

PEEL: Police efficiency 2015

An inspection of Northumbria Police



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

Overall judgment¹



Good

HMIC found that Northumbria Police is well prepared to face its future financial challenges. The force has successfully reduced its spending over the last spending review period while working hard to protect local policing. For these reasons the force is graded as good. The force's understanding of demand and the costs involved in providing all of its various services is not yet sufficiently detailed. This is needed to inform the new operating model the force must adopt to meet its budget beyond 2017/18. In last year's value for money inspection, which considered how forces had met the challenge of the first spending review period, Northumbria was judged to be good.

Summary

HMIC judges Northumbria Police to be good. The force understands the financial challenges it faces and is using new ways of working to reduce its spending while maintaining a high quality of service to its communities.

The force has a good understanding of the demand on its services from the public and has used this to align more staff and other resources to where need and risks are greatest.




The force is working to improve its overall understanding of demand by using information from various sources including incidents related to mental health. This is helping it assess current and future demand. However, it has yet to conduct more detailed analysis to identify and reduce demand such as the additional work created by callers who are dissatisfied with the services provided and request a re-visit or make a complaint.

On the whole, the force's current workforce model matches demand and organisational and financial requirements. Evidence for this is its victim satisfaction rating which is above the national average for England and Wales.

¹ Outstanding, Good, Requires improvement or Inadequate – see Annex A.

The force recognises that the current workforce model cannot be sustained beyond 2017/18. The force has introduced different ways of working to ensure it can meet demand with a reduced workforce. As changes are implemented and the impact of these are assessed the force is planning to use the opportunity to decide its future operating model.

The force achieved its saving requirements for the spending review period. It has set a balanced budget for 2015/16, which includes the use of £9.2m of reserves to bridge the funding gap. The force has a strong understanding of its likely financial position up to 2018 and its workforce numbers until 2020. Plans up to 2017/18 rely on the use of reserves and the sale of surplus and unsuitable buildings to meet financial challenges. Longer-term saving plans are less certain and depend on collaborative working with local organisations and neighbouring forces.

How well does the force use its resources to meet its demand?	How sustainable and affordable is the workforce model?	How sustainable is the force's financial position for the short and long term?
 <p>Good</p>	 <p>Good</p>	 <p>Good</p>
<p>The force has a good understanding of the demand on its services from the public and has used this to align staff and other resources to where need and risks are greatest.</p> <p>The force is working to improve its overall understanding of demand by using information from various sources including incidents related to mental health. This is helping it assess current and future demand. The force has yet to conduct more detailed analysis to identify and reduce demand such as the additional work created by callers who are dissatisfied with the services provided and request a re-visit or make a complaint.</p> <p>On the whole, the current workforce model matches demand. The force uses various methods to ensure its resources are deployed flexibly to meet fluctuating and unexpected demand. It has processes in place to address any issues which</p>	<p>The force's current workforce model matches demand and organisational and financial requirements, for the most part. Evidence for this is shown by the way the force consistently responds to priority and emergency calls in good time and by its level of victim satisfaction, which is among the highest across all forces in England and Wales.</p> <p>The crime rates in Northumbria, while increasing, are below those of its most similar group of forces.</p> <p>The force recognises that the decision it has taken to maintain officer numbers in local policing can no longer be sustained. The force has introduced different ways of working to ensure it can improve the quality of its services and meet demand with a reduced workforce. As changes are implemented and the impact of these assessed the force is planning to use the opportunity to decide its</p>	<p>The force achieved its saving requirements and balanced the budget for the spending review period. The force has set a balanced budget for 2015/16, which includes the use of £9.2m of reserves to bridge the funding gap.</p> <p>The force has been successful in receiving monies from the Police Innovation Fund to support its work to prevent harm to vulnerable people and reduce demands on its services.</p> <p>The force has firm control of its finances. The force shares a Joint Chief Finance Officer with the police and crime commissioner (PCC).</p> <p>This helps the timely sharing of financial information and ensures that they are developing financial plans based upon common assumptions.</p> <p>The force has a strong understanding of its likely financial position up to</p>

<p>may have an impact on the force achieving its priorities including those detailed in the police and crime plan.</p> <p>The force has a firm control of costs. It compares and challenges the way it performs and provides its services, by comparing its performance to other forces and using the HMIC value for money profiles. However, the force does not currently have a clear understanding of the costs involved in providing all of its various services.</p>	<p>future operating model. Until this work is completed the future workforce model is unclear.</p> <p>The force has planned workforce numbers up to 2020. Although the number of officers and staff is expected to reduce, there may be an opportunity to recruit new officers with the skills the force requires to support its future workforce model.</p>	<p>2018 and its workforce numbers until 2020. Plans up to 2017/18 rely on the use of reserves and the sale of surplus and unsuitable buildings to meet financial challenges.</p> <p>The effective implementation of its 'Street to Strategic' information technology programme is expected to be key in minimising the impact of staffing reductions and maintaining a high quality of service to the public. Longer-term saving plans are less certain and depend on collaboration with local organisations and neighbouring forces.</p>
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Force in numbers



Financial position

Forecasted change in expenditure 2015/16 to 2017/18

£m

-£63.1m

% of Gross Revenue Expenditure

22%

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

Northumbria Police

England and Wales

-10%

-6%

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

Northumbria Police

England and Wales

-11%

-6%

Proportion of police officers on the operational frontline 31 March 2010

Northumbria Police

England and Wales

88%

89%

Proportion of police officers on the operational frontline 31 March 2015

Northumbria Police

England and Wales

90%

92%

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

Northumbria Police

England and Wales

91%

92%



Organisation

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

Northumbria Police England and Wales

£126

£115

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

Northumbria Police England and Wales

£162

£165



Key statistics

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

Northumbria Police England and Wales

+4%

+2%

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

Northumbria Police England and Wales

-18%

-16%

Victim satisfaction 12 months to 31 March 2015

Northumbria Police England and Wales

92.2%

83.8%

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

Northumbria Police England and Wales

No change

No change

Victim satisfaction: Northumbria, confidence interval +/- 1.1 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 Northumbria Police.

