



RESPONSE BY THE PCC TO HMIC INSPECTIONS OF CLEVELAND POLICE

INSPECTION DETAILS

Title of Inspection

Policing in Austerity: Rising to the Challenge

Date Inspection Published

July 2013

Type of Inspection:

- Cleveland Specific
 Follow Up
 Partner Inspection

- National
 Thematic

Is Cleveland Police quoted in the Report?

Yes

No

HMIC RECOMMENDATIONS

Protecting Crime Fighting Capacity:

1. All Chief Constables and PCCs should review their plans to deliver savings to ensure they are doing all they can to continue to reduce crime and protect the front line while balancing their budgets. They should use the data and information contained in this report, and in HMIC's Value for Money profiles, when conducting their reviews.
2. Chief Constables and PCCs in forces that are planning to reduce the proportion of their workforce and/or police officers on the front line should assess whether they have taken the decisive action seen in many forces in order to maintain their crime fighting capacity. HMIC will follow up the assessments in the autumn.

Enabling Better Use of Police IT:

3. The Police IT Company should urgently work with forces and PCCs to provide an IT capability that supports the frontline officer and delivers better value for money.

Maximising Savings Opportunities through Collaboration:

4. In preparation for the next spending round period all Chief Constables and PCCs should review their plans for collaboration. In particular they should consider whether there is scope to deliver better value for money and improved capability and capacity through joint working with other forces, the public and/or the private sector.
5. Chief Constables and PCCs in forces planning to deliver less than 10% of their savings through collaboration should assess whether there is scope

to improve on this position. HMIC will follow up the assessments in the autumn.

6. The Home Office should review the incentives it provides to encourage forces to collaborate.

Building Leadership Skills for the Future:

7. The College of Policing should consider how best to support police leaders in developing the skills they need to lead and manage forces effectively during the age of austerity.

Most Efficient and Effective Models of Neighbourhood Policing:

8. The College of Policing (in its ongoing work on local policing) should identify the most effective models for preventative and proactive neighbourhood policing. HMIC will undertake further complementary work in this regard in the autumn.

Sharing Best Practice:

9. The College of Policing, working with HMIC, should ensure that the good practice that forces have shown in their response to the funding challenge is evaluated and shared across the police service.

Developing a Longer Term Approach:

10. The Home Office, police forces, the College of Policing, PCCs and HMIC should work together to develop a longer term approach for policing in an era of sustained budget reductions. This should address: how best to assess demand in the context of falling recorded crime. This should include developing a better understanding and the ability to quantify the new emerging threats and crime types (such as cyber-crime); and how best to distribute resources in a period of continuing austerity which maximises all forces' chances of withstanding further reductions, and incentivises forces and PCCs to deliver efficient and effective policing.

FORCE RESPONSE TO THE REPORT

In the October 2010 spending review, the Government announced that central funding to the police service in England and Wales would be reduced in real terms by 20% in the four years between March 2011 and March 2015. Her Majesty's Inspectorate of Constabulary's (HMIC's) Valuing the Police Programme has tracked how forces have planned to make savings to meet this budget reduction, and published findings in July 2011 and June 2012. The report explains, analyses and makes recommendations in relation to what they found as we enter the third year of the spending review period.

The inspection focused on three questions:

1. What is the financial challenge, and how are forces responding to it?
2. What is the impact of the changes that forces are making, both on the workforce, and on the service they provide to the public?
3. How are forces managing current and future risks?

To answer these questions, HMIC collected data and savings plans from the 43 Home Office-funded forces in England and Wales; surveyed the public, to find out if they had noticed any changes in the service they receive from the police as a result of the cuts; and conducted in-force inspections. HMIC also interviewed the Chief Constable, Police and Crime Commissioner (PCC), and the chief officer leads for finance, change, human resources and performance in each force, and held focus groups with other officers and with police staff.

