



Promoting improvements
in policing to make
everyone safer

PEEL: Police efficiency 2016

An inspection of Leicestershire Police



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Introduction

As part of its annual inspections into police effectiveness, efficiency and legitimacy (PEEL), HMIC assesses the efficiency of police forces across England and Wales.

As with all public services, it is vital that the police service operates in a way that makes the most of all its available resources. Police forces need to make sure they understand the current demand for their services. This is to make sure that they use all the resources available to them to fight all types of crime and to protect communities. Also, forces need to be looking to the future to understand how that demand may change and to plan where they need to invest extra resources or change the ways they operate so that the public can continue to receive the policing it expects and deserves.

As part of the government's objectives to cut public spending, central funding to the police service in England and Wales has been reduced by around 20 percent since 2011. Police forces across England and Wales have faced a difficult challenge to sustain effective levels of policing in the face of significant budget cuts. Forces need to continue to make efficiencies and invest resources wisely in order to maintain a focus on reducing crime and keeping their communities safe. HMIC considers that a police force is efficient if it is making the best use of its resources to provide policing services that meet expectation and follow public priorities, and if it is planning and investing wisely for the future.

HMIC's efficiency inspection assessed all of these areas during 2016. More information on how we inspect and grade forces as part of this wide-ranging inspection is available on the HMIC website (www.justiceinspectorates.gov.uk/hmic/peel-assessments/how-we-inspect/). This report sets out our findings for Leicestershire Police.

Reports on Leicestershire Police's legitimacy and leadership inspections will be available on the HMIC website (www.justiceinspectorates.gov.uk/hmic/peel-assessments/peel-2016) in December 2016. Our reports on police effectiveness will be published in early 2017.

Force in numbers



Financial position

Forecast change in total gross revenue expenditure	2016/17 £179m	2019/20 £184m	Percentage change +3%
Forecast savings:			
Amount of forecast savings	2016/17 £10.4m	2019/20 £2.8m	
Percentage of gross revenue expenditure	5%	1%	



Workforce

Planned change in officer numbers	2015/16 1,859	2019/20 1,769	Percentage change -5%
Planned change in total workforce	2015/16 3,306	2019/20 3,338	Percentage change +1%
Officer cost per head of population in the 12 months to 31 March 2016	Leicestershire Police £92	England and Wales force average £98	
Workforce cost per head of population in the 12 months to 31 March 2016	£142	£143	



Calls for assistance

999 calls per 1,000 population 12 months to 31 March 2016

Leicestershire Police

121

England and Wales force average

124



Recorded crime

Changes in recorded crime (excluding fraud) per 1,000 population 12 months to 31 March 2016

2014/15

56

2015/16

58

Percentage change in recorded crime (excluding fraud) per 1,000 population 12 months to 31 March 2016

Leicestershire Police

+3%

England and Wales force average

+9%



Victim satisfaction

Victim satisfaction with the overall service provided by the police 12 months to 31 March 2016

Leicestershire Police

79%

England and Wales force average

84%

For further information about the data in this graphic please see annex A

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

Overall judgment¹



Good

Leicestershire Police has been assessed as good in respect of the efficiency with which it keeps people safe and reduces crime. The force has a good understanding of current demand for its services, but could do more to understand likely future demand. It uses its resources well to manage current demand, reallocating some resources to high-priority areas such as public protection. The force has a good track record of reducing costs and reinvesting in high priority areas, and collaborates well with other forces and organisations in the region. It works hard to increase its efficiency and improve the service it provides. In last year's efficiency inspection, Leicestershire Police was judged to be good.

Overall summary

Since HMIC's 2015 inspection, Leicestershire Police has continued to be efficient in how it keeps people safe and reduces crime. The force has a comprehensive understanding of its current demand. It has used an academic model (the Cambridge harm index) to measure crime, rather than counting types of crime. This means that it can identify those communities suffering the most harm from crime and target resources in those areas. The force is working with partner organisations, such as the health, probation, fire and ambulance services, to understand and assess future demand. It is also working with them to understand the effects of budget cuts and to identify and mitigate any risks.

Leicestershire Police is good at using its resources to manage current demand and has strong processes in place to ensure that it is prioritising its resources. Its rigorous ongoing outcome-based budgeting processes mean the force has a clear understanding of the costs of its services. In conjunction with HR and finance, any costs, savings, investments and the associated staffing changes are clearly tracked and results are analysed to assess their impact. It has a limited understanding of its current workforce skills and capabilities but is seeking to improve its understanding through a skills audit of the workforce. This will be essential for the force to understand and develop the capabilities it needs for the future and meet crucial current gaps in areas such as firearms policing and public protection. The force has

¹ HMIC judgments are: outstanding, good, requires improvement and inadequate.

a commendable approach to regional collaboration and a good record of joint working arrangements. All five East Midlands forces have collaborated in investment in ICT with the aim of being able to access the same IT systems to reduce costs and improve efficiency. The force needs to ensure it assesses the benefits of the new ICT systems.

The force is good at planning for demand in the future and is developing credible plans based on assessments of likely future demand and anticipated workforce numbers. The force challenges itself to make further savings to increase efficiency and improve on the level of services it provides. Its medium-term financial plan shows the force plans to allocate more resources to areas likely to see increased demand, such as child sexual exploitation and safeguarding. Plans for increased collaborative work with other forces are ambitious in terms of scale and the potential benefits that could be realised. The force has managed its financial position well and should be able to cope if the expected savings from collaboration are not fully realised or delayed.

Recommendations

Leicestershire Police is a good force. HMIC has not identified any causes of concern and therefore has made no recommendations.

How well does the force understand its current and likely future demand?

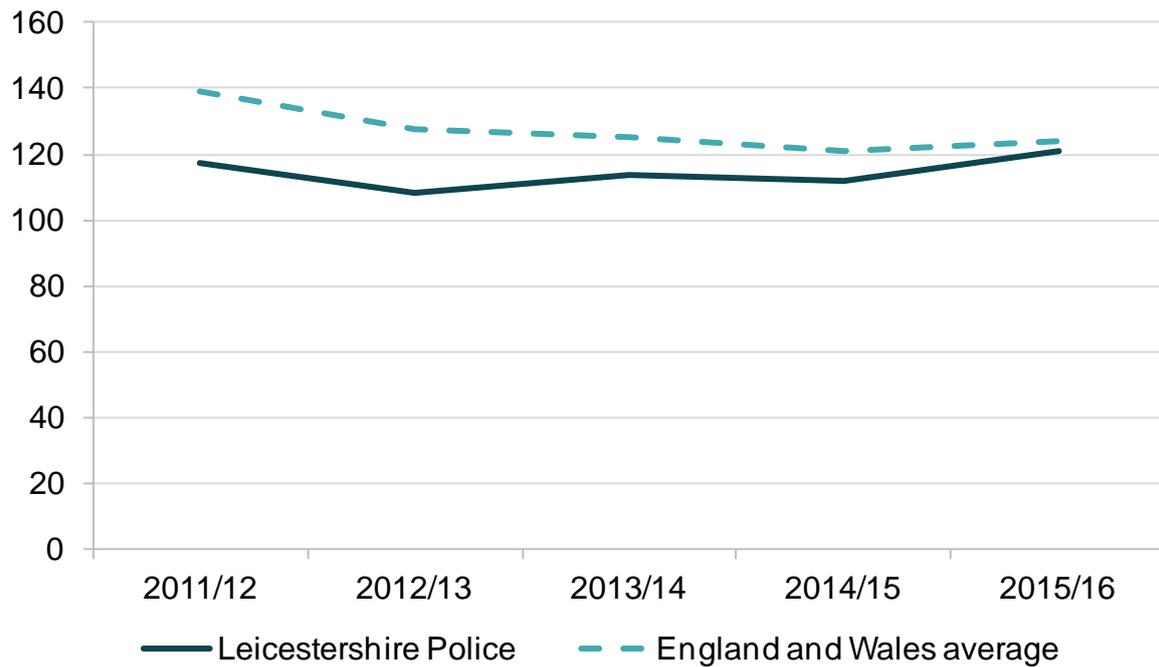
A good understanding of the demand for police services is vital in ensuring that forces have the right resources in the right place to provide the right level of policing now and in the future. This means not just an understanding of reported incidents but also how well a force proactively looks for demand that is less likely to be reported (e.g. incidents relating to modern slavery or child sexual exploitation) so that it can ensure that it protects the most vulnerable victims. Forces also need to understand how much resource to put into work that prevents crime and anti-social behaviour from occurring in the first place. It is important that forces continually review how they operate to ensure that they are not wasting police resources by operating inefficiently or responding to unnecessary demands.