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

HMIC examined how the force understands the demand for its service, and how it allocates its staff and financial resources to meet that demand. We then assessed whether these decisions are leading to good results for the public – that the police are visible and that they attend promptly when called, that they are fighting crime and keeping communities safe, and that victims are satisfied with the service they receive.

How well does the force understand its demand?

The force does not have a comprehensive understanding of the demand it faces. However, it does understand the volume and priority of calls for service received by its two communication centres.² In addition, it has carried out a partial assessment of demand from incidents related to mental health, lack of ambulance provision, and increases in complex crimes such as rape. Despite this work the force does not yet have a full understanding of the demand placed on its services.

A review of demand was last carried out by the force in 2010 but there has been no comprehensive reassessment since that time. The force is currently carrying out a review of its communication centres to ensure they can meet current and future demand by adopting new ways of working. For example, it has identified that by using more highly-trained contact handlers around 30 percent of calls, such as civil disputes and parking complaints, could be resolved without deploying an officer. The review also recognises that the increased availability of scheduled appointments would give members of the public, who report incidents or crimes, greater flexibility as to what time an officer visits them. This way of working helps the force to plan its staffing levels based on predictable demand.

The force has yet to conduct more detailed analysis to identify and reduce demand that is preventable, generated from within the force or created by callers who are dissatisfied with the services provided and request a re-visit or make a complaint. This analysis would for example, give a detailed understanding of the number of calls that concern requests from the public for information, or to speak to a specific individual or department. This information could then be used to influence improvements in both the way services are provided and how demand is managed.

² Facility in which call-handlers answer telephone calls from the public, determine the circumstances of the incident, decide what needs to be done, and initiate the initial response

The force is experiencing a significant increase in reported incidents relating to vulnerability. The force's own figures show that since 2009/10 recorded offences of: rape have increased 141 percent; sexual assaults on a person 13 years or over have increased 50 percent; sexual assaults on persons under 13 years have increased by 79 percent, and sexual activity involving a child under 13 years has increased by 114 percent. Operation Sanctuary, a complex investigation into sexual offences against vulnerable adults and children, is providing the force with a better understanding of the additional demands this creates such as the need to protect vulnerable victims and reassure the public.

The force's understanding of the services associated with less complex crime investigations is limited. The force has identified that 15 percent of incidents result in a crime being reported. However, with the exception of vulnerability, it does not have a full understanding of how efficient its investigation processes are, or the extent of any hidden demands associated, for example, with protecting a victim from further harm. The picture is similar in neighbourhood policing where demands, other than those associated with responding to reported incidents, are not well understood.

How well does the force match resources to demand?

On the whole, the current workforce model matches demand. The force uses a tiered approach to assess demand and ensure its resources are deployed flexibly to meet fluctuating and unexpected demand. At a force level this is done at the monthly strategic management board meeting chaired by the chief constable. The meeting is used to address any demand issues which may have an impact on the force achieving its priorities including those detailed in the police and crime plan.

The force uses its monthly tasking and co-ordination meeting to reassess any changes in demand at a more tactical level. The first part of the meeting receives updates on specific operations and areas of policing which are considered to put the public or force at high risk of threat or harm. The second part of the meeting is used to assess progress and hold managers to account for performance against force priorities, with tasks allocated to address any areas for concern.

On a daily basis, chief inspectors working in each of the force's three area commands monitor current and future staffing requirements using a resource management IT system. This enables them to know the numbers and skills of staff they have available for deployment at a particular time or on a certain date. Any changes to the allocation of resources are monitored and managed as part of a daily management meeting held in each area command. These meetings also provide a strong focus on the allocation of resources to meet demands concerning the protection of vulnerable people, neighbourhood priorities and force priorities.

The force has processes in place to assess threat, harm and risk; these consider regional and national requirements to ensure it has the ability to assist in tackling issues such as serious and organised crime, or threats to other forces that require support. The document detailing the assessment contains a calendar of events for the next 12 months that the force considers may pose a threat to the safety of the public, carry a risk of substantial public disorder and/or affect the performance of the force. This allows for the effective planning of resources.

The force has recently made changes to its operating model to improve the way its resources meet demand. This has seen the number of area commands reduce from six to three (central, north and south). In addition, the force has centralised 24/7 response staff and custody staff to align to the new area command structure. This provides greater flexibility in order to meet fluctuating and unexpected demand. To ensure resources meet demand on a 24/7 basis, chief inspectors now work in the force's two communication centres to monitor and manage the availability of resources especially those responding to emergency calls. They are able to move resources to meet any changes in demand.

The force's resilience unit (FRU) also monitors current and future resourcing levels including the availability of specialist skills across the force over each 24-hour period. Any gaps are reported to chief officers to enable immediate action to be taken to resolve the issue. For example, the limited availability of trained sexual offence liaison officers (SOLOs) was identified by the FRU. In response the force was able to address the shortfall at the earliest opportunity by increasing the number of trained officers.

