

PEEL: Police efficiency 2015

An inspection of Hertfordshire Constabulary



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

Overall judgment¹



Good

HMIC found that Hertfordshire Constabulary is very well prepared overall to face its future financial challenges. It is providing good, efficient police services. The constabulary has made outstanding efforts to manage and minimise the impact of the budget cuts on frontline policing and place itself in a sustainable financial position for both the short and the long term. In last year's value for money inspection, which considered how forces had met the challenge of the first spending review period, the force was judged to be good.

Summary

HMIC judges Hertfordshire Constabulary to be good overall. Through good leadership and management the constabulary is in a strong financial position for both the short and the long term. It has a good track record in achieving savings. It uses its resources well to meet its demand.

Hertfordshire has seen an increase in crime since last year (higher than the average for England and Wales) but satisfaction with police services remains higher in Hertfordshire than the average for England and Wales.

The constabulary reduced spending on local policing much earlier than other forces. It acted quickly to restructure its policing in 2010 to make it more affordable, moving to a single local policing command serving the whole county, which enabled more flexibility in using resources. It has worked hard to protect frontline policing from cuts and has seen below average reductions in police officer numbers. The collaboration with other regional police forces and particularly the joint working with Bedfordshire and Cambridgeshire has further enhanced efficient working.

Hertfordshire Constabulary is developing options to refine further the way it delivers policing through the development of a new police operating model.² The anticipated reductions in workforce by 2018 are modest in comparison with the average for England and Wales.

¹ Outstanding, Good, Requires improvement or Inadequate – see last page of report for definitions.

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

The constabulary's strong financial position means that it can use some of its reserves to invest in change and improvement, for example investing in new technology and training to ensure its workforce is skilled and efficient.

The collaboration with Bedfordshire and Cambridgeshire is a pivotal element in the future savings beyond 2015/16, and there remains some uncertainty and risk around the achievement of these savings. However, Hertfordshire Constabulary is aware of the risks and has devised contingency plans.

<p>How well does the force use its resources to meet its demand?</p>	<p>How sustainable and affordable is the workforce model?</p>	<p>How sustainable is the force's financial position for the short and long term?</p>
 <p>Good</p>	 <p>Good</p>	 <p>Outstanding</p>
<p>Hertfordshire Constabulary uses its resources well to meet the demands on its services. It understands well the most pressing risks to its services and prioritises how it uses resources. It has recently improved its understanding of demand for local policing following a review to help decide on the new operating model options, as well as recent work to analyse calls for service into the constabulary control room as part of the tri-force collaboration development.</p> <p>The constabulary responds well to changes in demand for its services. Its operating model provides both a flexible approach to</p>	<p>Hertfordshire Constabulary has a well-developed programme in place to match the workforce to the demand for services across Hertfordshire while also allowing the budget cuts needed. It acted quickly to reorganise policing in 2010 making it more affordable, moving to a single local policing command serving the whole of the county, which enabled more flexible use of resources.</p> <p>It reduced spending on local policing much earlier than other forces. It has worked hard to protect frontline policing from cuts and has seen below average reductions in police officer numbers. The collaboration with other</p>	<p>Hertfordshire Constabulary has a strong track record of rigorous and effective financial management. It has made outstanding efforts to manage and minimise the impact of the budget cuts on policing and place itself in a sustainable financial position. It has achieved its savings each year and has balanced the budget throughout the spending review and for 2015/16, reducing its spending by more than it needed to.</p> <p>The constabulary works constructively with the police and crime commissioner and resources are directed to priorities in the police and crime plan. The force's</p>

<p>local policing across the county and is also integrated with local community safety partnerships to enable joined-up working with local partner organisations. Hertfordshire is reviewing this model to achieve more efficiencies at the same time as maintaining good services to the public.</p> <p>Performance is managed well and the victim satisfaction rate with police services in Hertfordshire is above the rate for England and Wales. The constabulary also works constructively to expand the range of activities that it provides in collaboration with Bedfordshire and Cambridgeshire constabularies, not only to save money but also provide greater resilience and improved services. The collaboration programme has enabled new ways of working through information technology, improving efficiency and transforming the way services are provided to the public.</p>	<p>regional police forces, and particularly the joint working with Bedfordshire and Cambridgeshire, has increased efficiency.</p> <p>The constabulary is developing options for a new police operating model. This work is progressing well, underpinned by good analysis of the demands on local policing. The constabulary has a clear understanding of what future budget cuts will mean to the reduction in workforce numbers. The anticipated reductions in workforce by 2018 are modest in comparison to the average for England and Wales.</p> <p>The constabulary's strong financial position enables it to increase the number of police officers by recruiting ahead of schedule so that it can ensure recruits are fully trained and the workforce has the right mix of skilled officers needed for the future.</p>	<p>strong financial position means that it can use its financial reserves to invest in change and improvement, for example by increasing the number of police officers and investing in new technology and training to ensure the workforce is efficient and has the right skills to meet future needs.</p> <p>The constabulary made savings through collaboration and also at reducing spending in non-pay areas, limiting the impact of budget cuts overall and protecting frontline services.</p> <p>The collaboration with Bedfordshire and Cambridgeshire is a pivotal element in the future savings beyond 2015/16, and there remains some uncertainty and risk around the delivery of these savings. However, Hertfordshire Constabulary is aware of the risks and has developed contingency plans.</p>
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The force in numbers



Financial position

Forecasted change in expenditure 2015/16 to 2018/19

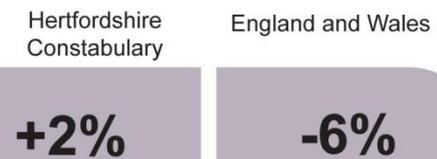


It is important to note that some forces only provided figures for savings they had formally signed off at that point, while others provided estimates for the whole period. As a result, the savings figure above might not reflect the full saving which the force might have to make. 2014/15 GRE has been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

