

PEEL: Police efficiency 2015

An inspection of South Yorkshire Police



October 2015

© HMIC 2015

ISBN: 978-1-78246-894-3

www.justiceinspectors.gov.uk/hmic

Contents

Overview – How efficient is the force at keeping people safe and reducing crime?	4
Overall judgment.....	4
Summary	4
Force in numbers	7
Introduction	9
How well does the force use its resources to meet its demand?	10
How well does the force understand its demand?	10
How well does the force match resources to demand?	11
How well are the force’s services meeting the demand from the public?.....	12
How well is the force managing demand?	15
How well does the force monitor and understand outputs, outcomes and costs?	16
How well is the force using new working methods to improve services?	16
Summary of findings	17
How sustainable and affordable is the workforce model?	19
How well does the force’s current workforce model match demand, organisational and financial requirements?.....	19
How well does the force’s projected workforce model match demand, organisational and financial requirements?	21
Summary of findings	22
How sustainable is the force's financial position for the short and long term?	24
Has the force achieved its saving requirements and balanced the budget for the spending review period and 2014/15?	24
Has the force achieved a balanced budget for 2015/16?.....	25
How well has the force maximised other funding opportunities?	26
How well does the force control expenditure?	27

How well do the force’s financial plans reflect the objectives set out in the PCC's police and crime plan?	28
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?.....	28
How well developed are the force’s plans for possible further savings?	29
Summary of findings	30
Annex A – HMIC judgments	32
Annex B – Further information about the data	33

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

Overall judgment¹



Requires improvement

HMIC found that South Yorkshire Police is partly prepared to face its future financial challenges. The force has a good understanding of the demand on its services. It has balanced the budget and has a good track record of achieving savings with plans in place for future savings. However, HMIC has concerns that the force's future plans and financial position may not be able to sustain effective policing in the long term. In last year's value for money inspection, which considered how forces had met the challenge of the first spending review period, South Yorkshire was judged to be good.

Summary

HMIC judges South Yorkshire Police to require improvement. The force has successfully reduced its spending by £49m over the last spending review period and has plans in place to address further savings requirements. The force has a good understanding of the demand facing frontline policing and there is evidence of some new work with partners to better manage demand. There is clear workforce planning in place and the force is changing the way it delivers policing.

However, the current plans to reduce costs are reliant on fully implementing the new operating model² for local policing, achieving efficiency gains from better use of new technology and better management of demand, together with ambitious plans for much greater collaboration with Humberside Police. The force expects the implementation of new technology through its partnership with Humberside Police to enable a reduced workforce to work more efficiently away from police stations. There can be no certainty that the force will achieve the necessary savings within the required timescale.




If these changes are implemented then the force will see a significant number of police staff leaving the organisation in a very short timescale. The force has not fully

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

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

evaluated the impact of the anticipated workforce reductions on its ability to meet demand in the future and there is a risk the force will lose capability in specialist and support services.

South Yorkshire Police faces an uncertain financial position for the short and long term with continuing costs arising from the Hillsborough inquest and investigations of child sexual exploitation in Rotherham. Its reserves provide only a limited cushion to manage these costs. The force recognises the risks presented to its long term financial plans but HMIC remains concerned that the force has not yet fully explored all available funding options for the medium and long term presented by a possible shortfall in its budget.

<p>How well does the force use its resources to meet its demand?</p>	<p>How sustainable and affordable is the workforce model?</p>	<p>How sustainable is the force's financial position for the short and long term?</p>
<p>  Good </p>	<p>  Requires improvement </p>	<p>  Requires improvement </p>
<p>The force has a good understanding of the demand on frontline policing services and is developing its understanding in other parts of the organisation. The change programme is leading the work into how current systems and processes can be improved and made more efficient. The findings have informed a decision to move towards a new operating model for local policing.</p> <p>The force has effective systems to assess current demand and provide a flexible means of</p>	<p>South Yorkshire Police has introduced a new operating model for local policing. Although not yet fully implemented, this places greater emphasis on delivering a more flexible policing service which employs new ways of working and makes greater use of new technology to enable officers to work more efficiently away from police stations.</p> <p>However HMIC is concerned that there are a number of risks associated with the force's workforce model and future plans.</p>	<p>South Yorkshire Police faces an uncertain financial position. The force has a good track record of achieving savings and has maintained a sustainable position up to now with a balanced budget for 2015/16.</p> <p>The force and police and crime commissioner have strong governance and oversight of the finances which clearly link to workforce plans and the change programme.</p> <p>There are plans in place to meet future known savings requirements. The plans</p>

<p>resourcing incidents and priorities. The force has responded well to an increase in demand in public protection by making large investments in resources to this area.</p> <p>The force has changed a number of its processes to manage demand on its services better. There is a greater emphasis on resolving calls to the communications department without the need to send a police officer and increased use of appointments for officers to attend.</p> <p>The force is making good use of technology, which it is further developing to enable frontline officers to be more efficient. The force has recognised the value of working with partners, particularly when dealing with vulnerable people to better manage demand.</p>	<p>The high workloads arising from investigations to protect vulnerable people are having an impact on the resilience of a number of areas across the force. The force is relying on the implementation of new technology through the partnership with Humberside Police. There can be no certainty that the proposed expansion of this alliance will achieve the savings within the timescale and at the level required.</p> <p>The force has not fully evaluated the impact of the anticipated workforce reductions on its ability to meet future demand. The plans to reduce costs rely on a programme that will see a significant number of police staff leaving the organisation in a very short timescale. This presents a risk that the service will lose significant capability in specialist and support services.</p>	<p>rely on savings being achieved through a combination of fully implementing the new operating model for local policing, efficiency gains from better use of new technology and better management of demand, together with ambitious plans for much greater collaboration with Humberside Police. There are significant risks in the force's ability to achieve the necessary level of savings in the required timescale, particularly around collaboration.</p> <p>HMIC has concerns in relation to the impact on the force's financial sustainability associated with the continuing unknown future costs of the Hillsborough inquest and investigations of child sexual exploitation in Rotherham, as the force has not yet fully explored all available funding options. The financial reserves will provide only a limited cushion against future contingencies.</p> <p>The force and police and crime commissioner recognise the risks but HMIC remains concerned that the force has not fully explored all available funding options.</p>
---	---	---