Although the force has a number of processes in place to ensure its resources match demand, it does not fully understand the availability of its entire workforce to respond to incidents. This is especially the case when officers are not available for deployment because they are working away from the force or restricted from undertaking an operational role, for instance due to injury. In these circumstances shortfalls are filled by neighbourhood officers who are regularly being deployed away from their normal role to attend incidents requiring an immediate response. While this may be an appropriate use of resources, it has left neighbourhood officers unclear about their role and in some cases unable to meet their neighbourhood responsibilities to support vulnerable victims or attend pre-planned community meetings. Similarly, detectives working on the investigation of serious and local crime have been moved to support investigations linked to the protection of vulnerable persons, and in particular Operation Sanctuary. Those detectives who remain working on local crime investigations expressed concerns to HMIC about their increased workload, the lack of time they have available to devote to more complex investigations and the impact this is having on the quality of service they are able to give to victims of crime.

To address increases in demand the force is exploring new ways of working. For instance it is adopting a different approach to the policing of events which often put a strain on force resources due to the need to deploy officers to prevent public disorder. A recent example of this was provided by the way the force worked with the organisers of a pop concert at the Stadium of Light – it chose not to provide a policing presence and instead ensured appropriate private security arrangements were in place.

The force is seeking to match resources to demand by exploring opportunities for collaboration with other forces or organisations. For instance, the force has been operating domestic abuse triage vehicles in Sunderland for two years, with domestic abuse workers and police responding to domestic abuse incidents at times of peak demand. Due to the success of the initiative each of the six local authority areas has now funded similar arrangements across the force area. The force has also secured Police Innovation Fund funding to support work with other local organisations to reduce the physical and sexual exploitation of adults and children.

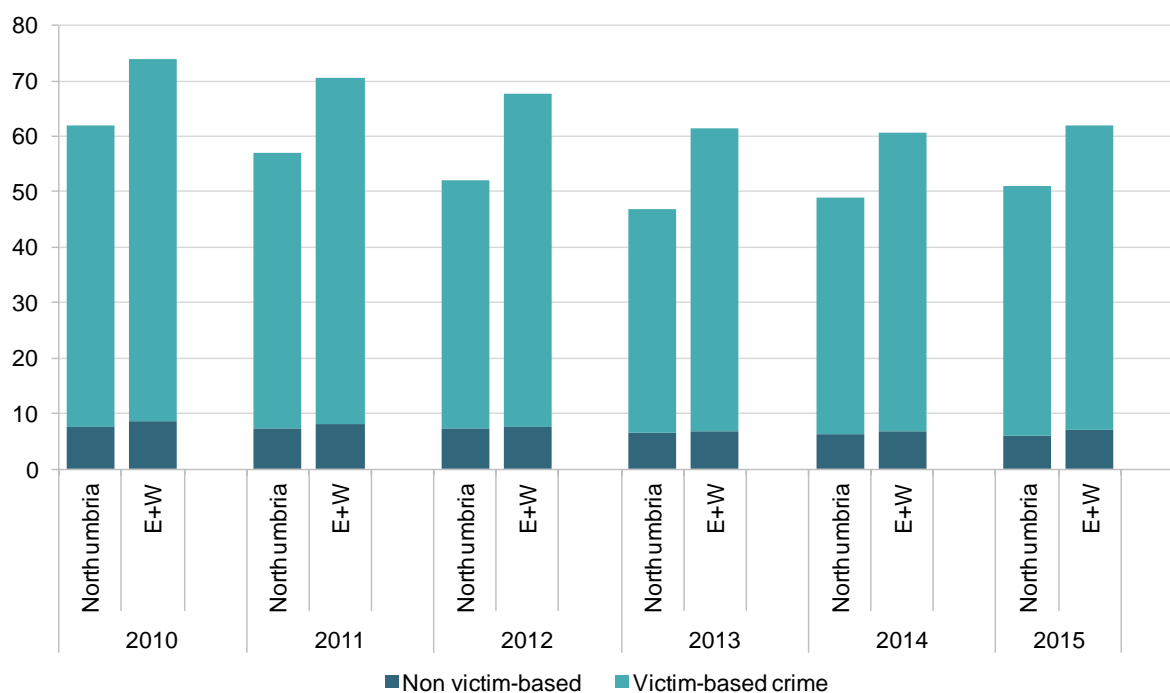
How well are the force's services meeting the demand from the public?

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

Although police recorded crime is by no means a complete measure of the totality of demand a force faces, it does provide a comparable performance indicator across all forces. Crime rates are reported as a number of crimes per 1,000 population in each force area to enable comparison between areas. Total police recorded crime is made up of victim-based crime (e.g. theft) and non victim-based crime (e.g. 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, Northumbria had a victim-based crime rate of 45.1 and a non victim-based crime rate of 5.9 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 crime rate can be seen in Figure 1 on the following page.

Figure 1: Police recorded crimes per 1,000 population in Northumbria 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 Northumbria, 92.2 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 Northumbria.

To ensure the force is using different ways to communicate with and engage the public, it has reviewed how the public makes contacts and is starting to adjust its services accordingly. The review demonstrated that while it consistently responds to emergency and priority calls in good time, the response to non-urgent calls is an area where public satisfaction can be improved. To address this issue the force is working to increase the use of appointments to improve the service it provides to the public. The review has also found that the majority of contact with the force still comes through telephone calls. To reduce this demand and make information more readily available to the public, the force is improving its website and encouraging more contact via texts and emails.

³ Northumbria, confidence interval +/- 1.1 percent.

