has a considerable predicted savings gap in 2016/17.

The force has presented four options for a workforce model beyond 2016, all of which are at an early stage of development. There is an immediate need for the force to agree a model that will meet demand beyond 2016 within its available budget.

### **Areas for improvement**

- The force should develop a future workforce plan that is aligned to its overall demand and budget. The plan should include future resource allocations, the mix of skills required by the workforce and the behaviours expected of them.
- The force should undertake an appropriate evaluation of its operating model pilot in Salford before adopting the new model and shift system across the force.

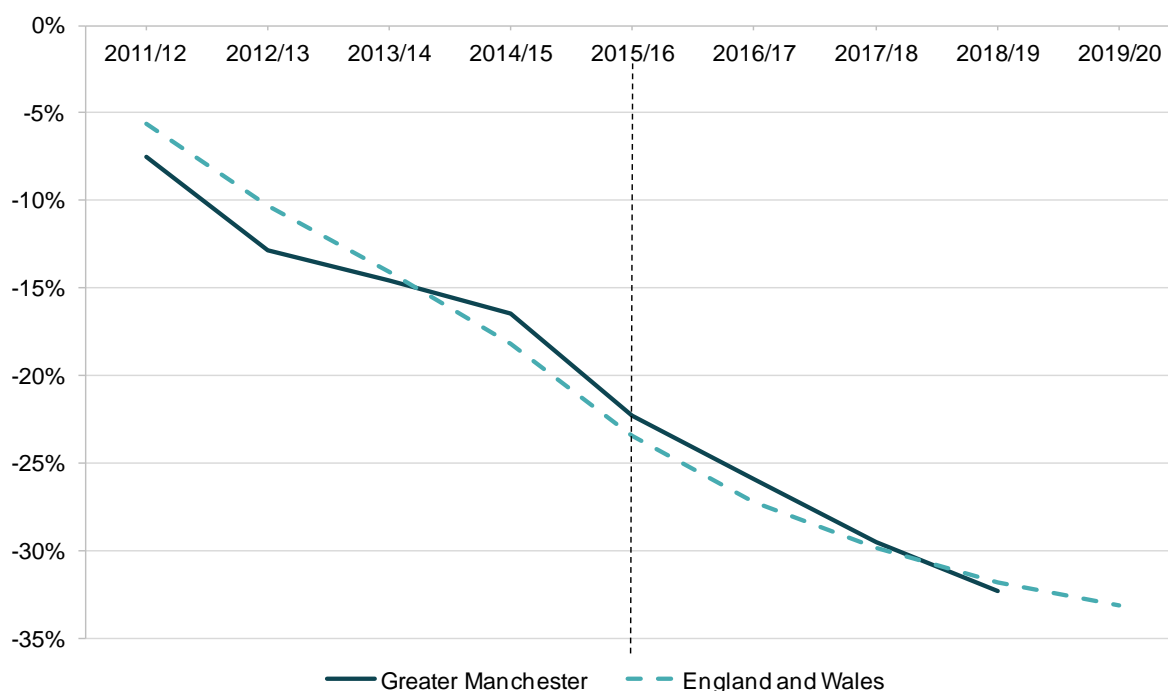
## **How sustainable is the force's financial position for the short and long term?**

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?**

Greater Manchester Police forecasted savings of £120.19m over the first four years of the spending review (2011/12 to 2014/15), the equivalent of 16 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 2018/19, against the 2010 gross revenue expenditure baseline for Greater Manchester 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 requirements and balanced the budget for the spending review period.

In 2014/15 the force balanced the budget and returned an underspend, as a result of a revaluation of the force’s estimated future liabilities which took place late in the financial year.

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

Greater Manchester Police has planned a balanced budget of £722.1m for 2015/16, which includes a cut in spending of £42.7m. It forecasts that the reduction will be split between £38.4m from the pay budget (90 percent) and £4.4m (10 percent) from the non-pay budget in this year's savings. The force plans to meet its reduction in spend without using reserves as a bridge. Since the 2010 baseline, at the start of the spending review, this represents savings of 22 percent.