Force in numbers



Financial position

Forecasted change in expenditure 2015/16 to 2018/19

£m

-£50.1m

% of Gross Revenue Expenditure

19%

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



Providing policing

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

South Yorkshire Police

-10%

England and Wales

-6%

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

South Yorkshire Police

-20%

England and Wales

-6%

Proportion of police officers on the operational frontline 31 March 2010

South Yorkshire Police

91%

England and Wales

89%

Proportion of police officers on the operational frontline 31 March 2015

South Yorkshire Police

92%

England and Wales

92%

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

South Yorkshire Police

92%

England and Wales

92%



Organisation

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



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



Key statistics

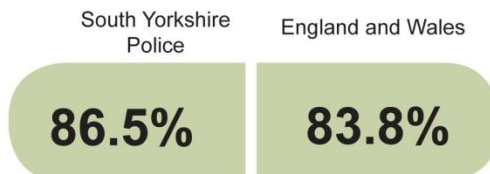
Changes in recorded crime (excluding fraud) 12 months to 31 March 2014 to 12 months to 31 March 2015



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



Victim satisfaction 12 months to 31 March 2015



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



Victim satisfaction: South Yorkshire, confidence interval +/- 1.3 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 while 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. We 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 South Yorkshire 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?

South Yorkshire Police has a good understanding of the demand for its services faced by frontline policing and is developing its understanding in other parts of the organisation. Since September 2013 a team of officers and staff drawn from local policing units (LPUs), and trained in business improvement techniques, have conducted studies to learn how demand is generated and managed within the force. The team also visited other similar police forces to assess how they managed demand and to learn new methods.

As part of this work, all crime data, incident information, local policing and police response activities were reviewed. The force has assessed crime trends, compared them with other similar size police forces and used this to inform decisions on priorities and help direct resources to where they are most needed. To support local policing efficiencies further, the force has also used more complex data drawn from a range of public services (called the neighbourhood needs index), to consider where resources are most needed and to inform how frontline policing patrols should be deployed. This work is ongoing and will enable the force to determine the level of resources required by each police unit, at peak times and in different locations. It has been used to evaluate the best sites to locate local policing teams, inform staffing levels and re-set the times that officers come on and off shifts. The force plans to review all departments to further develop the new operating model beyond local policing.

In the force communications department, which handles all calls for service from the public, an assessment was made of how calls were managed by call handlers and how those calls were subsequently dealt with, in order to establish whether the force was providing the most appropriate response. This included demand that arose as a result of local public sector organisations contacting the force. This work has been used to inform a new study on call handling and deploying officers to incidents which is designed to avoid wasted police time and increase efficiency.

How well does the force match resources to demand?

The recent work carried out to further understand demand across the force has been used to inform changes in the way local policing is organised. The force intends to run this every year to continually check resources are accurately matched to demand. The force has used the same resource allocation formula to inform decisions on resourcing for a number of years. Given the planned workforce reductions, this formula will need to be accurately amended to ensure it reflects both the number of staff that will be available after these cuts have taken place and the new profile of demand, otherwise it is likely that the local policing model will struggle to meet the levels of demand identified.

A new local policing team (LPT) structure has been introduced in Doncaster which the force believes will provide greater flexibility in managing demand, as officers will fulfil the functions of both immediate response policing and longer-term problem-solving policing in their local areas. The three other districts are due to adopt the same structure later this year following an evaluation of this new approach. This evaluation will need carefully to consider whether officers in Doncaster have been able to maintain a substantial focus on problem solving or whether officers are now primarily responding to immediate and priority incidents.

In addition, greater emphasis is being placed on effective call handling through better risk management, using the National Decision Model (NDM) to reduce the unnecessary deployment of officers to attend incidents. This has meant that calls last longer, but, if dealt with effectively, should significantly save time elsewhere from unnecessary deployments. However, many of the staff in the call handling department have very limited experience and some call handlers are not confident about how they should resolve calls. This has resulted in a significant number of cases where demand is being shifted elsewhere rather than reduced. To provide support to communications department staff, police officers have provided guidance on how calls can be managed appropriately, without the need to send a police officer to the scene. While likely to be effective, this is a more expensive option than the use of civilian call handlers alone.

The force is working hard with partner agencies to improve the safeguarding of vulnerable people through the creation of multi-agency safeguarding hubs (MASHs)³ across South Yorkshire, with the MASH in Rotherham already in place and working well. Further MASHs for Barnsley and Doncaster are imminent, and a Sheffield MASH was due to open in September 2015.

³ A multi-agency safeguarding hub (MASH) brings together staff from police and partner agencies who work from the same location, sharing information and ensuring a timely and joined-up response to protect children and vulnerable adults.

When these are fully operational, they should allow the force and partners to jointly allocate appropriate resources to the problem.

The force highlights areas of key demand on its intranet through a briefing platform, accessible to all staff, focusing on levels of threat, harm and risk posed rather than incident volume. In addition, there are meetings held each morning at a local and force level to assess current demand and determine where resources are most needed. This process provides the force with a good overview and response to threat, harm and risk issues as well as serious crime in the force area, enabling the force to focus where and when they conduct patrols in order to maximise their impact.