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

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

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

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

Source: HMIC Efficiency data collection

Forces are exploring different ways in which the public can access policing services. In Northumbria this has involved extensive public consultation, working with the PCC to implement a plan to reduce the estate of the force. This involves a move away from large police stations, to smaller community bases. The plan contains a commitment to maintain current levels of public access. Despite some changes in the location of public access points, opening hours have not been altered. There are now more neighbourhood police bases providing access points in shopping centres and city centre locations. The force reports that feedback from the public about the changes has been positive, but recognises there is still more to be done to ensure its services are meeting public demand now and in the future.

How well is the force managing demand?

The force has a clear approach to managing demand as it happens, in 'real time'. Staff in the communication centres, supported by their chief inspectors and supervision in the area commands, use IT such as GPS mapping systems to identify and despatch the most appropriate and timely resource to incidents, identified threats or changes in demand.

The force works well with other organisations to manage demand. For example, it operates mental health triage vehicles across the south of the force staffed by police officers and mental health nurses. This reduces the demand on both the force and

ambulance service and better supports people who have mental health problems. With additional financial support from the health service, the force plans to have mental health triage vehicles available across the entire force area from June 2015.

Northumbria Police has also been successful in a number of Police Innovation Fund bids to support its projects with other public service organisations. For example, the force is working with the Northumbria Fire and Rescue Service to provide 'Safety Works', which is a multi-agency safety centre giving an interactive educational experience to communities. Child sexual exploitation prevention has recently been incorporated into this experience to raise awareness of the issue with children and adults to reduce the risk of harm especially to those who are vulnerable.

The force continues to support neighbourhood policing, particularly its problem-solving approach to help manage demand at a local level. HMIC was provided with examples of where this approach had reduced violent crime and anti-social behaviour (ASB), for instance through effective management of licensed premises and setting up community projects to divert young people away from crime. However, neighbourhood officers are being abstracted from their role on a regular basis. This has the potential to have a negative impact on problem-solving activity. The force recognises this and has worked closely with the PCC on the future shape of neighbourhood policing. The force intends to begin planning a new operating model in July 2015.

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

The force has robust arrangements in place to monitor and manage performance, expenditure and income. For example, it holds a weekly programme of change board meetings, fortnightly joint business meetings, and monthly performance meetings. These meetings are informed by reports, such as a monthly integrated finance and human resources report, which helps the force understand some costs, for example the cost of neighbourhood policing. Work has been carried out to understand other costs such as those associated with the use of vehicles owned by the force. However, the force is not able to assess accurately the cost of every service area.

In order to compare and challenge the way it performs and provides its services, the force compares itself to other forces and uses HMIC's value for money profiles. To ensure it is providing value for money when buying specific services it researches the experience of other forces already using those services. For example, it considered buying a mobile data application already used by another police force but assessed it was not cost effective.

This way of working gives the force an informed view of whether its services provide value for money. With the exception of local policing, the force reviewed all its systems and processes to eliminate waste and improve services during the last comprehensive spending review period. It reports that this achieved £58m savings. The force has been effective in driving down non-pay costs and this culture has become understood across the force as it is seen by staff as a way to protect workforce numbers.

To provide services more efficiently the force considers all options, including outsourcing. For instance, prior to making a decision regarding the development of custody hubs, it considered outsourcing custody provision but this option was not pursued as it did not provide sufficient cost savings.

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

The force is currently using new working methods to improve its services to the public. It has plans in place to make further improvements through better use of information technology and its estate, and by collaboration with other forces or organisations in the future.

The force has a comprehensive information technology plan designed to improve the way its services are provided. The force's 'Street to Strategic' programme started in 2014 and is due for completion in 2018. The main aims are to maximise resources, improve visibility and productivity, reduce costs and improve service quality. Implementation of the programme is already providing benefits, for example, all daily management meetings are now using video conferencing facilities which reduce the need for staff to travel. Savings in travel costs are being used to offset the cost of purchasing the video conferencing technology.

An important part of the programme is to provide mobile devices for staff. For example, the force is replacing its current smartphones with updated technology that enable access to force systems, email and mapping software. From July 2015, it plans to provide these to all response officers and neighbourhood policing teams including police community support officers (PCSOs). Later in the year additional applications are expected to be added to allow staff greater search and update functionality. Further applications are planned for release in 2016 which should allow officers to record crimes. The force is also planning to provide a pool of tablets and laptop devices with applications such as electronic witness statements. It is intended that officers will be able to access force systems remotely using these devices. By using new technology the force is finding more efficient ways of working by removing the need for staff to return to the police station to access force IT systems.

The force has limited collaboration arrangements with other police organisations. It has regional agreements with other forces in the region to combat serious and organised crime through the North East Regional Special Operations Unit (NERSOU). The force is also exploring opportunities to collaborate with the seven other forces in its regional group on specialist operations, including firearms and motorway patrols, training, professional standards and major crime.

The force is more advanced in its collaboration with Northumbria Fire and Rescue Service. Following public consultation there is a firm plan in place to share accommodation at nine sites, this is expected to release capital funds over the next two years and reduce expenditure on building maintenance and utilities.

The force is working closely with a wide range of public sector and third sector partners as part of Operation Sanctuary. This includes a successful £1.3m bid to the Police Innovation Fund in 2015/16 to establish multi-agency hubs to tackle child sexual exploitation, vulnerability and modern day slavery.

Summary of findings



Good

The force has a good understanding of the demand on its services from the public and has used this to align staff and other resources to where need and risks are greatest.

The force is working to improve its overall understanding of demand by using information from various sources including incidents related to mental health. This is helping it assess current and future demand. The force has yet to conduct more detailed analysis to identify and reduce demand such as the additional work created by callers who are dissatisfied with the services provided and request a re-visit or make a complaint.