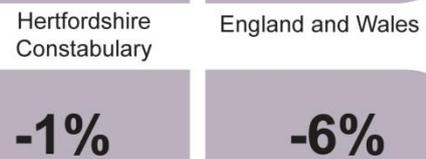


Providing policing

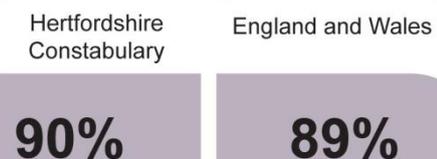
Planned change in police officer numbers 31 March 2015 - 31 March 2018



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)

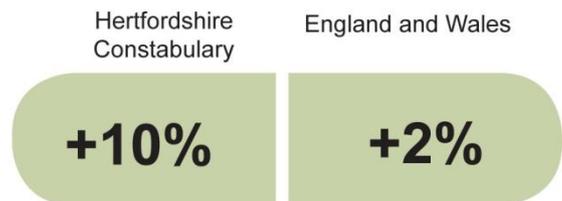


Workforce cost per head of population compared to England & Wales (2014/15)

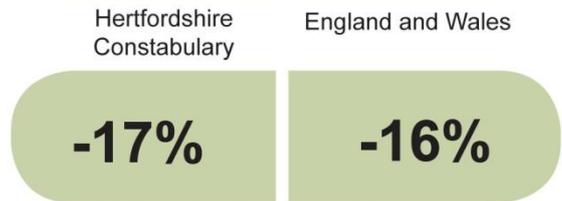


Key statistics

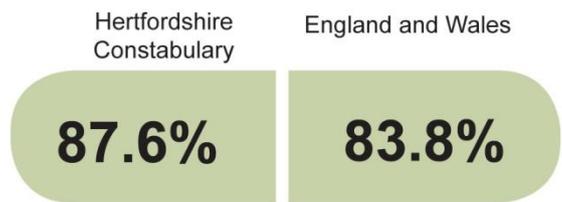
Changes in recorded crime (excluding fraud) 12 months to 31 March 2014 to 12 months to 31 March 2015



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: Hertfordshire confidence interval +/- 1.4 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 Hertfordshire Constabulary.

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

HMIC examined how Hertfordshire Constabulary understands the demands on its services, and how it allocates its staff and financial resources to meet these demands. 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?

Hertfordshire Constabulary has a reasonable understanding of the demand on its services. It has made progress in this area to improve its understanding and management of demand. Hertfordshire is using this better understanding to develop future plans for itself and for the way it works jointly with Cambridgeshire and Bedfordshire Police, known as the tri-force collaboration.

The constabulary carries out a comprehensive assessment of the greatest threats and risks facing the public in Hertfordshire, taking into account national, regional, local and internal factors. It uses this assessment to predict any operational and organisational changes that may be needed and where it needs to direct its resources in order to respond as well as possible.

Hertfordshire, Bedfordshire and Cambridgeshire police already work together extensively to provide jointly a range of police services. They have worked to extend the collaboration to include dealing with calls from the public and crime recording. A detailed analysis of seven days' data from all telephone calls (999, 101, and direct calls) into the three forces' control rooms was conducted in June 2014, and repeated four months later. Part of the planned extension of collaborative working will be the formation of joint control rooms for all three forces, operating out of two locations.

The analysis of telephone calls provided a comprehensive understanding of demand for police services coming into the control rooms across all three forces and has informed the planning of the new joint contact centres. The three forces agreed on outline plans in January 2014. The ambition is to “meet customer expectations and to ensure the new model delivers a compelling customer experience”. To achieve this, a wider range of ways for the public to contact forces is being developed. This includes an on-line self-service portal, on-line directory, on-line incident and crime reporting, crime tracking, web chat and telephone updates. The constabulary expects that making better use of the latest technology will provide opportunities to reduce police time and staffing costs and achieve cost savings of 30 percent.

The constabulary is reviewing the demands on its local policing services and is working with a specialist company to assist with analysis of demand data and development of future operating models. Hertfordshire is considering several structures to improve service delivery and achieve further efficiencies. The design principles include how the constabulary manages the demand on its services, managing resources locally or centrally, reviewing the role of safer neighbourhood teams, the mix of roles, ranks and grades in the workforce and ways in which the constabulary can work jointly with partner organisations. Hertfordshire Constabulary is taking forward the work on options for Local Policing to inform the scope to achieve up to a further £10 million of efficiencies and this will be considered in developing financial plans.

How well does the force match resources to demand?

Hertfordshire Constabulary restructured the way it delivers local policing in 2011, moving away from geographically-based basic command units in favour of a more flexible, integrated local policing command (LPC) covering the whole county. The LPC combines intelligence, crime investigation and operations, custody and criminal justice, and a crime reduction unit. The model enables police teams to link with the community safety partnerships (CSPs). This allows for closer partnership working with local authorities and other local organisations, increasing joint resources available to deal with local issues. This approach has enabled successful identification and solving of local crime problems, particularly in relation to tackling and reducing anti-social behaviour.

Hertfordshire's work to develop the new police operating model demonstrates a clear commitment to continuing local partnership working, prevention, engagement and problem-solving activity as well as achieving long-term cost savings.

HMIC found some weaknesses in the way the constabulary currently deploys police officers to attend calls. The proportion of emergency calls responded to within the target time has declined from 96 percent in 2012 to 85.8 percent in 2015. There is a 'task not ask' approach in the control room, whereby dispatchers identify who the most appropriate units are to respond to a given incident and send them, rather than ask on the radio who is available. The system is flawed because officers are not consistently activating their location via their radios and so the dispatchers in the control room do not have a reliable picture of all the resources available in the area. We also found that the relative risk of each call for service was not being assessed consistently before deciding whether an officer needed to attend. The result is that resources are being dispatched unnecessarily to incidents with low or no risk, where the incident could have been resolved over the telephone or by making a later appointment to visit.

The police and crime plan for Hertfordshire currently requires that 70 percent of all crimes will be attended by the police. There is little evidence from the analysis

carried out by the constabulary to support such a firm target. If it is applied, it is likely to result in less effective deployment where more efficient means of responding could be adopted such as a telephone resolution. HMIC is encouraged that this is being reviewed.