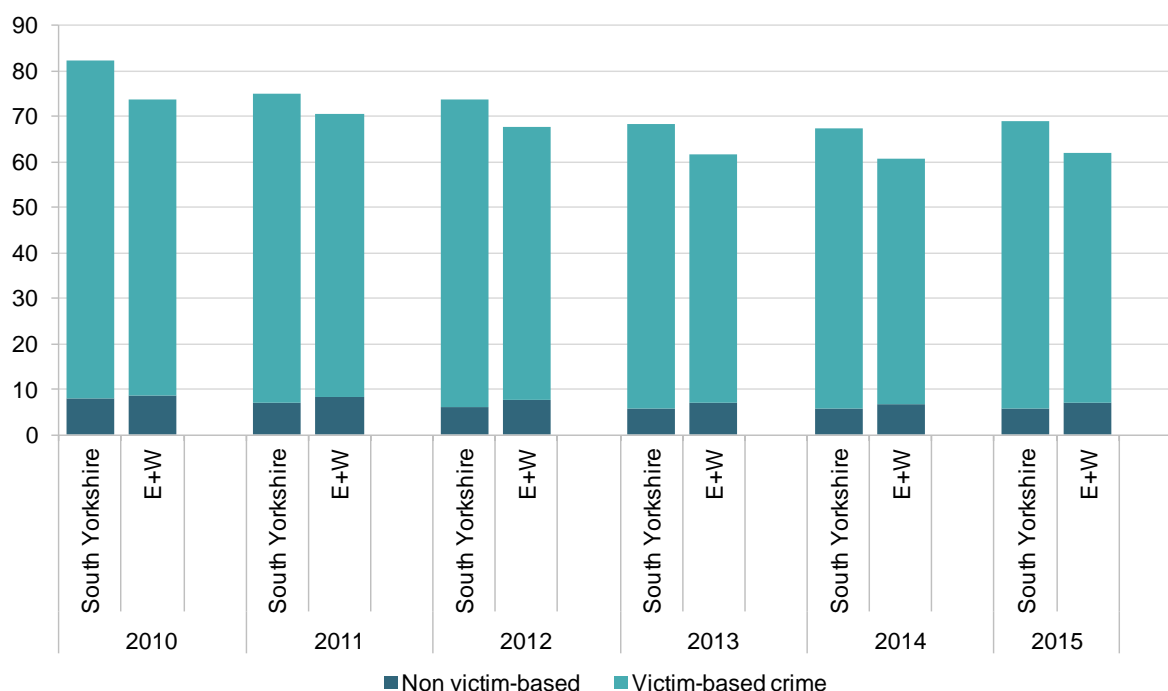
How well are the force's services meeting the demand from the public?

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

Although police recorded crime is by no means a complete measure of the totality of demand a force faces, it does provide a comparable performance indicator across all forces. Crime rates are reported as 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 South Yorkshire had a victim-based crime rate of 63.0 and a non-victim-based crime rate of 5.8 per 1,000 population. This represents a decrease (15 percent) in the victim-based crime rate and a decrease (28 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 from South Yorkshire 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 police recorded crimes, rather than changes due to population change)

Of those who have been the victim of a crime in South Yorkshire, 86.5 percent were satisfied with their whole experience with the police in the 12 months to 31 March 2015.⁴ This is higher than the national victim satisfaction rate of 83.8 percent over the same time period.⁵ 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 South Yorkshire.

The force has equipped frontline patrols with personal radios with ARLS (automatic resource location software), which allows the communications department and supervisors to see where an officer is at any time. In this way, the force incident manager in the communications department can see all available resources, such as those trained and equipped with firearms and tasers⁶, on a map so that they can locate and dispatch the nearest and most appropriate officer to an incident. This system is well regarded by staff and is widely used when determining which staff should attend an emergency call. Officers performing detective roles are also now

⁴ South Yorkshire, confidence interval +/- 1.3 percent.

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

⁶ A taser is a single shot device designed to temporarily incapacitate a person through use of an electrical current which temporarily interferes with the body's neuromuscular system.

required to be available through ARLS and can be deployed to appropriate incidents. Similarly, any officers who do not routinely work in an immediate response role can be sent to deal with emergency calls at times of peak demand.

Frontline officers who routinely respond to emergency calls told HMIC that the demand placed on them was manageable. They reported that much of their time was spent dealing with scheduled appointments and in responding to incidents reported to the force by partner agencies.

South Yorkshire Police is part of a regional collaboration with other police forces for a number of its services. There is a regional asset recovery team for confiscation of assets from criminals. The force is the regional lead force for firearms. All scientific support services are provided regionally, although the force still employs crime scene investigators. These regional resources support the force in managing calls for service and meeting demand.

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

Figure 2: Methods of public engagement used by South Yorkshire 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. Like other forces, South Yorkshire Police is making use of the internet and social media to communicate with the public. The use of social media is increasing and news and appeals are now delivered through more widely used forums and accessible applications such as Twitter and Facebook.

How well is the force managing demand?

As well as the attempt to focus on reducing the number of deployments through better use by call handlers of the national decision model, the force has introduced a 'diary car', for scheduled responses on an appointments system for those calls which do not need an immediate police attendance. This should mean that the public get a better service at a time and place convenient to them, and the police officers can make more efficient use of time.

The force is working with partner organisations, particularly in supporting the 'troubled families' programme which aims to improve how different local public sector organisations can work more efficiently together. Following a number of high profile issues, the force now assesses that it is engaged with 700 troubled families in Rotherham. A similar, but smaller scheme has been adopted in Barnsley, with funding secured for a police sergeant and constable to work with 25 troubled families. There is also another pilot in Barnsley, which links police to other local public sector enforcement teams to reduce demand created by repeat offenders.