On the whole, the current workforce model matches demand. The force uses various methods to ensure its resources are deployed flexibly to meet fluctuating and unexpected demand. It has processes in place to address any issues which may have an impact on the force achieving its priorities including those detailed in the police and crime plan.

The force has a firm control of costs. It compares and challenges the way it performs and provides its services, by comparing its performance to other forces and using the HMIC value for money profiles. However, the force does not currently have a clear understanding of the costs involved in providing all of its various services.

How sustainable and affordable is the workforce model?

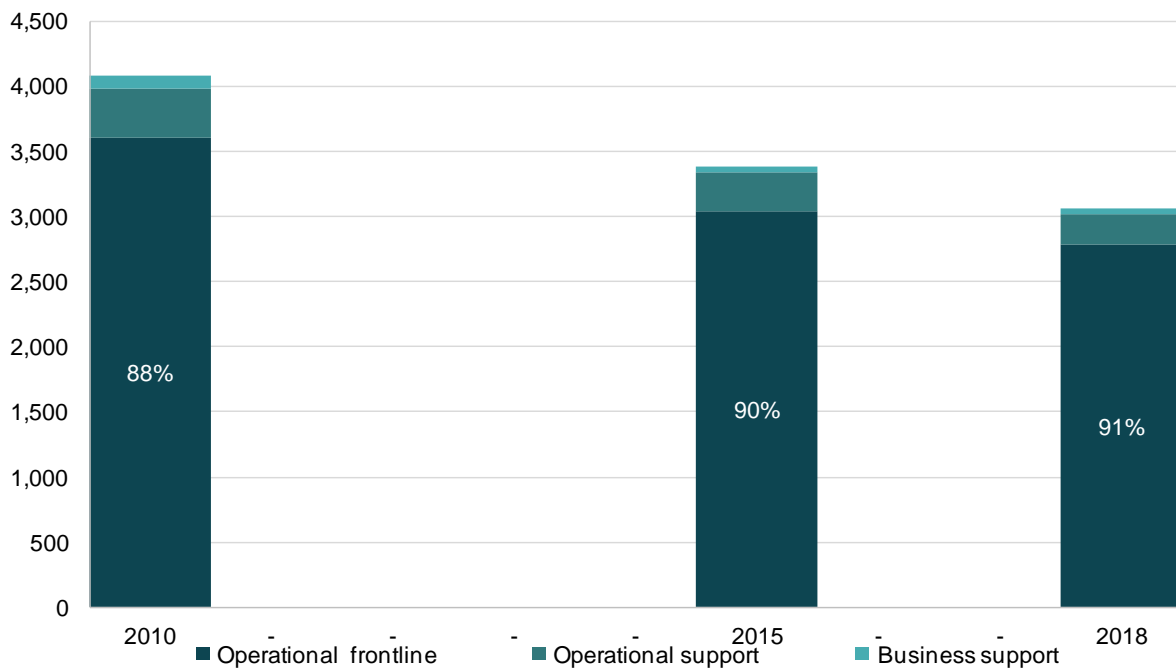
HMIC examined how Northumbria Police has structured its workforce (i.e. its mix of police officers, staff and PCSOs, and the proportion of all these groups working in frontline positions), and assessed whether this was affordable and sustainable as the force responds to its financial challenge. We also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

Northumbria Police forecasted a total savings requirement of £91.9m over the first four years of the spending review (2011/12 to 2014/15) as part of the value for money inspection. This is the equivalent of 26 percent of the 2010/11 gross revenue expenditure for the force. Savings were made in both the pay and non-pay budgets. Since 2010, Northumbria Police has seen a reduction of 673 police officers, 595 staff and 227 PCSOs full time equivalents (FTE).

In Northumbria, 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 88 percent in 2010 to 90 percent in 2015. The force expects to increase this proportion looking forward to 2018.

Figure 3: Actual and planned changes to police officer full time equivalents (FTE) in operational frontline, operational support and business support roles in Northumbria 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 4 please see Annex B

In the main the force's current workforce model matches demand, organisational and financial requirements. The force took a conscious decision to maintain officer numbers within local policing throughout the period of the previous spending review and this approach continues in 2015/16. To support this approach the force has used its financial reserves to achieve saving requirements rather than reduce officer numbers. This has allowed the force to fulfil its commitment to send a police officer to every call for service and support fully the 'victim first' element of the police and crime plan.

The force currently has a good understanding of the level of skills it needs to ensure it can meet the demand for its services. For example, it has brought in architectural and property marketing expertise to support its estates programme.

Looking ahead the force recognises the challenges of its current workforce structure due to the need to make savings in the future. To enable it to operate within its projected budget the force has mapped its workforce through to 2020 with planned reductions in police officer and police staff numbers. Due to the anticipated retirement of police officers, the force reports that it is planning to recruit 142 new officers in 2015/16, 67 in 2016/17 and 88 in 2017/18. This provides the force an opportunity to recruit the skills it needs to meet future workforce requirements.

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 Northumbria 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	4,187	-16%	-12%	3,514	-10%	-6%	3,161
Police Staff	2,096	-28%	-19%	1,501	-13%	-6%	1,308
PCSOs	438	-52%	-27%	211	-5%	-11%	200
Workforce total	6,721	-22%	-15%	5,226	-11%	-6%	4,669

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

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

To ensure it can meet changes in demand, as well as future organisational and financial requirements, the force has projected its future workforce model to 2020. It recognises that maintaining its current figures of 2,264 officers within local policing is not sustainable beyond 2015/16. Therefore, current workforce plans include reductions in local policing numbers in 2016/17 and 2017/18.