Main findings:

- Overall, the response of police forces to the financial challenge of the spending review has been good. HMIC recognises the hard work of police officers, PCSOs and police staff across England and Wales which underpins this success.
- Most forces have plans in place to balance their books by the end of the spending review period; and while they have had to make some substantial changes to the way they work in order to achieve this, they have succeeded in increasing the proportion of the workforce on the front line. Crime has also continued to fall, and victim satisfaction to rise.
- However, HMIC is concerned that some forces have chosen to make savings by broadening the remit of neighbourhood policing teams, to include tasks traditionally carried out by response officers, or investigators. This will potentially have a detrimental effect on the amount of prevention work they can carry out, and impair the level of service the public receive from the police. Neighbourhood policing thus risks being eroded in some places.
- In addition, HMIC is deeply disappointed with progress on collaboration. Despite the potential for efficiencies, which are being realised by a number of forces, the pace of change on collaboration is too slow and the majority of forces are making less than 10% of savings by collaborating with other forces, local partners or the private sector.
- Finally, HMIC considers five forces will find it especially difficult to cope with further budget cuts (after March 2015). In some cases, this is because their size or local circumstances means making savings is inherently more difficult (for instance, small, relatively lower-spending forces have fewer opportunities to cut costs); but for others, this was because their response to the challenge of spending reductions was weaker than those of other forces.

Impact for Cleveland Police:

Cleveland Police faces a larger financial challenge than other forces. During a significant period of considerable change and instability within the command structure, the force has worked hard to deliver savings and minimise any potential negative impact on service delivery and performance.

Cleveland Police has made good progress in meeting its financial challenge and has developed a detailed change programme which will allow it to reduce costs while continuing to protect frontline crime fighting roles. However, it is less advanced in developing new structures and ways of working based on a reduced workforce. HMIC considers that Cleveland Police is on track to meet its savings requirement.

Financial Challenge:

Cleveland Police has identified that it needs to save £28.1m over the four years of the spending review (i.e. between March 2011 and March 2015). As a proportion of its overall budget (19%) this savings requirement is greater than that of most other forces. However, as Cleveland Police spends more on policing than other forces and has higher police officer costs there are opportunities for reducing costs in line with others. A number of Cleveland's functions are provided by a private sector organisation – Steria. Further savings from these areas must be negotiated and agreed and so may be more difficult to achieve than where the functions are solely under the control of the force.

Progress in Making Savings:

Cleveland Police has planned how it will save £27.5m, it therefore still has £0.5m to find. This represents a small part of the force's expenditure and the force expects this gap to be closed over the remaining two years of the spending review.

Changes to the Workforce:

All forces spend most of their money on staff costs (such as wages and overtime), and so have focused on reducing this expenditure in order to cut costs. Cleveland Police is no exception. It is reducing police officer numbers by limiting recruitment and holding vacancies; as a result, by the end of the spending review period, it is planned that there will be 325 fewer police officers in the Cleveland Police. This means the number of police officers is planned to reduce by 19% between March 2010 and March 2015; this is a greater reduction than in most other forces.

There is evidence that Cleveland Police is successfully protecting frontline posts as it makes these cuts: between March 2010 and March 2015, the proportion of police officers in frontline crime-fighting roles is planned to increase from 87% to 91%. This compares to an overall increase across England and Wales from 89% to 93%. The force has also made some police staff redundant and not replaced others as they have left (e.g. through retirements and resignations) as a result, by the end of the spending review period, there will be 496 fewer police staff in the force. This means the number of police staff is planned to reduce by 70% between March 2010 and March 2015. This is higher than most other forces but is mainly due to many business support and operational functions now being provided through a contract, rather than by staff employed by Cleveland Police. Cleveland plans to reduce the number of police community support officers (PCSOs) by 27 or 14% which is fewer in most other forces.

Impact on the Public:

HMIC expects forces to make savings without damaging the service provided to the public. HMIC monitor whether forces are achieving this by examining crime rates and the results of the victim satisfaction surveys which all forces conduct. Over the first two years of the spending review, recorded crime (excluding fraud) fell by 8%, which is less than the figure for England and Wales (13%). Victim satisfaction with the service provided is 82.9% which is lower than for other forces.

Future Challenges:

Cleveland has a detailed change programme to provide greater efficiency in the way it provides policing, as well as providing savings. HMIC considers that the force has a well managed change programme and is on target to meet their savings requirement.