Forces must understand how demand is changing and how they need to change in order to adapt to ensure that they can plan for the future and continue to respond effectively. As well as assessing likely future threats and risks from crime, this also means understanding and assessing the potential impact of wider societal and environmental changes on the demands they will face.

How well does the force understand the current demand for its services?

Police services cover a wide spectrum of activities and go far beyond the most obvious demands for providing a response to 999 calls, protecting victims of crime and pursuing offenders. It is important that forces have a comprehensive understanding across the whole range of different demands they face, including early intervention work with other organisations to prevent crime and proactively seeking out 'hidden' crimes (e.g. domestic abuse, internet crime, fraud, modern slavery and crime in communities who are more reluctant to trust or engage with the police). Police forces also need to understand how efficiently they run their own operations in order to avoid wasted effort and to ensure that they make the best use possible of all available resources.

Figure 1: Volume of 999 calls per 1,000 population received by Leicestershire Police compared with England and Wales in the 12 months to 31 March 2012 to the 12 months to 31 March 2016

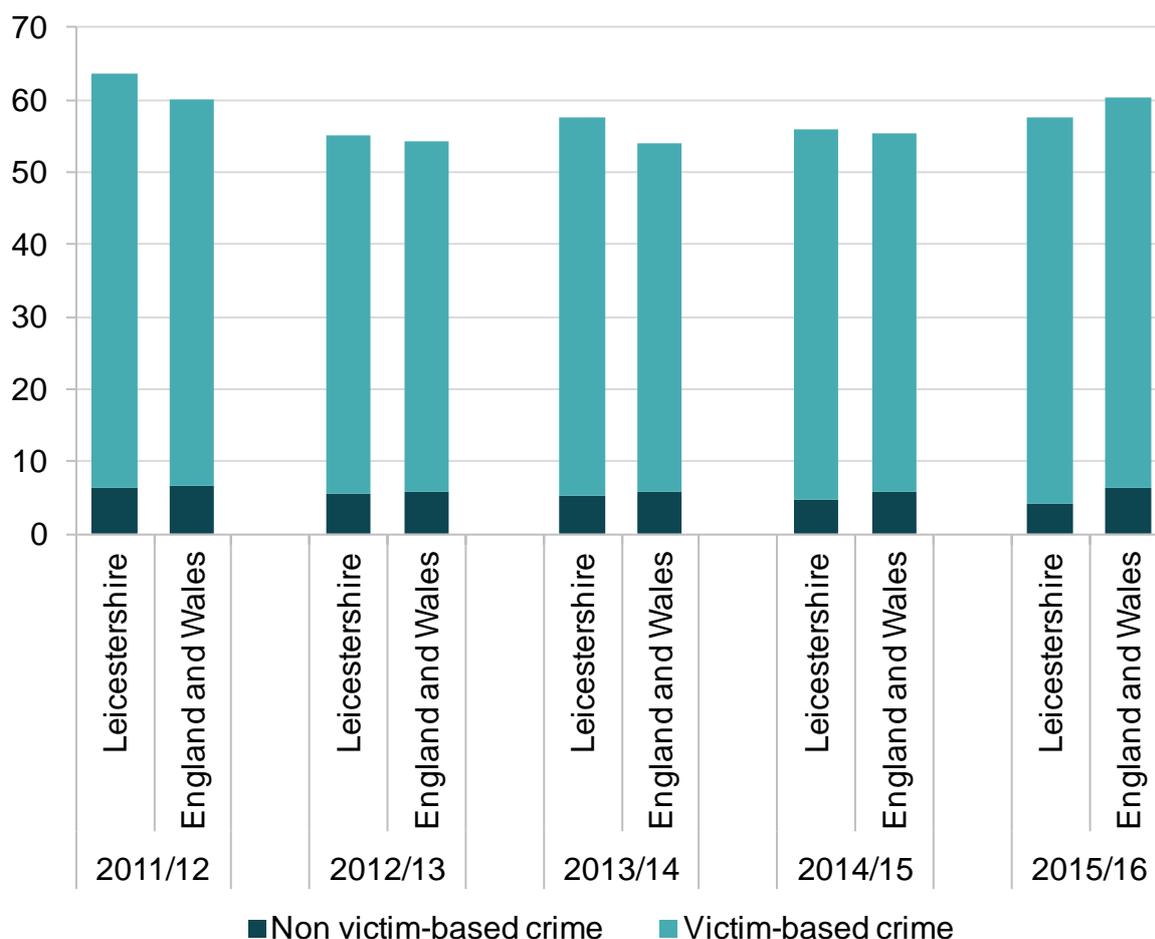


Source: Home Office Annual Data Requirement

For further information about the data in figure 1, please see annex A

Leicestershire Police received 121 '999' calls per 1,000 population in the 12 months to 31 March 2016. This was broadly in line with the England and Wales average of 124 calls per 1,000 population. In the 12 months to 31 March 2012, the force received 117 '999' calls per 1,000 population, lower than the England and Wales average of 139 calls per 1,000 population.

Figure 2: Police recorded crimes per 1,000 population in Leicestershire Police compared with England and Wales in the 12 months to 31 March 2012 to the 12 months to 31 March 2016



Source: Home Office Police recorded crime data
For further information about the data in figure 2, please see annex A

With regard to police recorded crime for the 12 months to 31 March 2016, Leicestershire Police recorded 53.2 victim-based crimes per 1,000 population, broadly in line with the England and Wales average of 53.8 victim-based crimes per 1,000 population. Over the same period, Leicestershire Police recorded 4.3 non victim-based crimes per 1,000 population, lower than the England and Wales average of 6.5 non victim-based crimes per 1,000 population. There has been a decrease in the victim-based crime rate of 7 percent and a decrease in the non victim-based crime rate of 33 percent since the 12 months to 31 March 2012.