The force has introduced different ways of working to ensure it can improve the quality of its services and meet demand with a reduced workforce. For example, by increasing its ability to resolve certain incidents over the telephone rather than sending an officer, greater use of scheduled appointments and increased use of mobile devices. The force has yet to evaluate or predict the impact these changes may have on the demand for its services and is therefore unable to envisage fully its future operating model. The force plans to carry out this work during 2015 as the changes are implemented and the impact assessed. The force understands the need to agree its future workforce model prior to the reductions in local policing numbers, forecast from 2016/17, to ensure any potential negative impact on its services is minimised.

Summary of findings



Good

The force's current workforce model matches demand and organisational and financial requirements, for the most part. Evidence for this is shown by the way the force consistently responds to priority and emergency calls in good time and by its level of victim satisfaction, which is among the highest across all forces in England and Wales.

The crime rates in Northumbria, while increasing, are below those of its most similar group of forces.

The force recognises that the decision it has taken to maintain officer numbers in local policing can no longer be sustained. The force has introduced different ways of working to ensure it can improve the quality of its services and meet demand with a reduced workforce. As changes are implemented and the impact of these assessed the force is planning to use the opportunity to decide its future operating model. Until this work is completed the future workforce model is unclear.

The force has planned workforce numbers up to 2020. Although the number of officers and staff is expected to reduce, there may be an opportunity to recruit new officers with the skills the force requires to support its future workforce model.

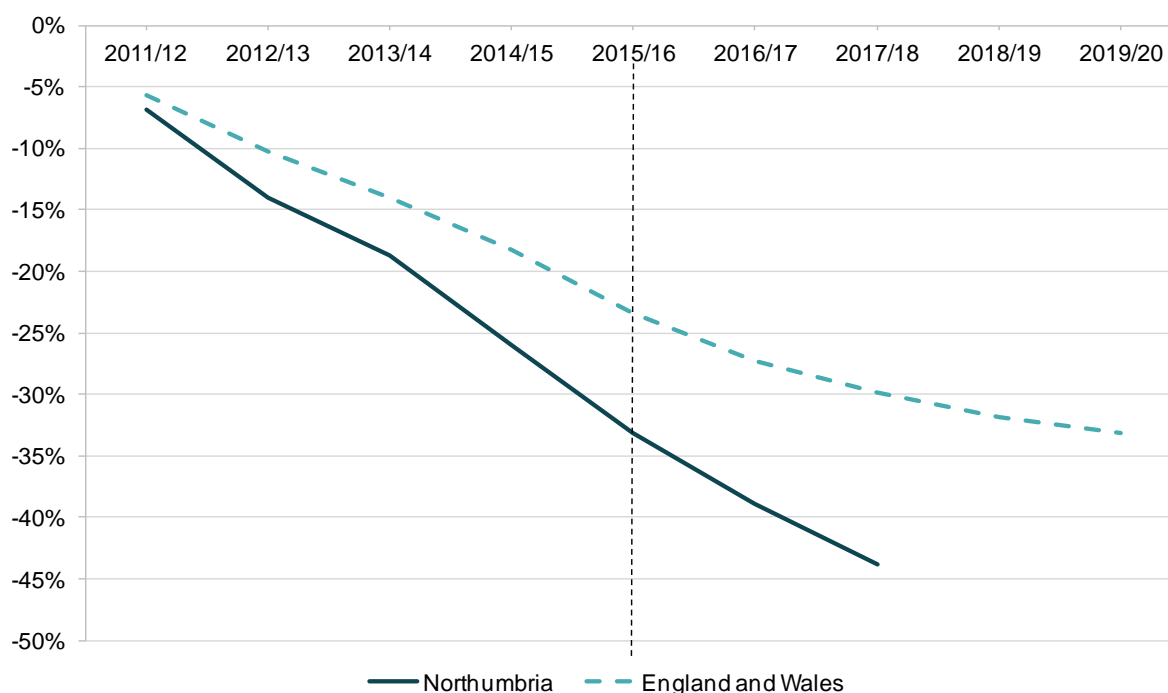
How sustainable is the force's financial position for the short and long term?

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?

Northumbria Police forecasted savings of £91.9m over the first four years of the spending review (2011/12 to 2014/15), the equivalent of 26 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 2017/18, against the 2010 gross revenue expenditure baseline for Northumbria 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 saving requirements and balanced the budget for the spending review period.

In 2014/15 the force's net spend was £275.4m. The savings requirement was £25.7m. Savings from pay were £12.2m and from non-pay £8.5m. The planned use of reserves to bridge the funding gap was £5m; due to lower spending on insurance cover, estates and the PCC's community grants, the force reports only £2.5m was used from reserves.