There are ongoing discussions with other local public sector bodies, including children's safeguarding boards, local authorities and hospitals to improve the joint response in managing cases involving people who are missing from home. A joint review is considering the links between children missing from home and child sexual exploitation (CSE) and how each of the partner organisations can play a greater role in tackling CSE.

In order to reduce demand on the police, the force makes use of a designated triage vehicle, crewed by a trained mental health professional who deals with individuals who might need to be taken to a place of safety under section 136 of the Mental Health Act 1983⁷. The force deploys special constables with the Yorkshire Ambulance Service to operate a triage service to meet the demands of the night time economy of town centres and licensed premises.

The force has revised its agreement with local mental health service providers. From October 2015, the force will no longer provide a place of safety within police stations under section 136 of the Mental Health Act 1983 for persons under the age of 18. From April 2017 this will be extended to cover all age groups. The force anticipates that this will ensure that people in crisis are able to access the care they need at a much earlier stage, reducing the demand placed on the police to provide a place of safety and monitor those in need of immediate medical support.

⁷ Section 136 of the Mental Health Act 1983 allows the police to take members of the public who appear to be suffering from mental disorder and in immediate need of care or control to a place of safety, and to detain them there for a period not exceeding 72 hours for the purposes of medical examination and of making any necessary arrangements for treatment or care.

The force has identified that it faces an emerging risk from internet based crime and has invested in this area to improve its understanding of online criminality. While the scale of investment is currently relatively small, this should still improve the force's understanding of the potential longer-term impact on demand for police resources.

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

The force has good governance structures to monitor performance. An IT system called 'signals for noise' is able to provide the force with accurate and in-depth information on crime by monitoring daily demand from calls for service and the types of crime being reported and highlighting emerging trends. A good example is in relation to the analysis of CSE. Using this software the force is able to distinguish between reports of historic and current offences and allocate resources appropriately.

The force estimates that as a result of greater efficiencies, it has saved 18,134 staff hours per annum through redesigning and streamlining processes. For example, following work with Sheffield Hallam University the force has reduced the number of officers needed to undertake burglary investigations from five people to one detective and, if required, a crime scene investigator.

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

The force has entered into a strategic partnership with Humberside Police, with joint human resources and finance functions already in place. This is aimed at increasing efficiency through sharing processes and resources. Options to develop the collaboration further to include all policing functions, apart from local policing and the role of the chief constable, are being considered, though plans are at various stages of development. A business case for a joint specialist operations unit is currently being considered and the force anticipates that through pooling resources further cost savings can be achieved.

The force has introduced a shared information service (IS) programme with Humberside Police, intended to reduce costs and maximise efficiency through the use of digital technology. There is an agreement in place to share all costs and benefits derived from a jointly developed IT platform. There are five programmes of work, which aim to: increase officer visibility and engagement in the community; enable genuine public engagement and interaction; improve business efficiency; increase the integration between different parts of the criminal justice process; and deliver a single IT infrastructure that underpins both forces. The force has estimated that this work should save 20 percent of capital investment and 25 percent of the revenue costs of IT in the force.

The first project undertaken was mobile working. The force has provided computer tablets to staff which enable them to work remotely, away from the police station, while still being able to access and update force computer systems. Many officers told HMIC that the devices allow them to collect information more efficiently and save time by not having to return to the station and re-input information. However, internet connectivity was seen as an issue in some areas of the force, which caused frustration for officers.

Officers were also issued with Blackberry devices over six years ago. These were widely criticised, as information sent to them was difficult to read and extract. There is a commitment to introduce a new generation of hand-held devices in 2016, which should be more user-friendly and further improve efficiency.

In Rotherham, the force is working in partnership with the immigration service to deal more effectively with foreign offenders. An immigration officer has been attached to the force's offender management unit. The immigration officer works alongside police colleagues, sharing information on foreign criminals. Both services then identify and apply joint powers to find the most effective method of reducing offending by foreign nationals.

Currently there is no method to report crime online in South Yorkshire. The force website has been improved to give visitors relevant information and signpost services on other websites. The force intends to develop its website with a business crime portal, which will be an automated system for businesses to access information. These changes should improve the service to the public by making it easier to access the police and increase the efficiency of the force by reducing the demand placed on officers and staff to take calls.

Summary of findings



Good

The force has a good understanding of the demand on frontline policing services and is developing its understanding in other parts of the organisation. The change programme is leading the work into how current systems and processes can be improved and made more efficient. The findings have informed a decision to move towards a new operating model for local policing.

The force has effective systems to assess current demand and provide a flexible means of resourcing incidents and priorities. The force has responded well to an increase in demand in public protection by making large investments in resources to this area.

The force has changed a number of its processes to better manage demand on its services. There is a greater emphasis on resolving calls to the communications department without the need to send a police officer and increased use of appointments for officers to attend.

The force is making good use of technology, which it is further developing to enable front line officers to be more efficient. The force has recognised the value of working with partners, particularly in working with vulnerable people to manage demand better.

How sustainable and affordable is the workforce model?