The constabulary has now recognised that, as resources are continuing to reduce, it needs to develop a more sophisticated approach to matching resources to demand, to ensure that it can continue to meet the needs of the public, particularly the most vulnerable. This is a fundamental change in approach and recognises that not all victims of crime require the same level of service. It recognises that some victims of crime need more support from police services regardless of the type of crime, and other incidents can be satisfactorily resolved without a police attendance or with less resource.

The proposed collaboration of the three forces' contact centres is exploring the opportunities to reduce incidents that either do not need an immediate police attendance or could be dealt with over the telephone without a police attendance. The new joint control function will operate with a widely-used technique for risk assessment known as THRIVE (threat, harm, risk, investigation, vulnerability and engagement). The technique provides the staff receiving calls for police services with a way of making a fully-rounded decision about the relative risk to the individual victim, the level of threat, and the opportunities to investigate a crime. This enables the police response to be more proportionate to the risk and threat to the victim. All three forces are already providing THRIVE risk assessment training for staff in the contact centres. Bedfordshire Police has piloted THRIVE on behalf of the three-force collaboration, Hertfordshire Constabulary will use THRIVE from December 2015.

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

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

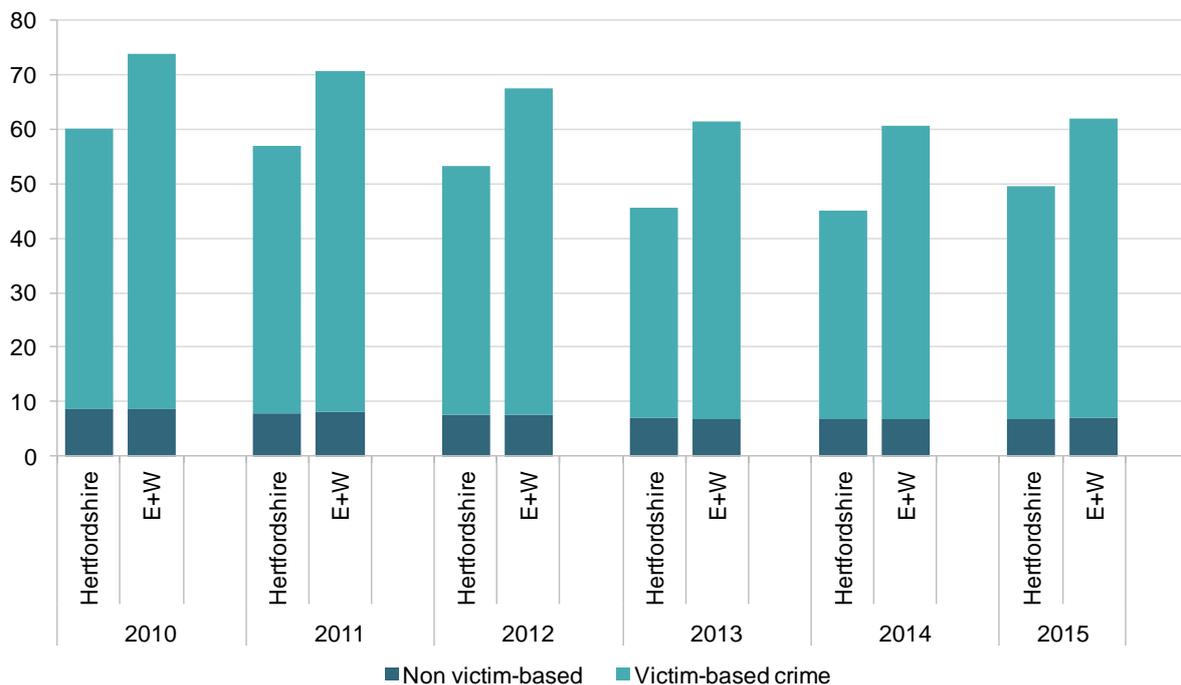
Hertfordshire Constabulary is doing well at meeting demand from the public. The constabulary has successfully reduced its spending over the last four years, and substantially increased financial reserves whilst protecting frontline staff. HMIC is impressed that police performance has remained good. Hertfordshire has seen an increase in reported crime of 10.2 percent in 2015 compared to the same period to end of March 2014.

Although police recorded crime is by no means a complete measure of the totality of demand a force faces, it does provide a comparable performance indicator across all forces. Crime rates are reported as a number of crimes per 1000 population in each

force area to enable comparison between areas. Total police recorded crime is made up of victim-based crime (e.g. theft) and non victim-based crime (e.g. drug offences). Two-thirds of forces showed an annual increase in total 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 Hertfordshire had a victim-based crime rate of 42.9 and a non-victim based crime rate of 6.7 per 1,000 population. This is a decrease (17 percent) in the victim-based crime rate and a decrease (21 percent) in the non-victim based crime rate since the start of the spending review period in 2010. During the same 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 is a decrease in both crime rates by 15 percent and 19 percent respectively since the start of the spending review period. The scale of the change in police recorded crime rate can be seen in Figure 1.

Figure 1: Police recorded crimes per 1,000 population from Hertfordshire 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 Hertfordshire, 87.6 percent³ were satisfied with their whole experience with the police in the 12 months to 31 March 2015. This is higher than the national victim satisfaction rate of 83.8 percent⁴ over the same time period. There has been no significant change in victim satisfaction between the 12 months to 31 March 2011 and the 12 months to 31 March 2015 in Hertfordshire.

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

Figure 2: Methods of public engagement used by Hertfordshire Constabulary in the 12 months to 31 December 2014

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

Source: HMIC Efficiency data collection

³ Hertfordshire, confidence interval +/- 1.4 percent.

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

How well is the force managing demand?

Hertfordshire has not carried out a complete assessment of the level of all demand for its services nor identified from whom and where the calls originate since the constabulary restructure in 2011. It has carried out extensive work through the tri-force collaboration programme for the contact centre model and is currently reviewing its own recent analysis of the demand on local policing to develop options for a new operating model. The current approach still does not allow the constabulary to understand fully local demand. As a result Hertfordshire does not fully understand how demand on services (particularly demand which would be met more appropriately by other organisations) may be reduced or redirected; or how demand is changing and how resources and capability need to adapt over the longer term to meet this new and emerging demand.