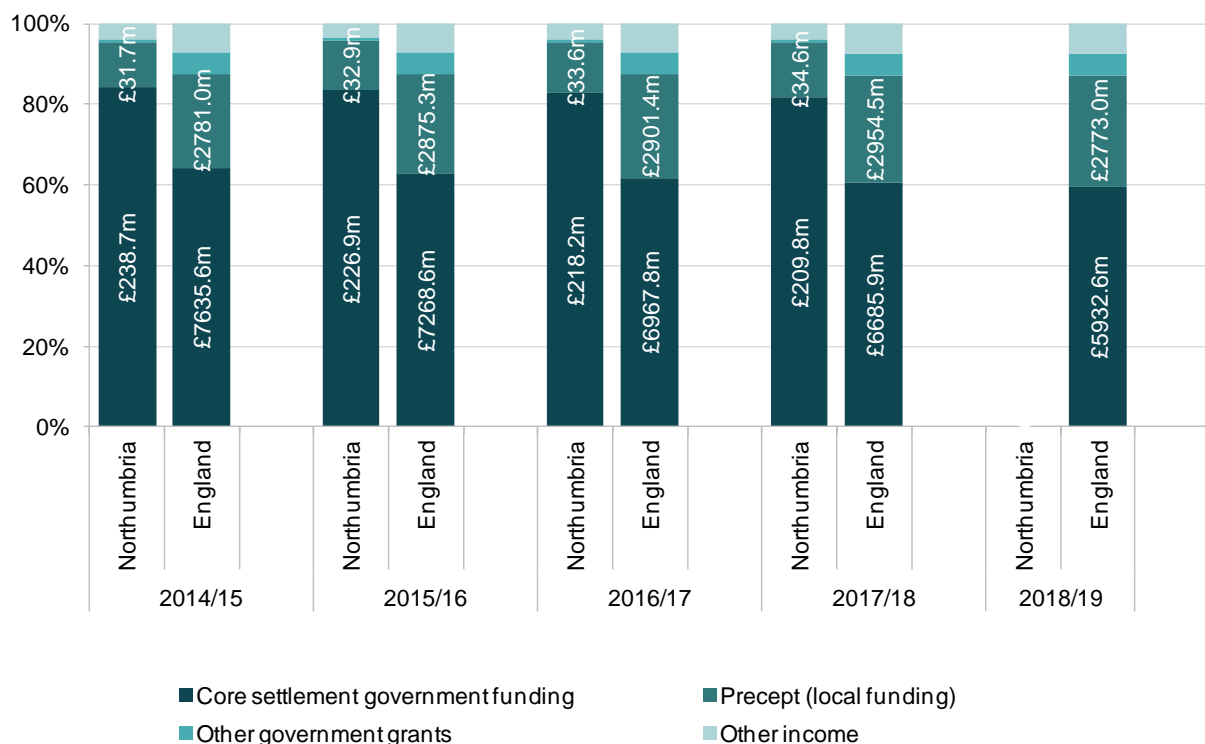
Has the force achieved a balanced budget for 2015/16?

Northumbria Police has planned a balanced budget of £281m for 2015/16, which includes a cut in spending of £25.4m. It is forecast that the reduction will be split between £12m from the pay budget (47 percent) and £4.2m (17 percent) from the non-pay budget. The remainder of the spending reductions are being met by a use of reserves. Collectively the forecast reductions since the 2010 baseline year, at the start of the spending review, to 2015/15 represent savings of 33 percent.

How well has the force maximised other funding opportunities?

Figure 6 demonstrates the amount of funding that the force received from a central government grant, as precept from local councils through council tax, and from other sources, such as Home Office special grants. Northumbria, of all 43 police forces in England and Wales, receives the lowest proportion of its funding from local precept and so is most affected by changes to central grant funding. The force 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 Northumbria Police in the 12 months to 31 March 2015 to the 12 months to 31 March 2019, compared to English forces



Source: HMIC efficiency data collection

The force has made the most of its other funding opportunities. The force made five successful bids to the Police Innovation Fund for 2015/16. This includes funding to assist with the development of multi-agency operational hubs to tackle child exploitation, vulnerability and modern day slavery. Other successful bids support: a

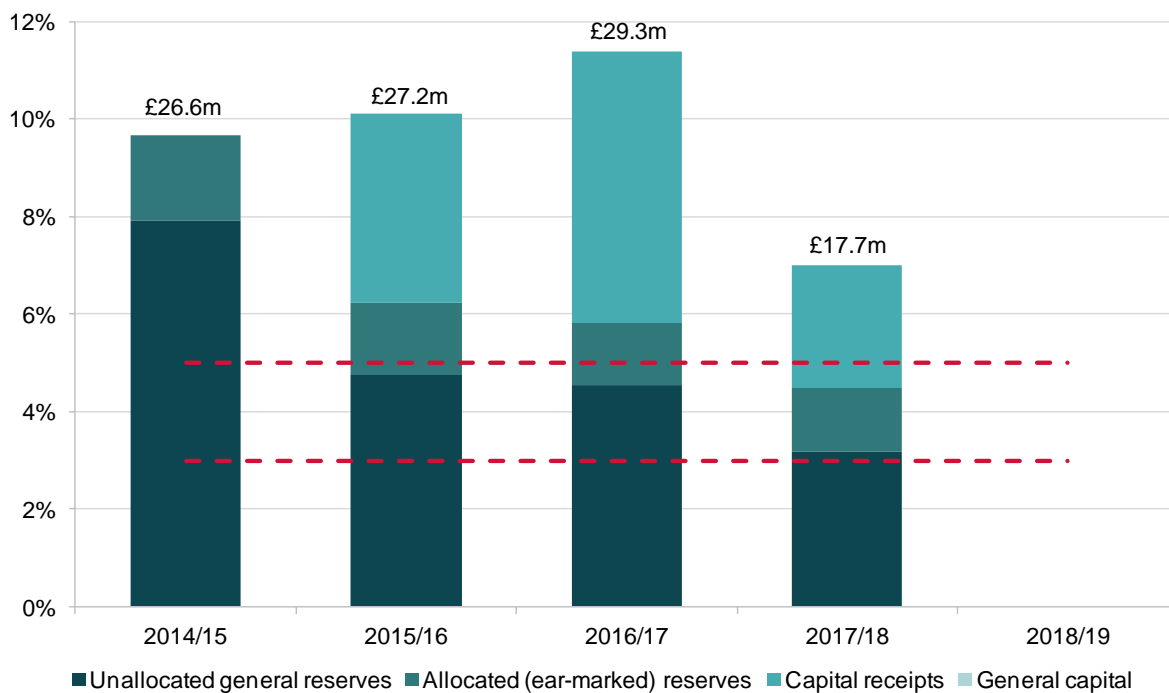
scheme to tackle domestic abuse perpetrators; facilities to enable children and vulnerable victims to give evidence to a court from remote sites via a TV link; a multi-agency safeguarding hub to support serial victims of domestic abuse and 'Safety Works', which is a multi-agency safety centre giving an interactive educational experience to communities.