In February 2015, the force introduced a new operating model under a programme of change called Project Edison. At this time, the force also introduced a process where calls from the public are assessed on the basis of threat, harm and risk (THRIVE),² rather than making it mandatory to attend incidents of certain types of crime. Last year we found that call-handlers had been trained in the use of the National Decision

² Thrive is the assessment of Threat, Harm, Risk, Investigation, Vulnerability, Engagement.

Model,³ allowing them to make appropriate resourcing decisions. When not responding to calls, units were deployed to high demand locations, which the force has termed 'Tiger' areas.

Since last year, the force has been developing its approach to demand under the programme Blueprint 2020, which includes a strand to make use of an academic assessment, the Cambridge harm index.⁴ This considers the harm, rather than solely crime type, of criminality and anti-social behaviour upon communities by drawing upon police and partner agency data. By using this assessment, the force has looked to identify those communities suffering the most harm from crime and to enable resources to be targeted to those areas. The force has completed the mapping phase of this exercise and is now considering the movement of resources to tackle the issues identified. While some other forces are looking to take a harm-based approach to allocating resources, the approach Leicestershire Police is taking appears to be a particularly systematic way of understanding and tackling demand, including hidden demand. The next step of allocating resources differently will of course be very important and HMIC looks forward to seeing the results from this over the next year.

The force is also identifying more efficient ways of working, in particular making better use of technology. It has sought to increase the ability of the workforce to work in a more agile way, by encouraging remote working. This has allowed the force to make better use of its buildings and reduce costs. The force is also making more effective use of technology to speed up its processes, for example by having CCTV images sent to the force electronically rather than sending an officer to collect them. The force will need to continue to make progress in this area, in order to take full advantage of the potential benefits of technological advances across all areas of the force. The inspection found some examples of frontline officers not being able to make full use of the technology available to them.

³ The National Decision Model is the decision-making tool which has been adopted nationally for use by police forces. It is an Authorised Professional Practice at the College of Policing. It provides a framework of steps to assist an officer in assessing a situation and deciding on appropriate action (including gathering information, assessing risk, and identifying options).

⁴ For information about the Cambridge Harm Index, see www.cam.ac.uk/research/news/crime-measuring-by-damage-to-victims-will-improve-policing-and-public-safety

How well does the force understand potential future demand for its services?

Demands for police services are continually evolving. Forces need to anticipate and understand likely future changes so that their plans keep pace with the public's needs and expectations. Potential future demand includes new and emerging types of crime, such as cyber-crime, modern-day slavery and human trafficking. Also, it includes changes to the communities that forces serve, developments in technology and environmental events, such as flooding.

Leicestershire Police has taken positive steps to engage with its partner organisations to understand and assess future demand. These arrangements include meetings and joint partnership boards at a senior level with the health, probation, fire and ambulance services. The force has taken practical steps to recognise the consequences of budget cuts to other organisations and ensure that the greatest risks are identified and safeguarded against.

The force has made informed judgments about where to place its resources and investment choices, on the basis of demand that is likely to grow. For example, during the next 12 months, the force plans to place an additional 39 officers and 35 police staff into the areas of investigating child sexual abuse, rape and domestic abuse. The plans submitted to HMIC prior to inspection indicate that the force also plans to fix budgeted police community support officer (PCSO) numbers at 251 until at least 31 March 2020, which should help the force to maintain a strong community presence and identify demand that is less likely to be reported.

The force recognises that it needs to continue to develop its understanding of potential cuts in other public sector organisations and has plans to increase engagement. It has also identified the need to work through the potential consequences if specific services, for example local authority prevention work or probation support around youth offending, are reduced in 2017/18 as pressure on budgets increases.

Summary of findings



Good

Leicestershire Police has continued to build on the positive understanding of demand which HMIC commented on in our 2015 efficiency report. The force has used an academic model (the Cambridge harm index) to create a more nuanced understanding of where the most significant geographic areas for 'high harm' crimes are located. This mapping exercise is now complete and should help the force to identify areas where demand is less likely to be reported to the police.

The force is trying to establish what savings are being made by its local public sector partners. The force recognises that their budgets will be under particular pressure from 2018 onwards and that this may affect future funding for initiatives such as the local authority prevention scheme. While the force has undertaken some positive work in relation to understanding potential future areas of demand, it recognises that it still has more work to do in this area.

How well does the force use its resources to manage current demand?

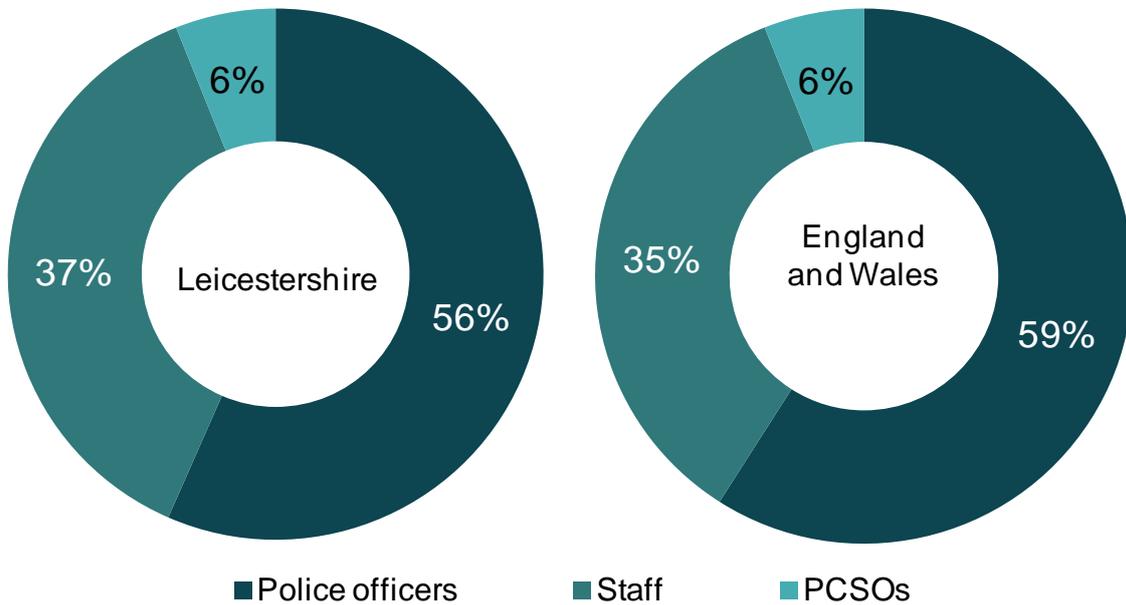
Police forces need to operate in a way that makes the best use of all available resources so that demand is met and public expectations are satisfied. We looked at the extent to which Leicestershire Police has the right people with the right skills in the right place to protect the public and to fight crime. Police resources have been reducing continually over recent years. It is increasingly important that resources are aligned to priorities to provide value-for-money services that tackle priorities, manage demand and meet financial requirements. This not only involves a force using its own workforce as efficiently as possible; it also involves the police working in new ways with others to ensure the best possible service to the public, and using all available resources to improve efficiency.

For a number of years, police forces have been focused on changing the way they operate and finding ways to save money in order to manage reducing budgets. It is important that these savings are sustainable and forces can demonstrate that they have achieved efficiencies while continuing to have the capacity and capability to meet demand.

How well does the force's current allocation of resources match demand, organisational and financial requirements?