The constabulary has improved how it handles incidents involving people with mental health problems. This has been an area of increasing demand and increasing complexity which takes up a lot of police time. The constabulary has worked with health service partners and has set up an arrangement whereby mental health practitioners are based in the constabulary control room to advise and assist police staff to assess risk and respond appropriately to incidents involving a person with mental health problems. This has improved the service received by vulnerable people and ensures the right resource is allocated. The constabulary has also agreed with the health services that all people detained under the Mental Health Act 1983 will be conveyed to hospital by ambulance, not in a police vehicle. This will ensure that police officer time is not committed to undertaking the transport role and importantly that the person detained receives the right treatment straightaway.

The single local policing command (LPC) model allows for the movement of staff across the constabulary area to respond to peaks in demand and risk in real time, and it is aided by a comprehensive strategic assessment providing a good understanding of threat, harm and risk at a high level. The constabulary recognises that resources need to be allocated to new areas such as child sexual exploitation (CSE) and cyber-crime and, with the recruitment of additional staff, additional resources are being allocated to these priority crime teams.

The recent introduction of the THRIVE risk assessment is a positive development. This is more effective decision-making framework to enable call handlers to identify the risks associated with each call for service and ensure that the police respond in the most appropriate way. It is, however, too early for us to assess the impact of this change.

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

The constabulary manages its performance well, enabling it to make improvements to services. It has established clear governance, accountability and processes to monitor and improve performance at all levels, from the monthly strategic performance board chaired by the deputy chief constable to weekly operational performance meetings and daily management meetings at which resources are allocated to priority areas. Hertfordshire routinely uses a range of information and performance data all levels to improve service provision.

Hertfordshire uses benchmarking information well to compare its performance with other constabularies. It has looked beyond its most similar group of forces, consulting with the College of Policing and using the police on-line knowledge facility (POLKA) to raise and share ideas and good practice.

The three forces recognised last year that, although the governance arrangements for the tri-force collaboration had been improved, a risk remained that they were not effectively identifying expected benefits of collaboration, so that it would be clear if the arrangement was a success. This meant that they were unable to measure adequately the impact of working in collaboration. A Benefits Realisation Officer was appointed by the collaboration change team to lead a programme to ensure that all new collaboration projects identify clearly the measurable benefits that the collaboration could achieve and a means to monitor that they are being realised.

The collaboration team's success in securing funding from the Police Innovation Fund has helped to achieve the vision of collaborative working for the three forces. Benefits across all three forces include:

- less time spent in the police station;
- less travel time to and from stations;
- increased officer visibility for the public;
- streamlined working processes; and
- quicker decision-making and service to victims.

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

The constabulary has shown a keen commitment to working collaboratively with other police forces wherever possible, both regionally and within the tri-force collaboration, to achieve efficiencies and service improvements. There is impressive and purposeful joint operational working with Bedfordshire and Cambridgeshire and also with the other forces across the Eastern region through the eastern region specialist operations unit (ERSOU). The constabulary is actively working towards further expansion of this collaboration with the ERSOU+ arrangements.

This latest planned expansion to the collaboration with Bedfordshire and Cambridgeshire is providing organisational support in back office functions. A significant step forward in providing efficient joint support services will be the planned procurement of a new IT support system known as an enterprise resource planning system (ERP). The ERP system will link the HR and finance systems for all three forces enabling better data quality and more control and understanding of costs and staffing. The ERP system is also expected to enable more efficient working, as it will reduce the number of support staff required to carry out administrative functions. Managers and their staff will be expected to carry out more support functions themselves directly using the system in a 'self-service' approach. Hertfordshire estimates that the roll-out across the three forces will begin in 2016/17.

The constabulary also expects that the investment in Athena⁵ systems across the tri-force collaboration will be a significant opportunity to improve the constabulary's processes and share information much more effectively across the three forces.

There is also a joint medium-term financial strategy for the tri-force collaboration. Each force understands the projected shortfalls in its future funding and has identified what collaborative working will achieve, how collaboration will enable local savings and how each force plans to use money held in reserves. This demonstrates a high level of maturity across the collaboration through an understanding of both the individual force and joint financial challenges.

A clear structure is in place for the complex collaboration change programme involving three organisations and multiple stakeholders. Clear governance is also in place with regular meetings between the main individuals. All three police and crime commissioners and chief constables meet monthly to scrutinise plans and review progress.

⁵ Athena is a web-based IT system which replaces a number of different systems (custody, case preparation, intelligence and crime recording).

There is an extensive programme of communications and engagement with staff so that they are aware of the progress that is being made and are engaged in the design and delivery of projects under the collaboration programme.

The collaboration programme has enabled significant progress in new ways of working through the delivery of information technology ensuring service efficiency and transforming the delivery of policing. This has included personal issue laptops, iPhones, and body-worn video cameras for frontline officers to enable them to carry out a full range of routine police tasks away from a station.

The constabulary works well with its local Hertfordshire partners on crime and anti-social behaviour and has a strong focus on prevention and local problem-solving through the integrated community safety partnership structures. Examples of positive joint initiatives include the pilot project on adults with chaotic lives and complex needs, the project called 'thriving families' and evidence of impressive reductions in anti-social behaviour. However, there are risks in duplicating activity and inconsistencies in coordination of offender management.

The constabulary recognises there is more work to do in local force demand analysis and management, particularly if the collaboration plans fail to achieve the expected savings, so requiring more savings to be achieved from redesigning Hertfordshire's current operating model.

Summary of findings



Good

Hertfordshire Constabulary uses its resources well to meet the demands on its services. It understands well the most pressing risks to its services and prioritises how it uses resources. It has recently improved its understanding of demand for local policing following a review to help decide on the new operating model options, as well as recent work to analyse calls for service into the constabulary control room as part of the tri-force collaboration development.

The constabulary responds well to changes in demand for its services. Its operating model provides both a flexible approach to local policing across the county and is also integrated with local community safety partnerships to enable joined-up working with local partner organisations. Hertfordshire is reviewing this model to achieve more efficiencies at the same time as maintaining good services to the public.