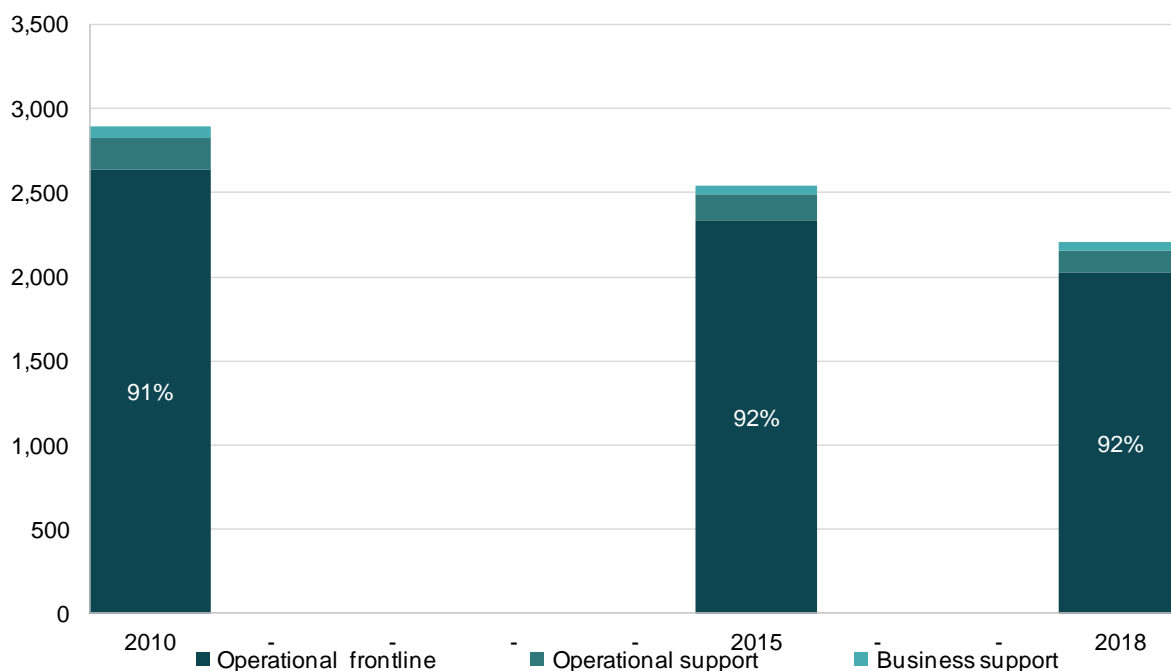
HMIC examined how South Yorkshire Police has structured its workforce (i.e. its mix of police officers, staff and PCSOs, and the proportion of all these groups working in frontline positions), and assessed whether this was affordable and sustainable as the force responds to its financial challenge. We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

South Yorkshire Police forecasted a total savings requirement over the first four years of the spending review (2011/12 to 2014/15) of £49.15m, the equivalent of 16 percent of the 2010/11 gross revenue expenditure for the force. Savings were made in both the pay and non-pay budgets. Since 2010, South Yorkshire Police has seen a reduction of 366 police officers, 534 staff and 13 PCSOs full-time equivalent (FTE) posts.

In South Yorkshire, 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 91 percent in 2010 to 92 percent in 2015. The force expects to maintain this proportion looking forward to 2018.

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



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

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

The current workforce model is aligned to the financial plans and the savings from workforce reductions to date have been sustainable. Senior managers from finance and HR teams together with staff representatives meet monthly to monitor and review workforce plans. These meetings ensure the workforce plans are closely aligned with the financial plans and that the operational impact of workforce changes are understood.

A review of the force’s public protection units (PPUs) has recently been carried out. This identified a very large increase in demand for various aspects of public protection. The force assesses that child sexual exploitation (CSE) cases have seen a 273 percent increase since 2011, child abuse referrals are up 21 percent and adult protection cases are up 162 percent in the same time period. In response, the force has moved significant resources into the investigation and protection of vulnerable people. However there is a concern that, despite this large investment in staff, the current workloads for staff in the PPU’s remain too high, and that the transfer of detectives to the PPU’s will mean the teams they have left behind are no longer able to meet the demands placed upon them.

The force budget is closely linked to the workforce plan. Plans set out in the implementation of the new operating model have identified where there will be staff reductions. There is additional work through the change programme to identify new

areas for continuous improvement, which are expected to find further efficiencies and cost reductions. Changes in the force structure are clearly aligned to the current understanding of demand and risk. This is evidenced by the recent increase and changes to capacity and capability in safeguarding and tackling child sexual exploitation.

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 South Yorkshire 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	2,953	-12%	-12%	2,587	-10%	-6%	2,323
Police Staff	2,404	-22%	-19%	1,870	-31%	-6%	1,295
PCSOs	328	-4%	-27%	314	-38%	-11%	194
Workforce total	5,684	-16%	-15%	4,772	-20%	-6%	3,812

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

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

The force knows what the future workforce model will look like and plans to align resources to its improved understanding of demand. Plans for reducing the workforce are being developed based on different funding scenarios; however these are at an early stage and the force has not yet assessed the impact of these changes on its ability to meet future demand.

As previously described, the force intends to make savings through a combination of establishing a new local policing operating model and extending the collaboration with Humberside Police.

The force is aiming to establish a model that will be capable of continuing to function with fewer officers as the workforce reduces. The force assesses that collaboration with Humberside should provide resilience and intends that its local policing teams will be flexible enough to adapt to further reductions in the medium term.

However, HMIC is concerned that there are a number of risks associated with the force's plans. There have already been significant reductions in police staff numbers over the last four years and there is a programme that will see a further significant number of police staff leaving the organisation in a very short timescale. This presents a risk that the service will lose significant capability in specialist and support services. This could have a negative effect on the organisation's ability to accomplish what it is trying to achieve in the future as it tackles the very real challenges ahead. The force has not fully evaluated the impact of of the anticipated workforce reductions on its ability to meet demand in the future and, in particular, its capability in specialist and support services.

A further challenge to the workforce model will be the force's continuing ability to afford the extra investment in protecting vulnerable people. This year, the force assesses that it has invested an additional £7m in this priority area of activity. HMIC has concerns that this will not be sustainable in the context of anticipated further cuts to police central funding. The force will need to focus clearly on the specialist skills of its workforce (not just the number of officers) that are needed to manage these areas in the medium and long term.