Police forces need to consider many factors when deciding how to allocate their resources, including all elements of demand, local risks and priorities, and their national responsibilities. We looked at how well Leicestershire Police assesses these factors in making decisions about the level of service to provide and how to use its resources to best effect.

Figure 3: Police officers, staff and PCSOs as a proportion of total workforce in Leicestershire Police compared with England and Wales as at 31 March 2016



Source: Home Office Police workforce statistics

Note: figures may not add up to 100 percent due to rounding of numbers. For further information about the data in figure 3, please see annex A

As at 31 March 2016, police officers make up 56 percent of Leicestershire Police's workforce. This was broadly in line with the England and Wales average of 59 percent. The proportion of staff in Leicestershire Police was 37 percent, broadly in line with the England and Wales average of 35 percent. The proportion of PCSOs in Leicestershire Police was 6 percent, in line with the England and Wales average of 6 percent.

Figure 4: Planned changes in full-time equivalent workforce from 31 March 2010 to 31 March 2020 for Leicestershire Police compared with England and Wales

	March 2010	Change from 2010 to 2016		March 2016	Change from 2016 to 2020		March 2020
		Force	England and Wales		Force	England and Wales	
Officers	2,317	-20%	-14%	1,859	-5%	-2%	1,769
Staff	1,272	-3%	-21%	1,237	7%	-5%	1,318
PCSOs	233	-10%	-35%	210	20%	-6%	251
Workforce total	3,822	-14%	-18%	3,306	1%	-3%	3,338

Source: HMIC Efficiency data collection

For further information about the data in figure 4, please see annex A

Managing demands for police services

The force has processes in place to ensure that it is prioritising its resources to meet the demand for its services, based on a good understanding of demand and a thorough resource allocation process.

The force was able to demonstrate that the core elements of its previous force change programme (project Edison) achieved savings of £20m through the reduction of nearly 400 officers, including a reduction in the number of supervisors and 71 PCSOs (both counted as full-time equivalents or FTE).

The force has used its understanding of demand to re-allocate some of these officer posts to meet areas of high current demand by increasing numbers in its patrol and resolution team (50 FTE), force priority team (12 FTE), neighborhood priority teams (56 FTE) and the force investigation unit (48 FTE). It has maintained the previously agreed number of PCSO FTEs at 251. As a consequence, the net overall financial savings from Edison are £10.3m.

HMIC has observed strong governance arrangements for change within the force, with investment opportunities considered and agreed at senior level. The force's strategic change board takes account of wider changes throughout the force and in the other agencies with which the force works. HMIC found evidence that the board was making prudent short-term decisions in reallocating staff to meet immediate priorities, including within the incident management unit, as well as working to

identify the most appropriate assets for investment, such as the type and distribution of its fleet. Many of these decisions are supported by a rigorous, ongoing, outcome-based budgeting (OBB) process.⁵

We found that the force has a clear understanding of the cost of its services and was able to demonstrate very detailed budgeting processes. It carries out further analysis through its change programme, and, working with HR and finance, costs, savings, investments and the associated staffing changes are clearly tracked. The force has undertaken detailed work to understand the benefits realised from its previous change programme, which also included a continuous improvement element that focused on end-to-end processes across the force. The force was able to demonstrate that it had made amendments to its systems as a result of this benefits realisation process.

The force is aware that its approach to realising benefits from change could be more comprehensive and that it will need to complete this work for recent changes in ICT. Given that the force has ambitious plans for ICT improvements in the future, it will be important for it to undertake this work, though early indications from the force demonstrate that it has made savings by decommissioning old IT systems, increasing agile working and taking a new approach to some areas. For example, the force IT department is now able to run its helpdesk from a virtual environment.

The force understands the detailed costs and quality of current service levels in some areas and has previously conducted OBB processes that have significantly reduced the cost of business support functions for the force and made wider savings for collaborated units. The force is planning to extend this process to other business areas during the next 12 months.

Increasing efficiency

The force recognises the need to become more efficient and has a strong starting point with its good understanding of the costs of services in relation to the quality and level of services that it provides. HMIC found evidence that the creation of the managed appointment unit over the last year has had a positive effect on its efficiency. This unit assesses the need for a police response and then determines the correct resources to attend in a managed way, rather than simply sending a response officer to determine what is required. We have also seen good use of technology throughout the force, such as mobile technology and software applications which are being developed to provide further efficiencies. HMIC still found examples of frontline officers not being able to make best use of the

⁵ Budgeting for outcomes (sometimes known as outcome, results-based or performance budgeting) is an approach to allocating budgets based upon the impact the spending has on outcomes. The focus is on outcomes because what matters is why an organisation is doing an activity rather than the activity itself.

technology the force has provided, including because of limited functionality and long log-in times. The force is aware of this, however, and provided evidence to indicate it was tackling issues through the procurement of new technology.

How well does the force improve the productivity of its workforce?

Finding ways to make police officers and staff more efficient when they are out in their communities and reducing time spent doing back-office functions is essential to ensuring that police officers remain visible, on the beat and engaged in activities to reduce and fight crime. Police forces spend around 80 percent of their budget on staffing, so it is vital that the workforce is as productive as possible. This means forces need to ensure that all of their staff have the skills and capabilities to provide the required level of service. We assessed how well Leicestershire Police understands the skills its staff need, both now and in the future; where there are gaps in either capacity or capability, we looked at whether the steps it is taking are appropriate to ensure that its staff work as efficiently and effectively as possible. We looked in particular at whether the workforce has the right level of digital skills, both to make the most of current ICT systems and to investigate crime digitally.

We found that the force currently has a limited understanding of its current workforce skills and capabilities. The force recognises that it needs to invest further in this area and is in the process of auditing and assessing its workforce skills requirement for the next five years, taking into account budgets, leavers, promotions and secondments. At the time of our fieldwork, this skills audit was incomplete.

The current lack of understanding of existing skills and gaps in its workforce is likely to be having a negative effect on the ability of the force to match officers with the correct skills efficiently to areas of high demand. The force was able to demonstrate some evidence of plans to recruit some specialist skills. At the time of our inspection, the force was also considering further collaborative work with other East Midland forces, which would have an impact on both the numbers and skills needed in the future. The force will need to make sure that it not only undertakes the skills audit but is also able to demonstrate that it can consistently and coherently make use of the audit to allocate routinely the most appropriate resource to priority areas where the skills will be put to best use.

Tackling workforce gaps

Leicestershire Police currently has a vacancy rate of 4.9 percent, compared to an England and Wales average of 1.2 percent. The inspection found evidence of skills gaps in the workforce, including a lack of officers trained in specific safeguarding skills. The force does have plans to try to recruit officers with these skills from other forces, though there remains a national shortage of officers with these skills.

The inspection did find examples of the force quickly addressing short-term staffing pressures by temporarily placing extra officers in the incident management unit. This was to deal with an increase in workload due to the implementation of a new way of working. While this is positive evidence of the force's ability to respond quickly when problems arise, it may also demonstrate a consequence of the challenges the force faces in implementing new ICT platforms. Such short-term moves are also likely to have caused significant gaps in the areas from which these officers have been moved.

How well does the force work with others to improve how it manages demand for its services?

We assessed how well Leicestershire Police has explored all opportunities to work in collaboration with others to increase efficiency and provide better, more resilient services. This can include work with other police forces, local public sector organisations, the private sector and the voluntary sector. We looked at whether the force has a clear rationale for the decisions it has taken about how it works with others, and whether it has a good understanding of how successful its joint working has been in helping it to meet demand for its services better.