Performance is managed well and the victim satisfaction rate with police services in Hertfordshire is above the rate for England and Wales. The constabulary also works constructively to expand the range of activities that it provides in collaboration with Bedfordshire and Cambridgeshire constabularies, not only to save money but also

provide greater resilience and improved services. The collaboration programme has enabled new ways of working through information technology, improving efficiency and transforming the way services are provided to the public.

How sustainable and affordable is the workforce model?

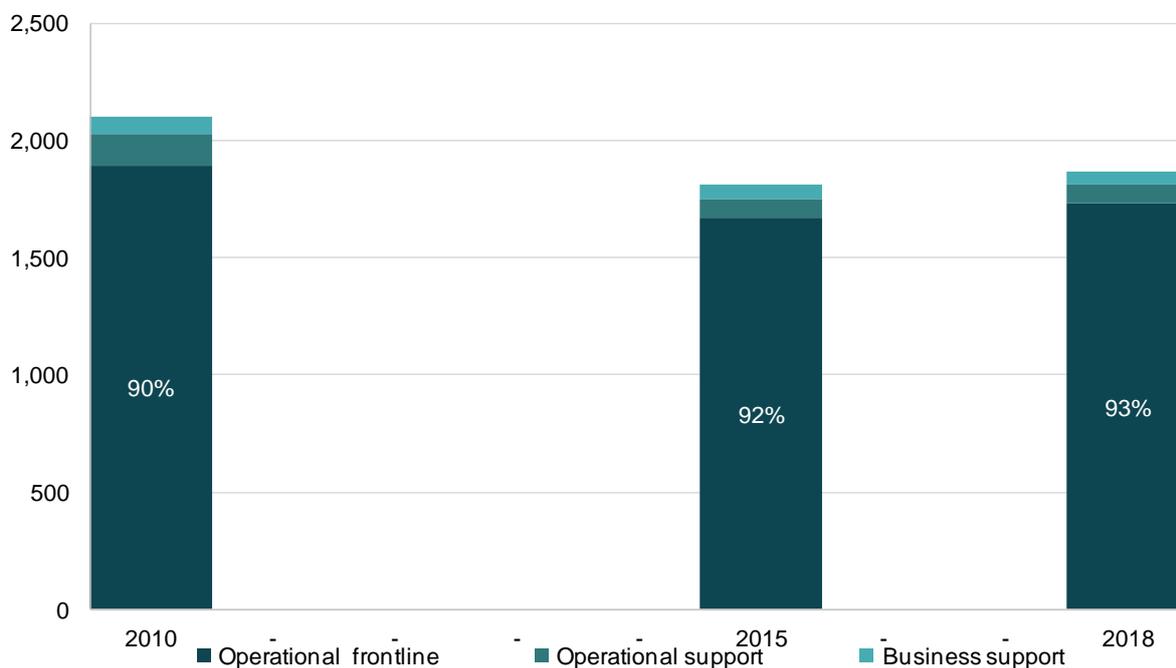
HMIC examined how Hertfordshire Constabulary has structured its workforce (i.e. its mix of police officers, staff and PCSOs, and the proportion of all these groups working in frontline positions) and assessed whether this was affordable and sustainable as the constabulary responds to its financial challenge.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

Hertfordshire Constabulary forecasted a total savings requirement over the first four years of the spending review (2011/12 to 2014/15) of £35.8m, the equivalent of 17 percent of the 2010/11 gross revenue expenditure for the constabulary. Savings were made in both the pay and non-pay budgets. Since 2010, Hertfordshire police has reduced its workforce by 219 police officers, 407 staff and 52 PCSOs full time equivalents (FTE).

In Hertfordshire, the total number of police officers FTE has reduced over the period 2010 to 2015, as shown in figure 3. During this period the proportion in frontline roles has increased from 90 percent in 2010 to 92 percent in 2015. The constabulary expects to increase this proportion looking forward to 2018.

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



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

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

The current workforce model is well matched to demand, organisational and financial requirements. Hertfordshire Constabulary acted quickly to respond to budget cuts. It reorganised the way it structured policing in 2010 to make it more affordable, moving to a single local policing command serving the whole of the county, which enabled more flexibility and made more efficient use of resources.

Hertfordshire Constabulary has a well-developed programme in place to match its workforce to demand within the constraints of the spending review. The constabulary has also worked hard with Bedfordshire and Cambridgeshire police to collaborate across a range of specialist policing functions. The money saved through collaboration has protected local services and enabled smaller reductions in police officer numbers compared to other forces. The progress in developing the use of mobile technology for front line officers also supports efficient policing.

Further savings are planned through the collaboration change programme and the constabulary is currently revising its local policing model to realise more efficiencies. The constabulary understands well its workforce capacity with strong links between human resources (HR) and finance. The constabulary's leadership team has good oversight and governance which ensures that workforce planning is closely linked to the finance plans, taking into account current and future organisational need for police staff, police officers, PCSOs and special constables. Hertfordshire

understands that cultural change is needed to enable effective working across the collaborated forces, as well as the risks posed by collaboration. The constabulary acknowledges the need for strong relationships and is communicating change across the three forces, recognising the priority to address staff concerns about future roles and job security.

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 Hertfordshire Constabulary compared to England and Wales

	March 2010	Difference between 2010 and 2015		March 2015	Difference between 2015 and 2018		March 2018
		Force	England and Wales		Force	England and Wales	
Police Officers	2,130	-10%	-12%	1,911	2%	-6%	1,943
Police Staff	1,677	-24%	-19%	1,270	-6%	-6%	1,196
PCSOs	262	-20%	-27%	210	-3%	-11%	203
Workforce total	4,069	-17%	-15%	3,390	-1%	-6%	3,342

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

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

Hertfordshire Constabulary is developing a new police operating model further refine the way it provides policing. The work is progressing well and is informed by a good analysis of the demands on local policing. The constabulary has made clear predictions about likely future reductions in spending that will be required. It understands clearly what this will mean to the reduction in workforce numbers. The anticipated workforce reductions by 2018 are modest in comparison to the average for England and Wales. As a result of its financial position, the constabulary is accelerating the recruitment of police officers using its financial reserves; according to the constabulary, this will mean 138 new officers in 2014/15 (including 30 transferees) and 150 officers in 2015/16 (including 24 transferees). Police officer numbers will be above the agreed staff establishment by the middle of 2015/16, spending an additional £0.6m. This is a planned overspend of the staffing budget, using reserves set aside for this purpose, so as to ensure that the skills and experience mix of the workforce will reflect future operational challenges.