The force understands that it needs to continue to reduce expenditure and staff numbers in order to make the necessary savings to its budgets. Any financial plans to manage future costs will need to be closely linked to workforce planning over the medium and long term.

Summary of findings



Requires improvement

South Yorkshire Police has introduced a new operating model for local policing. Although not yet fully implemented, this places greater emphasis on delivering a more flexible policing service which employs new ways of working and makes greater use of new technology to enable officers to work more efficiently away from police stations.

However HMIC is concerned that there are a number of risks associated with the force's workforce model and future plans. The high workloads arising from investigations to protect vulnerable people are impacting on the resilience of a number of areas across the force. The force is relying on the implementation of new technology through the partnership with Humberside Police. There can be no certainty that the proposed expansion of this alliance will achieve the savings within the timescale and at the level required.

The force has not fully evaluated the impact of the anticipated workforce reductions on its ability to meet future demand. The plans to reduce costs rely on a programme that will see a significant number of police staff leaving the organisation in a very short timescale. This presents a risk that the service will lose significant capability in specialist and support services.

Areas for improvement

- The force should assess the demand on the public protection unit to ensure there is adequate capacity and capability across the department to efficiently manage investigations. At the same time the force should ensure that it assesses and addresses the potential impact on other services to the public by moving staff into the public protection unit.
- The force should review the impact of the proposed police staff reductions to ensure any impact on specialist and support services is identified and managed.

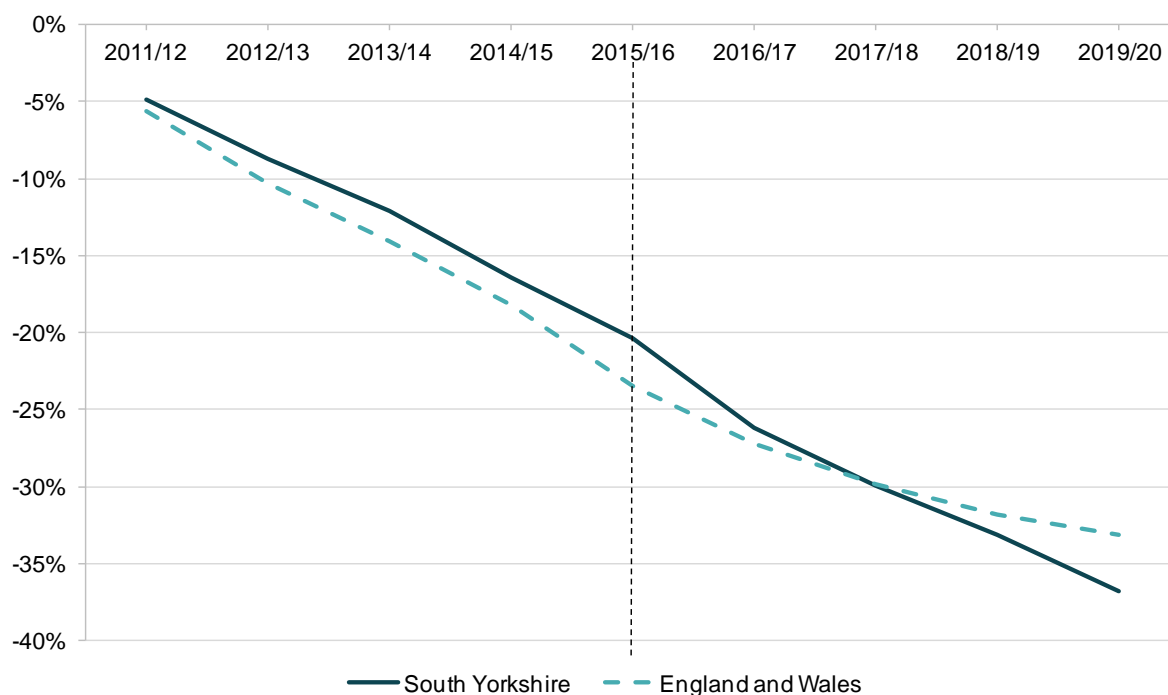
How sustainable is the force's financial position for the short and long term?

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?

South Yorkshire Police forecasted savings of £49.15m over the first four years of the spending review (2011/12 to 2014/15), the equivalent of 16 percent of the 2010/11 gross revenue expenditure for the force. Over the period savings were made in both the pay and non-pay budgets, so as to balance budgets by 2014/15. Over the same period all forces across England and Wales forecasted a total savings requirement of £2.53bn, the equivalent of 18.2 percent of the 2010/11 gross revenue expenditure for England and Wales.

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

HMIC considers that South Yorkshire Police has faced a particularly difficult challenge since 2010. It attracts a high central funding contribution, but lower local funding than many other forces, which means that central funding cuts since the spending review in 2010 have a greater impact compared with other forces nationally. Despite this, South Yorkshire Police has had a strong track record of achieving required savings with under-spends in all years of the spending review period.

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

South Yorkshire Police has faced a considerable challenge balancing its budget. In addition to the reduction of government grant, the force has also needed to put significant additional resources into protecting vulnerable people.