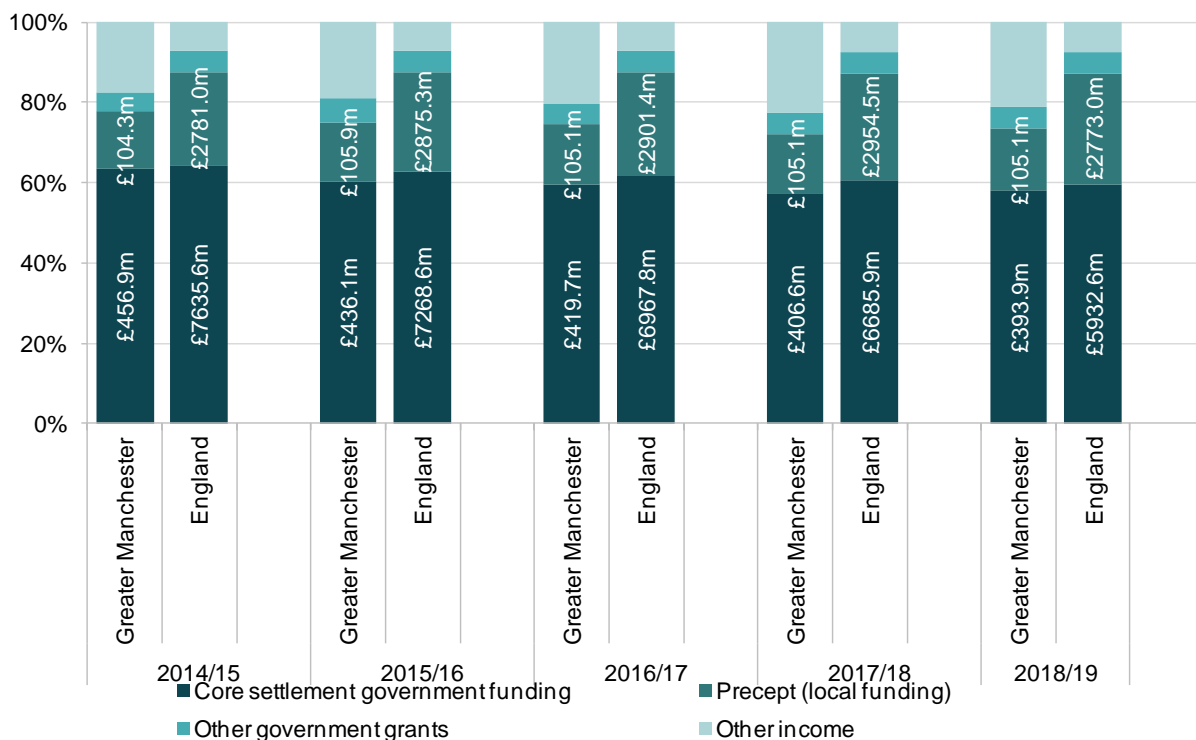
The force’s budget for 2015/16 includes the planned use of allocated reserves to provide the information systems transformation programme.



## 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. Greater Manchester 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 Greater Manchester Police from the 12 months to 31 March 2015 to the 12 months to 31 March 2019, compared to English forces**



**Source: HMIC efficiency data collection**

In 2015/16, the force has secured police innovation funding: to provide early support to victims of domestic abuse and intervention with domestic abuse perpetrators; to develop a partnership approach to managing serious offenders and tackling serious and organised crime; and for a multi-media network to raise awareness of child sexual exploitation and prevent young people becoming victims.

According to the force, it has also bid for £2m from the College of Policing's Police Knowledge Fund to extend research into understanding the demand faced by the organisation, specifically in specialist functions such as roads policing, firearms and public protection, with a view to identifying and providing evidence of the number of police officers and staff required to police Greater Manchester now and into the future.