Summary of findings



Good

Hertfordshire Constabulary has a well-developed programme in place to match the workforce to the demand for services across Hertfordshire while also allowing the budget cuts needed. It acted quickly to reorganise policing in 2010 making it more affordable, moving to a single local policing command serving the whole of the county, which enabled more flexible use of resources.

It reduced spending on local policing much earlier than other forces. It has worked hard to protect frontline policing from cuts and has seen below average reductions in police officer numbers. The collaboration with other regional police forces, and particularly the joint working with Bedfordshire and Cambridgeshire, has increased efficiency.

The constabulary is developing options for a new police operating model. This work is progressing well, underpinned by good analysis of the demands on local policing. The constabulary has a clear understanding of what future budget cuts will mean to the reduction in workforce numbers. The anticipated reductions in workforce by 2018 are modest in comparison to the average for England and Wales.

The constabulary's strong financial position enables it to increase the number of police officers by recruiting ahead of schedule so that it can ensure recruits are fully trained and the workforce has the right mix of skilled officers needed for the future.

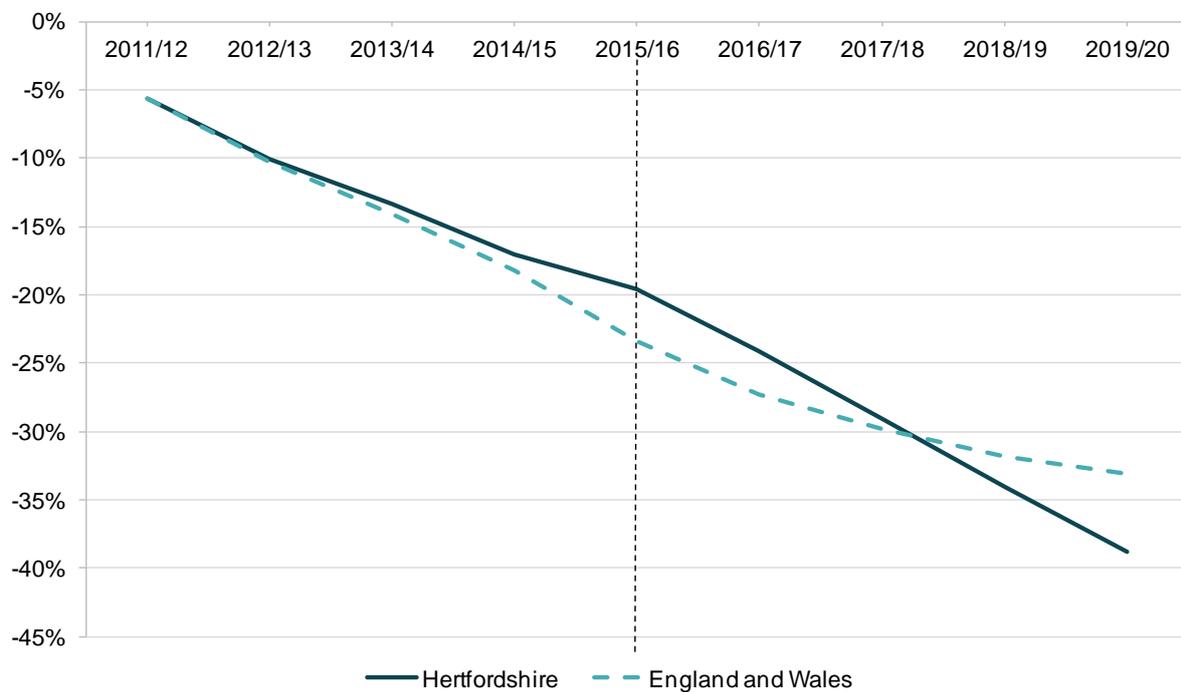
How sustainable is the force's financial position for the short and long term?

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?

Hertfordshire Constabulary forecasted savings of £35.8m over the first four years of the spending review (2011/12 to 2014/15), the equivalent of 17 percent of the 2010/11 gross revenue expenditure for the constabulary. Over the period savings were made in both the pay and non-pay budgets, so as to balance budgets by 2014/15. Over the same period all forces across England and Wales forecasted a total savings requirement of £2.53bn, the equivalent of 18.2 percent of the 2010/11 gross revenue expenditure for England and Wales.

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

Hertfordshire Constabulary has a strong track record in achieving savings and has balanced the budget for the spending review and 2014/15. Savings of £35.8m have been achieved with an additional £9m savings going into reserves. The constabulary has budgeted prudently and applied tight controls to manage expenditure. Local policing was restructured in 2011 which realised early savings. The constabulary recognises the potential for further efficiencies and it is looking at a number of options for further restructuring.

The constabulary has made savings through collaboration and reduced spending in non-pay areas. Both these issues have limited the impact of budget cuts overall, and have protected frontline services without the need for a radical restructure across the organisation. Hertfordshire's focus has been on achieving non-pay savings through good management of police land and buildings. The constabulary's well-managed approach to the closure of under-used buildings and effective partnership working so as to co-locate police officers and staff in partner buildings has enabled financial savings.

During 2013 the constabulary explored outsourcing options before embarking on the ambitious collaboration programme with Cambridgeshire and Bedfordshire. During this period recruitment was frozen for 24 months and the savings in salary costs

have primarily been the source of £9m being added into the already strong financial reserves. This is now being used to build up skills and police officer numbers and has strengthened the constabulary's strategic policing capability and local policing capacity. In the last financial year (2014/15), recruitment began again and the constabulary allocated additional resources into priority policing areas such as child sexual exploitation, public protection and local policing.