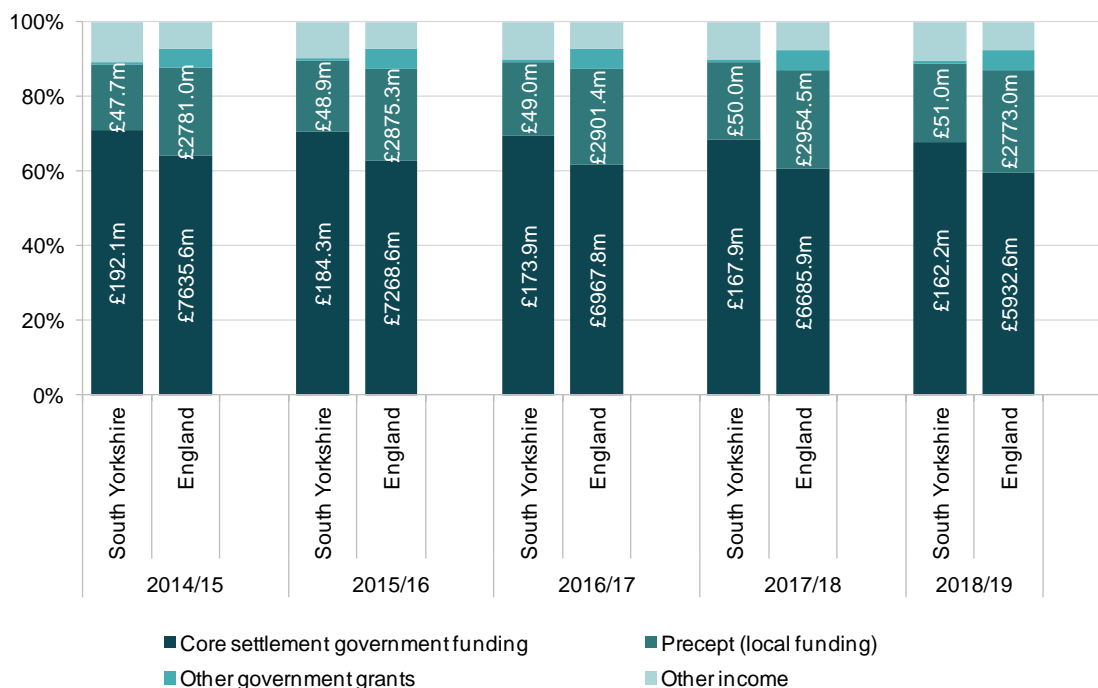
It has set a balanced budget of £260.6m for 2015/16, which includes a cut in spending of £12m. It is forecast that the reduction will be split between £9.5m (79 percent) from the pay budget and £2.5m (21 percent) from the non-pay budget in this year's savings. The force plans to meet its reduction in spend without using reserves as a bridge by using previous years' underspends, the new operating model for local policing, savings from collaboration and other reductions in force budgets. Since the

2010 baseline, at the start of the spending review, this represents savings of 20 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. South Yorkshire Police is expecting the proportion of its funding that comes from core settlement government funding to decline over the coming years, while anticipating the proportion of its funding that comes from precept (council tax funding) to increase over the same time period. It should be noted that the core settlement government funding, both monetary values and proportions of total funding, detailed in figure 6, are from force estimates collected as part of HMIC's efficiency inspection data collection. This data should not be considered as an official projection. The Home Office is currently consulting on changes to the forces' funding formula and therefore any current projections may change over the time period highlighted.

Figure 6: Forecast mix of funding for South Yorkshire 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 still generates income through local authority funding across the four local areas. This is used for a variety of activity including crime prevention, additional resources in some areas and local partnership initiatives.

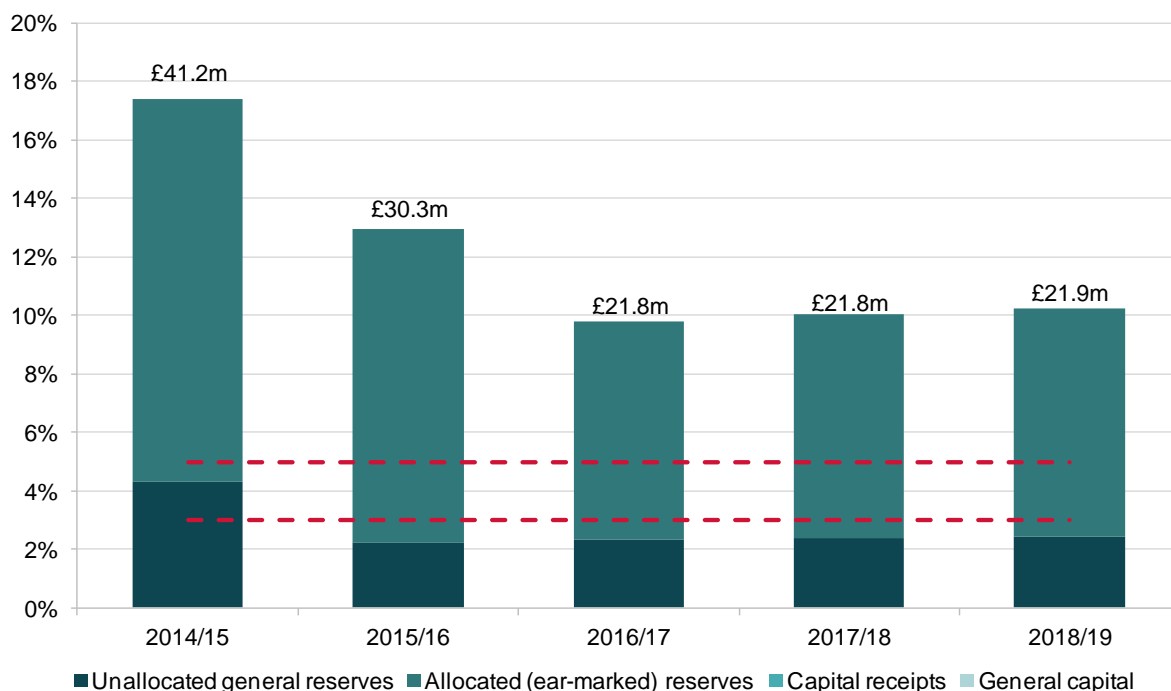
The force submitted a bid to the Police Innovation Fund to improve contact management but was unsuccessful. However, other joint bids made in conjunction with neighbouring forces to improve scientific support have been successful.

How well does the force control expenditure?