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. Northumbria Police reported that its total reserves were £26.6m 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 good financial controls in place. It has robust arrangements in place for monitoring costs and outputs through various forums. These are supported by a joint PCC/force finance officer who attends force-level finance meetings as well as weekly meetings with human resources.

The force has tight control of expenditure. Pay budgets are centralised. Weekly resource meetings are chaired by the chief constable with recruitment and postings strictly controlled.

The force has a clearly articulated approach to the use of its reserves. Throughout the previous spending review the force used reserves to minimise officer reductions and maintain numbers within local policing.

The medium-term financial plan (MTFP) includes a principle to maintain reserves at a minimum of 2 percent of the revenue budget. Although the force intends to continue using reserves throughout the period of the current MTFP to 2017/18, reserves at the end of that period are expected to remain above the minimum level set by the force.

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

The force's estates' rationalisation programme is planned to change significantly the way the public can access its services. The PCC is working closely with the force on the programme to ensure plans are aligned to the objectives in the police and crime plan. Consultation is a key aspect of the programme and plans have already been presented to the police and crime panel and local councils.

The force works closely with the PCC on the way it responds to current and future financial challenges. For example, every quarter, a joint financial meeting is held with the PCC where she monitors every line of expenditure against objectives in the police and crime plan.

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 office of police and crime commissioner (OPCC) and assumptions are used to develop financial planning. All budget plans are shared with the PCC and she receives regular joint reports from the human resources and finance departments.

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

The force has a strong understanding of its current financial position and its likely financial position through to 2018, the end of the current MTFP. Due to uncertainty arising from the May 2015 general election and the July 2015 budget/spending review, the force made the decision not to plan beyond 2018. However, workforce numbers, based on anticipated leavers, have been projected to 2020.

The force predicts that future saving requirements could be achieved through normal workforce reductions (leavers) but it would not be able to continue with its current operating model. The force plans to develop a new operating model during 2015/16, this will be crucial if the force is to continue to achieve savings and maintain the high satisfaction levels that it currently enjoys. The force is well aware of the need to have a balanced budget by 2018/19 as by this time reserves are expected to have reduced close to their desired minimum of 2 percent and it is anticipated much of the estate assets will have been sold.

The estates' rationalisation programme plans to reduce the force's estate significantly. This would move the force from a position of owning to renting a large proportion of its accommodation, most of it being community bases and shared with other organisations, such as the fire and rescue service. In addition to reducing revenue costs such as building maintenance, the programme also provides for significant capital receipts, estimated by the force to be in the region of £32m to the end of 2016/17.

In 2014/15 the force realised £1.6m from the sale of police buildings. The force expects to realise a further £20.5m in 2015/16 and £9.9m in 2016/17 from the sale of police buildings. Due to the fluctuating nature of the property market the capital receipt estimates are the subject of frequent revision and are reported regularly to the joint business meeting.

The force plans to use these capital receipts to fund a three year capital programme. This is aimed to meet the cost of minor building works to support the migration to community bases, its 'Street to Strategic' IT plan and the replacement of vehicles and equipment without the need for additional borrowing.

The force also plans to use capital receipts to support the revenue budget by £4.4m in 2016/17 and £4.2m in 2017/18. To ensure these plans are realistic it has taken independent advice on using capital receipts in this way and has informed its external auditors.

The force acknowledges that there are some risks attached to the estates' rationalisation programme. These are linked more to the phasing of the sales rather than the marketability of the estate. The force has taken professional advice on the phasing of the sales to maximise the income generated. Current estimates provide

for capital receipts of £8m over and above the sums required to fund the capital programme and to support the revenue budget. This provides some room for change in market conditions.

However, the use of reserves and capital receipts to support the revenue budget is not sustainable beyond 2017/18. To address this issue the force plans to have an affordable workforce and balanced budget by 2018/19.

Summary of findings



The force achieved its saving requirements and balanced the budget for the spending review period. The force has set a balanced budget for 2015/16, which includes the use of £9.2m of reserves to bridge the funding gap.

The force has been successful in receiving monies from the Police Innovation Fund to support its work to prevent harm to vulnerable people and reduce demands on its services.

The force has firm control of its finances. The force shares a Joint Chief Finance Officer with the police and crime commissioner (PCC).

This helps the timely sharing of financial information and ensures that they are developing financial plans based upon common assumptions.

The force has a strong understanding of its likely financial position up to 2018 and its workforce numbers until 2020. Plans up to 2017/18 rely on the use of reserves and the sale of surplus and unsuitable buildings to meet financial challenges.

The effective implementation of its 'Street to Strategic' information technology programme is expected to be key in minimising the impact of staffing reductions and maintaining a high quality of service to the public. Longer-term saving plans are less certain and depend on collaboration with local organisations and neighbouring forces.

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,⁵ 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.

⁵*Striking a balance: Improving councils' decision making on reserves*, Audit Commission, December 2012. Available from <http://webarchive.nationalarchives.gov.uk>