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

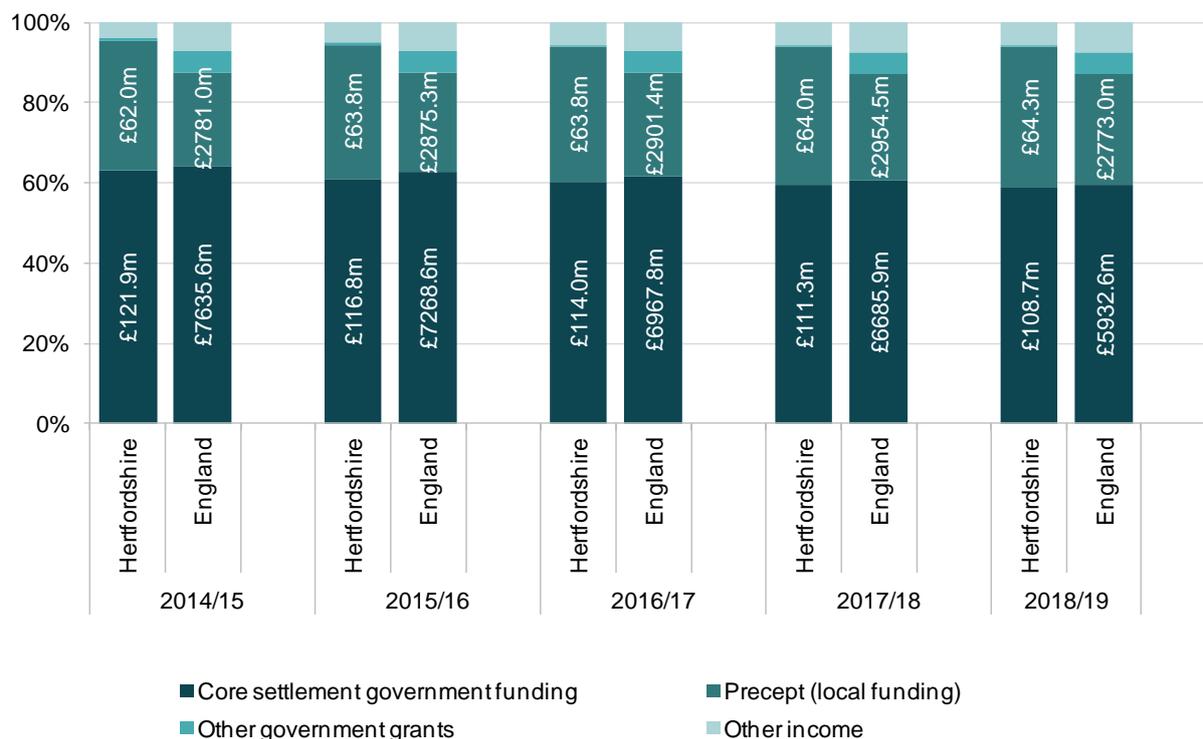
Hertfordshire Constabulary has planned a balanced budget of £191.1m for 2015/16, which includes a spending reduction of £5.2m. It forecast that the reduction will be split between £3.8m from the pay budget (72 percent) and £1.5m (28 percent) from the non-pay budget in this year's savings. The constabulary plans to meet its reduction in spending without using reserves as a bridge. Since the 2010 baseline, at the start of the spending review, this represents a 20 percent saving.

Hertfordshire Constabulary has a strong record of effective financial management which has resulted in the constabulary achieving savings earlier than other forces and balancing the budget for 2015/16. Over the spending review period (2010/11 to 2014/15) the constabulary was required to save £35.8m. As well as achieving savings early, reserves have been strengthened significantly through a variety of means including the restructure of local policing in 2010, good management of local budgets, tight recruitment control, and savings through collaboration and non-pay (principally IT and reduction of estates).

How well has the force maximised other funding opportunities?

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

Figure 6: Forecast mix of funding for Hertfordshire Constabulary 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

HMIC is impressed by the ambition of Hertfordshire Constabulary to achieve efficiencies from collaboration with other forces. We found good examples of positive and constructive collaboration with other forces in the Eastern Region through ERSOU and with Bedfordshire and Cambridgeshire in the tri-force collaboration, where financial savings and increased resilience are already being realised with further improved joint work planned.

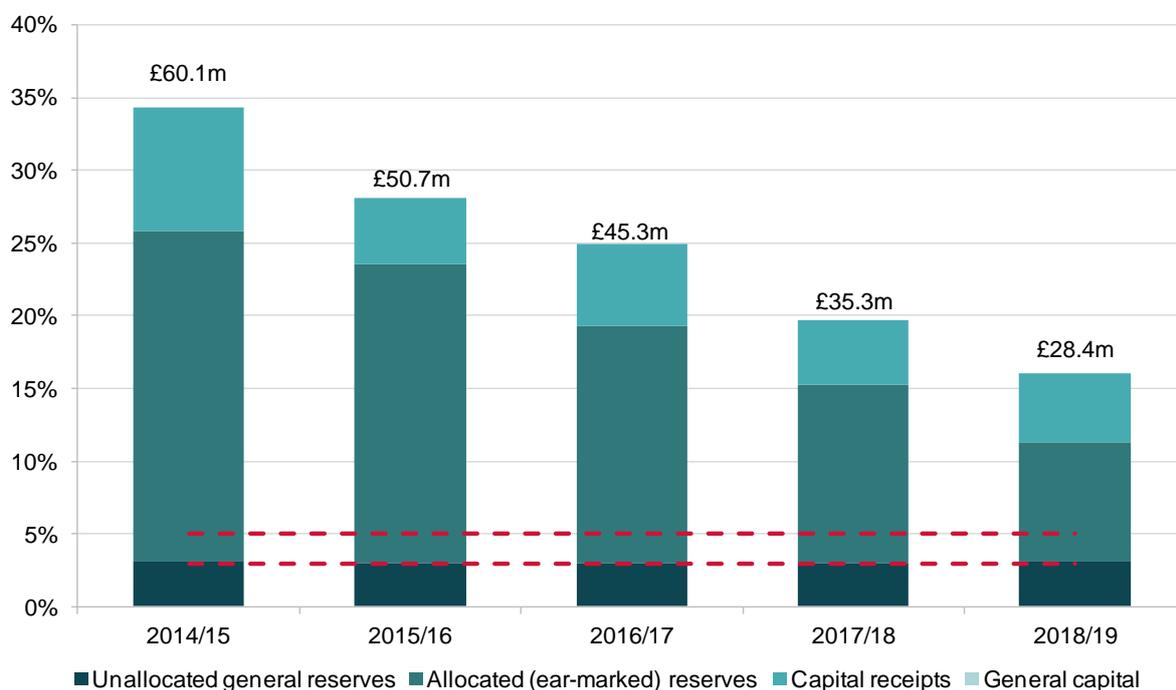
The constabulary, in conjunction with its tri-force partners, has been particularly successful in securing grant funding from the Police Innovation Fund over recent years. The three forces were given £8.4m to pay for ICT developments to support collaboration. The constabulary recognises the impact of budget cuts on their partners and, where match funding has been withdrawn by a partner organisation, the constabulary has also done so. An example of this is the partnership withdrawal of funding of some match-funded PCSOs. This decision is in line with the budget plan and the future workforce mix.