Collaboration benefits

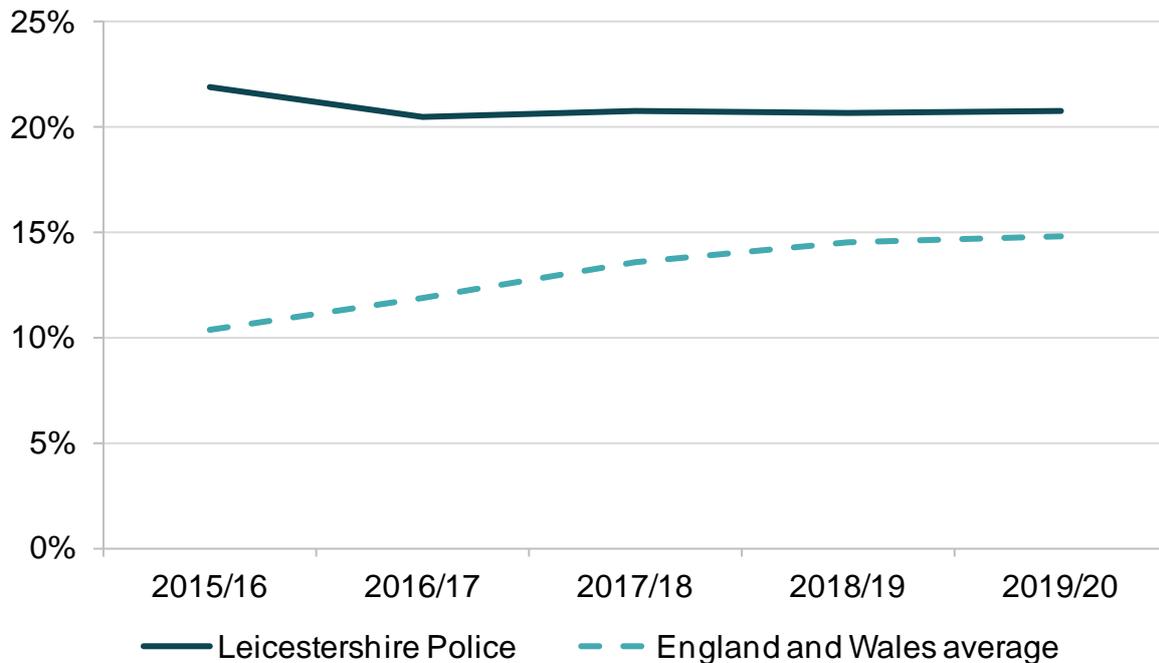
Leicestershire Police continues to contribute strongly to a complex picture of collaborative working with neighbouring forces across the East Midlands area. The force can demonstrate clearly how collaborative working is improving outcomes, reducing costs, building resilience and demonstrating positive outcomes. In 2015, the East Midlands forces' police and crime commissioners (PCCs) commissioned consultants to conduct a mapping exercise to give assurance about the benefits of regional collaborative work. This aimed to improve how savings from collaborative working, efficiencies, performance management and financial management were tracked through the regional PCC board.

In data supplied during our inspection, we found that Leicestershire Police's membership of the East Midlands operational support services saved the force £201,315 in the 2014/15 financial year. Other benefits have also been realised, such as increased interoperability and improved efficiency. The development of current collaboration is projected to increase further cost savings over time as it is developed further with enhanced capability, capacity and resilience across the East Midlands area.

The force appears to maintain positive engagement with partner agencies, and spends broadly in line with the England and Wales average in collaboration with non-police organisations. It shares some of its estate with them and has had some other successes, including the mental health triage arrangements with local health agencies. It has not been able to demonstrate, however, either savings or improved

capacity and capability to the same extent as it can when collaborating with other police forces and does not appear to have as wide-ranging or comprehensive an approach to partnership when compared to the highest performing forces in this area.

Figure 5: Projected percentage of net revenue expenditure (NRE) in Leicestershire Police, compared with England and Wales, on collaboration with other forces in the 12 months to 31 March 2016 to the 12 months to 31 March 2020

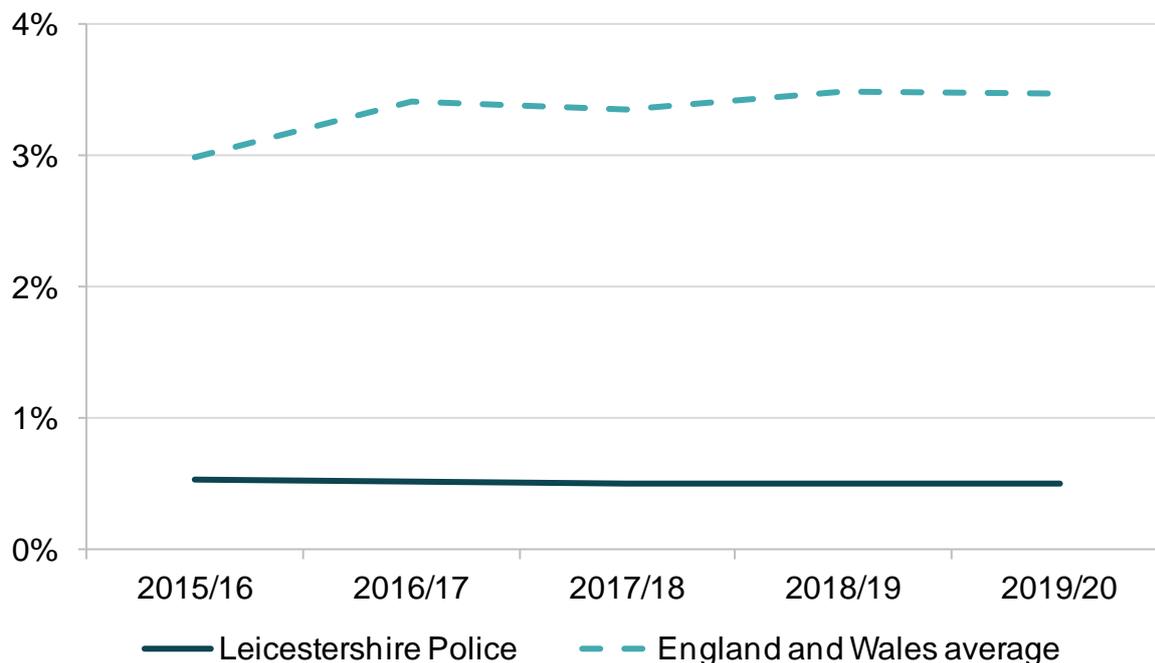


Source: HMIC Efficiency data collection

Note: some forces could not provide data for all years. These forces have been excluded from the England and Wales average in those years only. West Mercia Police and Warwickshire Police stated that all of their NRE is spent in collaboration. To avoid distorting the distribution of forces, these have been removed from the England and Wales average for this figure. For further information about the data in figure 5, please see annex A

Leicestershire Police has forecast that it will spend £34.3m in 2016/17 on collaboration with other police forces. This is 20.4 percent of its NRE, which is higher than the England and Wales average of 11.9 percent. For 2019/20, the force has forecast that it will spend £35.8m (20.8 percent of NRE) on collaboration with other police forces. This is broadly in line with the England and Wales average of 14.8 percent.