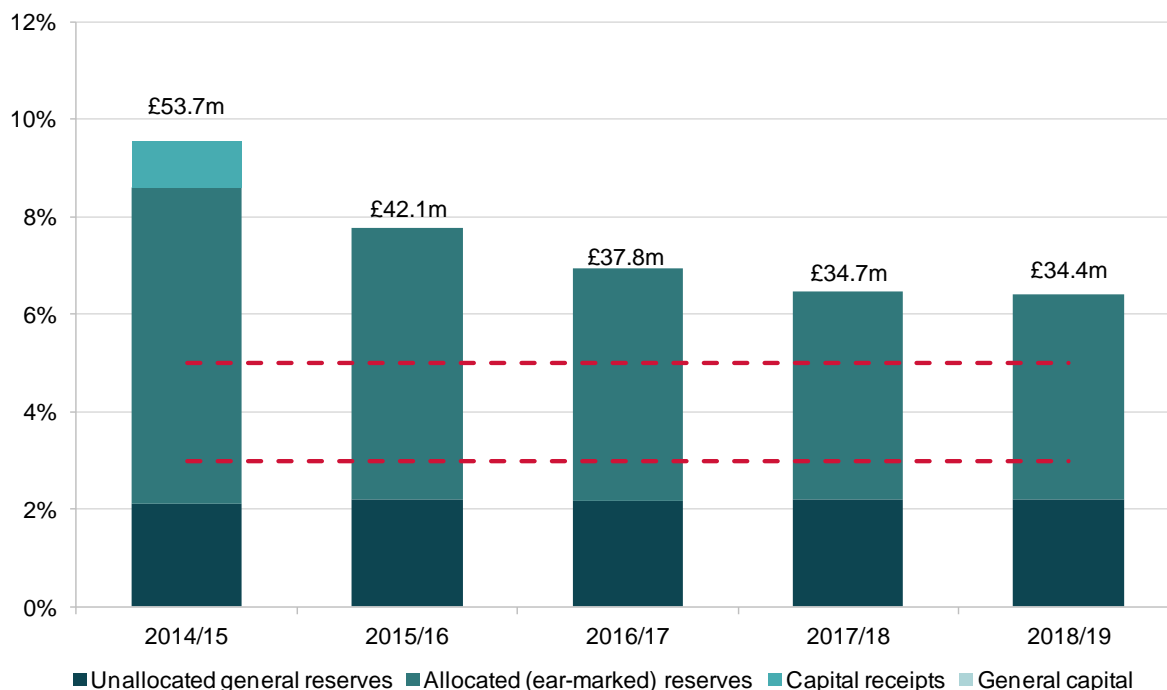
Greater Manchester is at the forefront of the devolution process and, according to local organisations Greater Manchester Police is the driving force behind much of the PSR agenda. PSR is designed to allow the police, local authorities, health and all other public sector bodies to work more collaboratively, to share information and resources, and to identify duplication and reduce waste in order to improve outcomes for local people.

## **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. Greater Manchester Police reported that its total reserves were £53.7m 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 robust and effective financial controls in place. Pay budgets are held centrally, and expenditure (other than from minor delegated budgets) requires the approval of an assistant chief officer, with business cases being considered by the revenue review group or the strategic change board.

Financial progress is reported at the chief officer group, which meets fortnightly and the wider senior leadership forum, which meets monthly. The force reports financial progress to the PCC every month.

The force has made efficiencies in its use of fleet by keeping vehicles for longer, reducing the costs of replacement, which offsets the increasing costs for servicing and spare parts. The force plans to merge its vehicle fleet maintenance with Manchester City Council, using the force's site to provide services to both. The building work is currently taking place and is funded by the local authority. When complete, the force will provide joint services, for which it will charge the local authority.

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

The force's PCC was appointed as the interim mayor for Greater Manchester on 1 June 2015, ahead of full mayoral elections planned for May 2017. The PCC will continue to have responsibility for policing, while taking on the role of coordinating all local authority and public sector services in preparation for the first mayoral elections, which places the force at the centre of the changes and new ways of working.

The force's financial plans are aligned to and support the objectives set out in the PCC's police and crime plan. The police and crime plan sets out six priorities for policing, with the PCC identifying working with other organisations, protecting vulnerable people and putting victims first as the central themes.

The force's commitment to and investment in PSR is in line with the first priority and we found strong evidence that the culture of the organisation has changed from one that focused heavily on police recorded crime and outcome levels to one which identifies the importance of vulnerability and doing the right thing.

## **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 OPCC. The assistant chief officer presents a monthly report on finance to the PCC and reports more frequently during the budget-setting process, where there is an continuing dialogue. The force and the OPCC use shared financial assumptions in budget setting and financial planning. The PCC is represented at the force's strategic change board, where progress on the force's transformation agenda is monitored.

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

The force has a good understanding of its future budget requirements. At the time of the inspection, the force had identified predicted shortfalls from 2016/17 onwards. It is implementing a new operating model and the major change programme is working to develop a workforce model matched to the financial forecast. Although these plans are at a very early stage, the force is clear what it will need to do to meet the future budget reductions.

## Summary of findings



**Good**

The force has a good history of achieving or exceeding savings requirements and has set a balanced budget for 2015/16.

The force has secured additional income to support work with victims and perpetrators of domestic abuse, an extended offender management programme, and raising awareness of and preventing child sexual exploitation (CSE). The force has also submitted a £2m bid to the College of Policing's Police Knowledge Fund to extend research on the complexity of demand in specialist policing areas, such as roads policing, firearms and public protection.

The force has robust and effective financial controls in place. Pay budgets are held centrally and expenditure, other than from minor delegated budgets, requires the approval of the assistant chief officer.

The force's financial plans are aligned to and support the objectives set out in the PCC's police and crime plan. The PCC is provided with timely and relevant financial information and the force and the office of the police and crime commissioner have a joint approach in financial planning.

The force has a good understanding of its future budget requirements. At the time of the inspection, the force had identified predicted shortfalls from 2016/17 onwards, and plans to bridge this gap are at a very early stage of development.

## 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>