The force’s level of usable reserves, and how these are forecast to change over time, is shown in figure 7. South Yorkshire Police reported that its usable reserves were £41.2m in 2014/15. These are broken down into several categories:

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

Figure 7: Breakdown of reserves remaining as a proportion of in-year net revenue expenditure, and usable 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 medium-term financial plan through to 2019/20 is based on prudent assumptions. Scenario planning has been undertaken to forecast both pessimistic

and optimistic cuts to the central funding grant and the force has ongoing work with Humberside Police to further develop the existing collaboration between the two forces. Although at an early stage, there is an intention to review all areas other than local policing and the role of the chief constable across the two forces to identify potential savings, benefits and efficiencies from working together.

Budgets are closely monitored and reviewed. This includes the use of funds held in reserves. There is strong governance and oversight of the finances which link with workforce plans and the change programme. The force has a well developed enterprise resource and planning system linking up HR and financial data. This provides high quality accurate information in relation to workforce numbers and pay.

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

The election of the new police and crime commissioner for South Yorkshire in October 2014, led to a revision of the police and crime plan and the commissioner's strategic priorities to reflect the needs of South Yorkshire's communities. The central aim of the updated plan is to improve public trust by focusing on the three strategic priorities of protecting vulnerable people; tackling crime and anti-social behaviour; and fairness.

The budget for 2015/16 illustrates sizeable investment into protecting vulnerable people. The police and crime commissioner has changed the business and financial planning cycles to bring these more in line with each other. This provides assurance that decisions about resource allocation are appropriately and realistically aligned to his priorities for the force.

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 has strong governance arrangements in place. The recent by-election of the police and crime commissioner was challenging for the force in terms of delays caused to the annual budget planning process. This was due to a change of leadership and management within the OPCC and the need to brief newly appointed staff on the budget position. In the last six months the PCC has appointed a new chief finance officer. This has caused a delay in the time taken to sign off the budget for 2015/16 and the deferred development of plans for both the current year's budget and beyond. However, new working arrangements between the force and OPCC have now been established. HMIC is encouraged to see a positive and productive relationship with a shared understanding of the issues and challenges affecting future budget planning.

The force has good and timely financial management information available for its monthly chief officer group meetings and quarterly reports to the PCC.

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

There are detailed financial plans in place to deliver the anticipated savings required through to 2019/20. The plans rely on savings being achieved through a combination of implementing the new model for local policing, efficiency gains from better use of new technology and better management of demand, together with ambitious plans for much greater collaboration with Humberside Police. There are significant risks in the force's ability to achieve the necessary level of savings in the required timescale, particularly around collaboration.

Savings plans show a reduction in police staff and non-pay costs, and a reduction in officer numbers achieved through the temporary suspension of new officer recruitment. The new operating model is designed to be scalable so further workforce savings could be found, in future, if required.

The force holds £5m in general reserves (2 percent of expenditure). The force's financial position is such that the chief officers recognise they are dependent on special grants from central government to meet one-off significant costs. Currently these are linked to child sexual exploitation in Rotherham and the Hillsborough enquiry, which places future budget planning under considerable pressure. Without these costs, the total of which is at present unknown, the force would be in a position to make the savings that they require and balance the immediate budget.

HMIC is concerned that there is a high degree of uncertainty in relation to future income and expenditure with particular risks associated with the continuing costs of the Hillsborough inquest and investigations of child sexual exploitation in Rotherham. These are taken together with the uncertainties over savings from extending collaboration with Humberside Police. This means that the reserves provide a limited cushion against future contingencies.

The force has a comprehensive understanding of future risks to its budget. The director of finance has identified the core financial risks over the spending review period as: a greater than expected reduction in core government funding; and further pressures on policing. The force and OPCC are keeping external auditors advised of the position. The force recognises the risks but HMIC remains concerned that the force has not fully evaluated the medium and long-term implications of such risks materialising.

Summary of findings



Requires improvement

South Yorkshire Police faces an uncertain financial position. The force has a good track record of achieving savings and has maintained a sustainable position up to now with a balanced budget for 2015/16.

The force and police and crime commissioner have strong governance and oversight of the finances which clearly link to workforce plans and the change programme.

There are plans in place to meet future known savings requirements. The plans rely on savings being achieved through a combination of; fully implementing the new operating model for local policing, efficiency gains from better use of new technology and better management of demand, together with ambitious plans for much greater collaboration with Humberside Police. There are significant risks in the force's ability to achieve the necessary level of savings in the required timescale, particularly around collaboration.

HMIC has concerns in relation to the impact on the force's financial sustainability associated with the continuing unknown future costs of the Hillsborough inquest and investigations of child sexual exploitation in Rotherham as the force has not yet fully explored all available funding options. The financial reserves will provide only a limited cushion against future contingencies.

The force and police and crime commissioner recognise the risks but HMIC remains concerned that the force has not fully explored all available funding options.

Causes of concern

The financial planning of the force in relation to its potential liabilities for the Hillsborough inquest and the Rotherham child sexual exploitation investigation is a cause of concern to HMIC because there is a failure to provide mitigation for future impact.

Recommendation

To address this cause for concern, HMIC recommends that:

The force's plans on how it might meet all the potential financial risks associated with the ongoing costs arising from the ongoing Hillsborough and the Rotherham child sexual exploitation investigations should be more detailed.

Areas for improvement

- The force should create more detailed plans on the future savings that can be made from increased collaboration with Humberside Police.
- The force should evaluate the costs and benefits of its new operating model, including its impact on the force's ability to effectively meet and manage demand.

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,⁸ 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.

⁸*Striking a balance: Improving councils' decision making on reserves*, Audit Commission, December 2012. Available from <http://webarchive.nationalarchives.gov.uk>