Figure 6: Projected percentage of NRE in Leicestershire Police, compared with England and Wales, on collaboration with non-police organisations in the 12 months to 31 March 2016 to the 12 months to 31 March 2020



Source: HMIC Efficiency data collection

Note: some forces could not provide data for all years. These forces have been excluded from the England and Wales average in those years only. For further information about the data in figure 6, please see annex A

Leicestershire Police has forecast that it will spend £0.9m in 2016/17 on collaboration with non-police organisations. This is 0.5 percent of its NRE, which is broadly in line with the England and Wales average of 3.4 percent. For 2019/20, the force has forecast that it will spend £0.9m (0.5 percent of NRE) on collaboration with non-police organisations. This is broadly in line with the England and Wales average of 3.5 percent.

How well does the force understand how any changes made to improve efficiency have affected its ability to manage demand?

As resources reduce and demands on police services become ever more complex, it is increasingly important that forces understand fully the benefits that are realised from any investment and the impact of any new ways of working. This understanding enables them to learn from what works and to take swift action to mitigate any negative results.

Leicestershire Police can demonstrate to a limited extent the benefits realised and the efficiencies from its investments. Capital investments are always subject to a business case; currently the force is investing in its third generation of mobile devices, which it hopes will improve upon the poor performance from previous devices. It is unclear what specific benefits the force is seeking to achieve from the new mobile devices and we were told that the force does not always conduct a benefits realisation assessment before moving on to other investments.

However, in 2015 the force did complete a detailed benefit realisation assessment for Project Edison, its major change programme. This covered a range of different outcomes, including anti-social behaviour and crime rates as well as victim satisfaction. Data provided by the force on the outcomes indicated that the force achieved a net reduction in officer headcount between the end of March 2015 and the end of March 2016 of 96 officers (FTE) and a projected decrease to 1,769 budgeted officer posts (FTE) by March 2017.

Summary of findings



Good

The force has strong processes in place to ensure that it is prioritising its resources to meet current demand. As a result of its rigorous, ongoing, outcome-based budgeting processes, the force has a well-developed understanding of the costs of services in relation to the quality and level of outcomes or results. When combined with a good understanding of its current demand, this has allowed the force to make pragmatic and quick decisions around re-allocating resource to high-priority areas.

HMIC found that the force has a limited understanding of its current workforce skills and capabilities but is seeking to improve its understanding through a skills audit of the workforce. This will be essential in order for the force to understand and develop the capabilities it needs for the future but also to help in meeting crucial current gaps in areas such as firearms policing and public protection. The force has previously undertaken robust processes to understand the consequences of its major change programme and recognises that it needs to continue to develop this approach to cover the recent implementation of new ICT systems.

How well is the force planning for demand in the future?

HMIC examined how well forces are using their understanding of current and future demand on their services to develop more efficient ways of operating that balance ambition, realism, innovation and risk. Our assessment examined the extent to which Leicestershire Police's plans are credible and achievable while at the same time are creative and ambitious. This included how far it is aiming to improve efficiency through its workforce plans, collaboration plans, financial plans, ICT plans and approaches to risk.

How well does the force identify and prioritise areas to invest in for the future?

It is important that forces have good plans in place which take account of future demands for their services as well as the likely future funding available to them. They need to invest wisely for the future in order to ensure that they have the right capabilities to meet future demand. HMIC examined the force's financial plans and workforce plans to assess how far it is set to meet future changes in demand and local priorities. We looked in particular at how well Leicestershire Police has considered its future ICT capabilities as well as any wider changes to the communities it serves.

Matching resources to demand, organisational priorities and financial requirements

Leicestershire Police's plans for the future are well developed. They are based on realistic assumptions from assessments of likely future demands. While the force has undertaken an initial assessment of future workforce capacity and capability, this work is hampered by its limited understanding of current workforce capability gaps. However, the force's medium-term financial plan does reflect the intention of the force to allocate increased resources to areas likely to see increased demand, such as child sexual exploitation and safeguarding, while reducing resources in lower-priority areas.

HMIC found that the force's financial forecast is built on sound and prudent planning assumptions. These include an assumption that the grant will reduce by 1 percent each year, based on recent top-slicing experience, and reasonable assumptions on council tax, pay and prices and the potential increase in the precept. The force's capital programme, reserves strategy, outline future workforce mix and training plans are aligned to the budget and assessed future needs.

Investing in ICT

The East Midlands region is in the process of recruiting an ICT director to oversee all elements of what is an increasingly regional ICT strategy. This combined approach to seeking joint approaches to ICT is a positive step and is backed up by separate investment from Leicestershire Police in improving its ICT infrastructure.

The force has an ambitious and detailed three-year ICT strategy that is refreshed annually and is closely aligned with workforce and service plans. The force ICT department has made joint investments with other regional forces to ensure that the force can operate more efficiently, including through encouraging a more agile working environment.

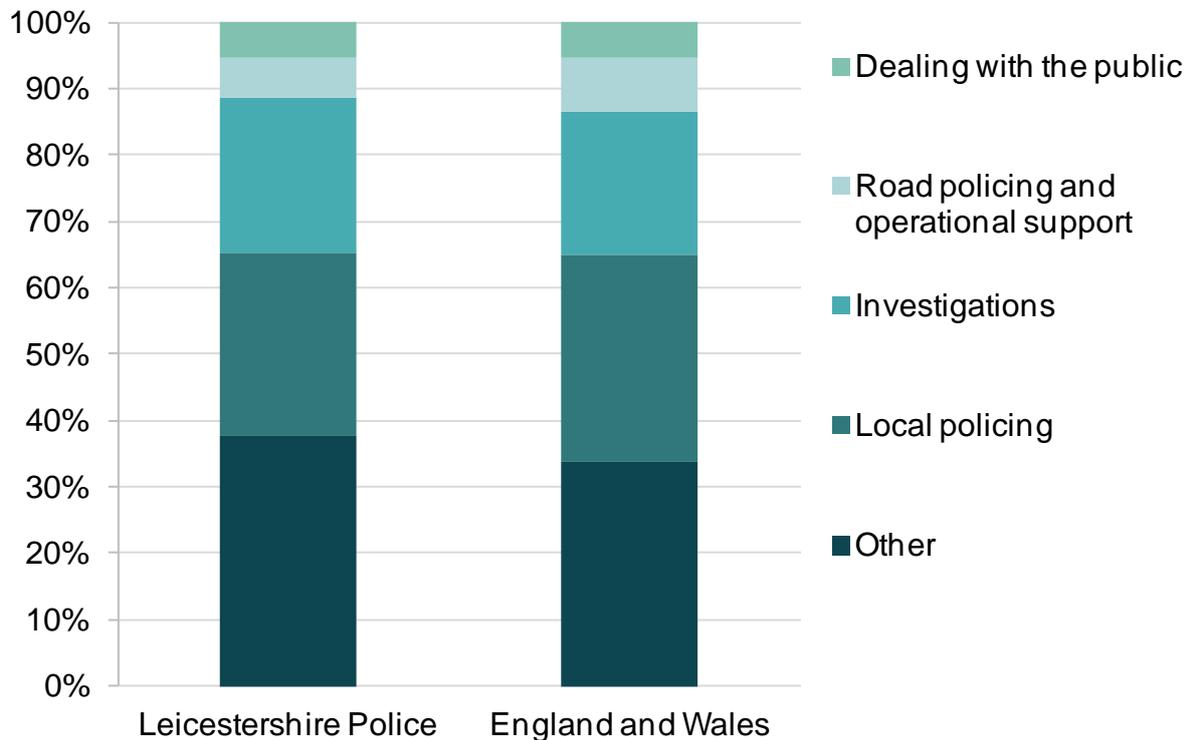
The force is looking to harmonise its ICT systems with other police forces in order to ensure increased interoperability, efficiencies and improved service level outcomes. Harmonisation of case/custody systems means that officers and staff from all five East Midlands forces have access to the information held on the systems of all five forces. This helps to speed up investigations and the sharing of files and documents between forces.