The Challenge:

Over the four years of the spending review (March 2011 to March 2015), Cleveland Police identified that it needed to find savings of £28.1m, which equates to 19% of its total expenditure, (which in 2012/13 was £138m or £137m excluding Police Authority expenditure). Across England and Wales a 17% reduction in total expenditure is required.

Progress in making savings:Years 1–2

The force successfully made 60% (£16.9m) of the total savings required by March 2015 in the first two years of the spending review period. It achieved this by: not recruiting any new police officers; reducing the number of police staff it employs (which it started to do in 2010); and deciding to outsource a number of frontline, operational and business support functions.

Plans for Year 3–4

The force has plans in place to achieve further savings of £7.5m in 2013/14, and another £3.1m in 2014/15. This leaves a funding gap of £0.5m which HMIC expect will be closed over spending review period. Cleveland is changing its geographical policing model to a functional one. This makes for a more efficient use of staff and allows a smaller number of people to provide the same functions. The Chief Constable has made a commitment to preserve police officer numbers in frontline posts and under this new functional operating model (to be fully implemented by July 2014) the force will reduce management numbers, to achieve the required savings.

Looking Beyond the Current Spending Review:

The force has started to consider what savings it might need to make after March 2015. Future savings plans are wide-ranging and include further changes relating to workforce modernisation, the operating model and the estate.

The Scale of the Challenge in Cleveland:

Although Cleveland Police faces a larger financial challenge than other forces, there are opportunities to reduce costs, this is because:

- it spends more per head of population than most other forces in England and Wales;
- it has a higher number of police officers per head of population than most other forces in England and Wales;
- the cost of police officers per head is higher than most other forces in England and Wales; while
- the cost of police staff is lower than most other forces in England and Wales, this is not directly comparable to other forces due to Cleveland's outsourcing of functions.
- Demand: Forces face different levels of demand for the service they provide to the public. This section looks at three of the key indicators of

demand to provide an overall impression of the challenges each force faces: the number of calls the force receives from the public; the number of crimes the force deals with; and the number of prosecutions (suspects charged with offences) the force brings.

12 months to March 2013	Cleveland Police	England & Wales
Emergency & priority calls per 1,000 population	262	134
Victim-based crime per 1,000 population	62.4	54.5
Prosecutions (charges) per 1,000 population	17.3	10.2

FORCE RESPONSE TO RECOMMENDATIONS

The recommendations which indicate consideration by Chief Constables will be taken forward through Orbis+.

The Chief Constable will invigorate our approach to collaboration, both within policing and with partners.

Our partners Steria and Tascor are actively engaged in Orbis+.

The Force will actively engage with the College of Policing and HMIC as they develop responses to the recommendations that relate to them.

Force Response Provided By: Deputy Chief Constable Iain Spittal

PCC RESPONSE TO INSPECTION

Comment by the PCC:

PCCs and Chief Constables have to continue to aim to reduce crime and protect frontline policing whilst balancing their budgets in these difficult times of austerity. Clearly the scale of the challenge for all police forces, not just Cleveland, is to provide a more valued policing service with less funding available.

In recent years, Cleveland has overcome numerous financial challenges to ensure the Force can continue to run an efficient and effective service.

The following actions have already been embedded, largely as a result of the CSR 2010:

- A freeze on recruitment of police officers (implemented in 2010).

- Use of Regulation A19 to reduce police officer numbers by requiring them to retire after 30 years (consequently police officer numbers have reduced from 1727 in 2010 to 1391 posts in November 2013).
- Outsourcing business support functions to save approximately £7m per year.
- Reducing our non-pay expenditure (e.g. by transferring the helicopter to the national air service).
- Introduction of a functional model to enable the delivery of policing services in Cleveland with fewer officers.
- Instigating a root and branch review of the estate, including PFI contracts and the Headquarters proposal.
- Further collaboration with neighbouring forces.
- Reductions of costs in the Force Executive and in the PCC's office.

With further funding cuts expected by year end, I will continue to work with the Chief Constable and our strategic partners, Steria and Tascor, to ensure that we will face each challenge head on, exploring all avenues to provide the savings required and ultimately safeguard policing in our localities.

The PCC will monitor the implementation of recommendations via quarterly updates of the Risk, Audit & Inspection Monitoring Board.