How well does the force control expenditure?

The constabulary's level of reserves and how these are forecast to change over time are shown in figure 7. Hertfordshire Constabulary reported that its total reserves were £60.1m in 2014/15. These are broken down into several categories:

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

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



Source: HMIC efficiency data collection

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

The constabulary controls expenditure robustly. The chief finance officer ensures strong financial management across Hertfordshire Constabulary and works closely with the office of the police and crime commissioner (OPCC) and the tri-force collaboration finance officer. Effective governance is in place for Hertfordshire and for the collaboration programme. All constabulary and collaboration programme plans have comprehensive, detailed financial plans. This is evident in the tri-force four-year financial plan which highlights a combined savings requirement of £60 million between April 2016 and March 2020.

The tri-force collaboration hopes to achieve even greater control through integration of HR and financial planning functions when the new enterprise resource planning (ERP) system is developed and implemented in all three forces in 2016/17. The constabulary expects that this integrated working will support the extended collaboration and increase resilience for all three forces in these business areas.

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

The constabulary's financial plans are developed jointly with the OPCC and reflect the objectives set out in the police and crime commissioner's plan. The police and crime commissioner has approved the constabulary's 2015/16 financial plan which enables the chief constable to use reserves for extra recruitment above the budgeted level, so as to maintain high police officer numbers with appropriate police staff numbers to support the business. This will assist Hertfordshire to shape the workforce and build capacity and capability for future policing challenges.

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 constabulary has robust governance arrangements in place and an effective working relationship with the OPCC. There are weekly meetings to discuss and monitor finance with good communication between both organisations, and a constructive and appropriately challenging relationship.

The police and crime commissioner or a senior member of his team regularly attends constabulary board meetings to provide oversight where appropriate. This ensures that all financial updates to the OPCC are relevant and the operational context is fully understood.

The county council deputy treasurer is now the police and crime commissioner's finance officer and this change has improved scrutiny of budget and treasury management between the constabulary and the OPCC.

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

With ambitious, strong and clear leadership Hertfordshire Constabulary is positioning itself so that it can maintain effective and efficient policing to local communities despite the challenges of future funding pressures.

Hertfordshire Constabulary understands clearly the financial challenge ahead, identifying that a further £40.3m savings will be needed between 2016/17 and 2019/20.

The constabulary demonstrates a clear understanding of the savings needed and has planned for necessary workforce reductions up to 2019/20. The savings plans comprise Hertfordshire Constabulary savings from a revised local policing command model, and collaboration on joint protective services, the eastern region serious organised crime unit, and operational and business support.

There is clear commitment, momentum and ambition in relation to the tri-force collaboration which is reflected in the development of a coherent programme plan. Hertfordshire Constabulary together with the collaborated forces has engaged external expertise to advise the change programme. The collaboration team has a comprehensive governance structure. It uses 'gateway reviews' on the areas identified for collaboration and the achievability of the projected savings. The collaboration with Bedfordshire and Cambridgeshire is a pivotal element in the future savings beyond 2015/16, and there remains some uncertainty and risk around the delivery of these savings.

However, Hertfordshire Constabulary is aware of the risks and has devised mitigation plans. This includes identification of further potential savings through the planned restructure of its own local policing teams, use of reserves, re-profiling targeted saving and the potential for a future precept increase. The plans consist of £9.2m from savings within the constabulary and £9.8m from further savings through collaboration with Bedfordshire and Cambridgeshire. Planned local and collaboration savings cover a wide range of areas and are at varying stages of development, with some being fully developed with secure savings and others being less certain and reliant on the co-operation of the other two forces for their delivery. HMIC is concerned that the projected savings from collaboration with Bedfordshire and Cambridgeshire are at varying stages of development, with discussions being still at an early stage for some elements.

Summary of findings



Outstanding

Hertfordshire Constabulary has a strong track record of rigorous and effective financial management. It has made outstanding efforts to manage and minimise the impact of the budget cuts on policing and place itself in a sustainable financial position. It has achieved its savings each year and has balanced the budget throughout the spending review and for 2015/16, reducing its spending by more than it needed to.

The constabulary works constructively with the police and crime commissioner and resources are directed to priorities in the police and crime plan. The force's strong financial position means that it can use its financial reserves to invest in change and improvement, for example by increasing the number of police officers and investing in new technology and training to ensure the workforce is efficient and has the right skills to meet future needs.

The constabulary made savings through collaboration and also at reducing spending in non-pay areas, limiting the impact of budget cuts overall and protecting frontline services.

The collaboration with Bedfordshire and Cambridgeshire is a pivotal element in the future savings beyond 2015/16, and there remains some uncertainty and risk around the delivery of these savings. However, Hertfordshire Constabulary is aware of the risks and has developed contingency plans.

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,⁶ 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.

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