The regional collaboration, led by Lincolnshire Police, was successful in receiving funding from the Home Office innovation grant scheme to help meet the costs of implementing a single crime recording system. The regional collaboration is now looking to work together with one command and control system.

How well does the force plan its investments?

A force's plans for investment and savings need to be credible, realistic and informed by a full understanding of the future challenges (both financial and operational) that it is likely to face. HMIC assessed the extent to which Leicestershire Police's future plans are prudent, robust and based on sound assumptions about future demands and costs, while at the same time being ambitious enough to meet public expectations, including identifying new ways of working and providing services in the future.

Figure 7: Estimated percentage of gross revenue expenditure allocated across different policing functions in Leicestershire Police compared with England and Wales in the 12 months to 31 March 2016



Source: HMIC Efficiency data collection

For further information about the data in figure 7, please see annex A

The force has ensured that its plans for capital investments and digital investment have been developed in conjunction with its regional partners and this has provided some assurance that its plans are ambitious and robust. For example, the force's digital investments were subject to scrutiny and challenge at the regional heads of ICT board meetings. This gives the force some confidence that its plans are realistic, achievable and prudent.

Planning for the future

The force recognises that future savings will be required to meet the anticipated future demand for services and we note the ambitious and extensive proposal to develop the collaborative arrangements with neighbouring forces. An initial business case for a tri-force collaboration with Nottinghamshire Police and Northamptonshire Police has been developed, which will be presented to the respective PCCs for consideration before a more detailed business case is developed. Initial assumptions include the need for sizeable investment in harmonising IT systems, but that this investment should begin to realise a return within three years.

These plans will require considerable ongoing support for increased collaboration and we note that at the time of the inspection they had not yet been presented to the PCCs following their May 2015 elections.

The initial plans indicate that many of the functions currently provided separately by Leicestershire Police, Northamptonshire Police and Nottinghamshire Police will be brought together. Areas under consideration include strategy development and command arrangements; intelligence, central authorities and covert source handling; serious crime and organised crime investigations; and high-tech support and call handling.

As mentioned earlier in this report, progress on ICT collaboration is already being made through the recruitment of joint ICT specialists to develop and strengthen the joint ICT strategy supporting the tri-force collaboration. The forces within the alliance are aware that, if the ICT collaboration and investment do not deliver efficiencies, then the planned reduction in officer numbers will strongly affect the ability of the force to manage demand in the future. Given the challenges faced by many forces in successfully delivering ICT programmes, the force will need to continue to carefully monitor and review its plans to make sure that this risk is managed carefully, though the force's prudent approach to financial planning provides some assurance that it will be able to cope with managing any short-term delays to realising ICT benefits.

HMIC notes that many of the force's plans for future savings are dependent on the success of the tri-force collaboration. Leicestershire Police remains in a relatively strong financial position, which would allow it to manage any delay or reduction in scope of this collaboration. However, it would be sensible for the force to develop some sense of alternative options to continue to improve its efficiency and reduce costs, in the event that the collaboration does not deliver the intended outcomes.

To what extent does the force fund its investments sustainably?

Police forces have made significant financial savings over recent years, which have enabled them to reduce their costs and protect frontline policing. They continue to face financial challenges, and it is vital to their ability to sustain effective policing that they continue to seek improved efficiencies and drive down costs so that they can not only balance their budgets but also invest in improving their capability in the future. Forces need to consider different ways of transforming the way they work in order to secure effective policing in the longer term. This may include plans to establish different joint working arrangements with other organisations or investing in ICT to improve operational efficiency.

Saving to invest for the future

The force has managed its finances prudently, which has allowed it to plan further investments to improve efficiencies. It has healthy financial reserves, with £6m in a general reserve (3.5 per cent of its net budget) and £9.5m in earmarked reserves covering 12 different areas. In addition, the force has been able to create a £10.5m budget equalisation reserve from efficiency savings and intends to use this to fund investment, including its change programme. The force also has a capital programme of £8.6m for the next two years, which includes a £3.77m investment in IT linked to data and voice infrastructure, mobile devices and regional collaborative projects.

The force is continuing to make savings in order to meet budgetary requirements and has its own small procurement team that works closely with the East Midlands commercial unit procurement team. It keeps a savings register, through which it can demonstrate cashable savings. Savings made on national contract frameworks are reported to the Home Office on a quarterly basis. As a consequence, the force is able to show what savings have been made in each area and financial year. For example, the force saved £300,000–£400,000 in 2014/15 by improving contract processes.

Working together to improve future efficiency

Leicestershire Police has a strong track record of joint working arrangements with other police forces that bring about efficiencies. It has well-considered plans for further comprehensive and innovative opportunities to bring about further efficiencies within the outline business case for the strategic alliance. In so doing, the force continues to consider a range of collaborative working approaches to maximise purchasing power, increase ICT interoperability or share systems and infrastructure.

The outline business case estimates that the tri-force collaboration can reduce staff and officers by around 1,100 across the three forces, with a recurring annual budget saving of £62m achieved by 2020. Leicestershire Police's share of these savings is estimated to be around £2m each year. Investments of nearly £60m are required, mainly in ICT convergence, of which Leicestershire's share is estimated at £21m. The joint business case suggests that savings will begin to be realised after three years. As noted above, however, the scale of the anticipated savings is significant and dependent on the rapid development of the tri-force collaboration.

The force works collaboratively and at shared locations with local authorities and other agencies. The force has plans to relocate a safer neighbourhood team to share a building with the fire and rescue service at Coalville and already has police enquiry desks in three local authority buildings. Teams comprised of specialist staff from the force and other agencies work together to deal with the exploitation of children,

domestic abuse and integrated offender management.⁶ However, there was little evidence during this inspection of detailed plans to expand joint working arrangements significantly in the interests of greater efficiency, such as to share ICT systems and infrastructure with other agencies or to consider different workforce structures that blend staff from the force into teams led by other agencies. This is an area where the force could potentially make investments in order to manage both current and future demand more efficiently, with the possibility of achieving more savings, beyond those associated with the tri-force collaboration.

Summary of findings



Good

Leicestershire Police has taken positive steps to develop credible future plans based on assumptions from some good information about future demand and anticipated workforce numbers. The force has considered how its future workforce and ICT capabilities could potentially integrate both internally and externally with its neighbouring forces and its approach to regional collaboration is commendable.

The force recognises the need for further savings to increase efficiency and improve on the level of services it provides. Its initial business case for increased collaborative work is ambitious in terms of scale and the potential benefits that could be realised. These plans are heavily dependent on continued support for the collaboration. While the force has prudently managed its financial position to be able to cope if these savings do not materialise, it may wish to consider developing additional options to make sure that it continues to be in a strong position to develop more efficient ways of working.

⁶ IOM brings a multi-agency response to the crime and reoffending threats faced by local communities. The most persistent and problematic offenders are identified and managed jointly by partner agencies working together.

Next steps

HMIC will assess progress on any recommendations and areas for improvement identified within its reports in a number of ways. We may re-visit those forces where we have identified a serious cause of concern, go back to assess as part of our annual PEEL inspection programme or receive updates through regular conversations with forces.

HMIC highlights recurring themes emerging from our PEEL inspections of police forces within our national reports on police effectiveness, efficiency, legitimacy, and also leadership. These reports identify those issues that are reflected across the country and may contain additional recommendations directed at national policing organisations, including the Home Office, where we believe improvements need to be made at a national level.

Annex A – About the data

The source of the data is presented with each figure in the report, and is set out in more detail in this annex. The source of Force in numbers data is also set out below.

Methodology

Please note the following for the methodology applied to the data.

Comparisons with England and Wales average figures

For some data sets, the report states whether the force's value is 'lower' than, 'higher' than or 'broadly in line with' the England and Wales average. This is calculated by using the difference from the mean average, as a proportion, for all forces. After standardising this distribution, forces that are more than 0.675 standard deviations from the mean average are determined to be above or below the average, with all other forces being broadly in line.

In practice this means that approximately a quarter of forces are lower, a quarter are higher, and the remaining half are in line with the England and Wales average for each measure. For this reason, the distance from the average required to make a force's value above or below the average is different for each measure so may not appear to be consistent.

Statistical significance

When commenting on statistical differences, a significance level of 5 percent is used.

For some forces, numbers described in the text may be identical to the England and Wales average due to decimal place rounding, but the bars in the chart will appear different as they use the full unrounded value.

Population

For all uses of population as a denominator, unless otherwise noted, we use the Office for National Statistics (ONS) mid-2015 population estimates.

Force in numbers

Forecast change in expenditure

These data show estimated gross revenue expenditure (GRE) for the force in 2016/17 and 2019/20, calculated using total GRE pay and total GRE non-pay budgets provided to HMIC by individual forces at the time of data collection (April 2016), excluding expenditure on the office of police and crime commissioner.

Forecast savings

These data show 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 (April 2016). Some forces only provided figures for savings that they had formally signed off at that point, while others provided estimates for the whole period. Therefore a force with only a small savings requirement is not necessarily faced with only a small savings challenge for the future.

Workforce figures (based on full-time equivalents) for 31 March 2016 and 31 March 2020

These data are obtained from the Home Office annual data return 502. The data are available from the Home Office's published Police workforce England and Wales statistics (available from www.gov.uk/government/collections/police-workforce-england-and-wales), or the Home Office police workforce open data tables (available from www.gov.uk/government/statistics/police-workforce-open-data-tables). Figures may have been updated since the publication. Workforce includes section 38 designated officers (investigation, detention and escort), but does not include section 39 staff.

Projections for March 2020 are budget-based projections and therefore are likely to take into account a vacancy rate depending on a force's planning strategy. In some instances therefore an increase in budgeted posts may not actually indicate the force 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.

Workforce costs per head of population are obtained from calculations in HMIC Value for Money Profiles 2015, which use the ONS mid-2014 population estimates. The England and Wales averages will differ slightly from the Value for Money Profiles because we have included City of London Police and the Metropolitan Police Service.

Figures throughout the report

Figure 1: Volume of 999 calls from the 12 months to 31 March 2012 to 12 months to 31 March 2016

These data are obtained from the Home Office annual data return 441.

Figure 2: Police recorded crime in 12 months to 31 March 2015 to 12 months to 31 March 2016

These data are obtained from Home Office Police recorded crime and outcomes data tables (available from www.gov.uk/government/statistics/police-recorded-crime-open-data-tables). Total police recorded crime includes all crime (excluding fraud

offences) recorded by police forces in England and Wales. Home Office publications on the overall volumes and rates of recorded crime include British Transport Police, which is outside the scope of this HMIC inspection. Therefore England and Wales averages in this report will differ slightly from those published by the Home Office.

Figure 3: Percentage of officers, staff and PCSOs in force workforce on 31 March 2016 compared to England and Wales

Data as at 31 March 2016 are obtained from the Home Office annual data return (as set out in the Force in numbers section) which is an 'actual' full-time equivalents (FTE). The percentages used in figure 3 are derived from the total FTEs within forces, and therefore may differ slightly from the exact figures quoted within the report.

Figure 4: Planned changes in workforce FTE from 31 March 2010 to 31 March 2020 for the force compared to England and Wales

The figures in figure 4 are rounded to the nearest whole person, full-time equivalents (FTEs), and therefore may differ slightly from the exact figures quoted within the report. Police staff includes section 38 designated officers (investigation, detention and escort).

Data as at 31 March 2010 and 31 March 2016 are obtained from Home Office annual data return (as set out in the Force in numbers section) which is an 'actual' FTE. These data include officers on career breaks and other types of long-term absence, and those seconded to forces. Projections for March 2020 are budget-based projections and therefore are likely to take into account a vacancy rate depending on a force's planning strategy, but may not include a projection for absences. In some instances therefore an increase in budgeted posts may not actually indicate the force 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 reflect the workforce that is available to forces. Involvement in strategic alliances and/or regional organised crime units 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 did not have confirmed plans for workforce projections. It is important to note that figures provided are in many instances unconfirmed estimates provided to assist HMIC in our inspection programme and should not be seen as a concrete plan for the future workforce landscape of policing.

Figure 5: Projected net revenue expenditure on collaboration with other police forces for the 12 months to 31 March 2016 to the 12 months to 31 March 2020

These data were provided to HMIC by individual forces at the time of data collection (April 2016), prior to inspection.

These data cover the level of expenditure by forces on collaboration-related activity. Collaboration can include a variety of different types of activity, some of which may not incur specific expenditure, but may still generate benefits such as savings or improved services the public. Therefore these data should be seen as only one aspect of potential collaboration activity.

West Mercia Police and Warwickshire Police have a highly-developed integrated relationship and have stated that all of their net revenue expenditure is through collaboration. To avoid distorting the distribution of forces around the average, West Mercia Police and Warwickshire Police have been removed from the England and Wales average for this figure.

Figure 6: Projected net revenue expenditure on collaboration with non-police organisations for the 12 months to 31 March 2016 to the 12 months to 31 March 2020

These data were provided to HMIC by individual forces at the time of data collection (April 2016), prior to inspection. As suggested above, these data should be seen as only one aspect of potential collaboration activity.

Figure 7: The percentage of gross revenue expenditure allocated to different policing functions in the 12 months to March 2016

These data were provided to HMIC by individual forces at the time of data collection (April 2016), prior to inspection. These data define policing functions using the Policing Objective Analysis categories which we have grouped. The grouping is illustrated in the table below.

Figure 7 policing functions	POA categories
Local policing	Local policing
Investigations	Specialist Investigations Investigative Support Public Protection
Road policing and operational support	Roads Policing Operations Support
Dealing with the public	Dealing with the Public
Other	Intelligence Criminal Justice Arrangements Support Functions National policing Office of PCC Central Costs