

PEEL: Police efficiency 2015

An inspection of Devon and Cornwall Police



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

Overall judgment¹



Good

HMIC found that Devon and Cornwall Police is adequately prepared to face its future financial challenges. Through robust financial management and a commitment to continuous improvement, it has successfully reduced its spending over the last spending review period, and is effectively planning for future financial challenges. In last year's value for money inspection, which considered how forces had met the challenge of the first spending review period, Devon and Cornwall Police was judged to be good.

Summary

HMIC judges Devon and Cornwall Police to be good. The force understands its current demand and has robust arrangements for managing its finances and its plans for change. Its direction of travel is one of improvement as it has extensive plans for a strategic alliance with Dorset Police which are being developed and implemented over three phases through to 2018. For these reasons it is graded as good. It is too early to judge the impact of the work being undertaken on the strategic alliance and the force has yet to agree its revised operating model.²




The force understands its current demand and uses this effectively to deploy its resources to respond to calls for service. This is based on detailed demand analysis which was initially carried out in 2013 and work within the control rooms to understand the nature of incidents arising from calls from the public better.

This analysis is informing the force change programme and the strategic alliance with Dorset Police and will inevitably lead to a significant change in how the force will provide policing services in the future. Although total workforce numbers have been projected for 2016/17, 2017/18 and 2018/19, ongoing development of the future operating model means that distribution of workforce numbers across officers, staff and PCSOs has not been fully determined.

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.

The force has a secure financial position for the short and medium term although not all savings have yet been identified for 2017/18 and 2018/19. Plans to achieve savings through to 2018/19 include development of a new operating model and the strategic alliance with Dorset Police. All budget plans are developed in consultation with and shared with the PCC. The nature of the working relationship provides reassurance that financial planning and workforce plans are aligned.

<p>How well does the force use its resources to meet its demand?</p>	<p>How sustainable and affordable is the operating 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>Good</p>
<p>The force understands its current demand on services and uses this effectively to deploy its resources to respond to calls for service and investigate crime. Given that workforce numbers may continue to reduce in the future the force recognises that its current operating model will have to change if it is to continue to meet demand. Workforce numbers have been profiled through to 2020 and the force is using this information to design a future operating model focused on providing a response based on threat, harm and vulnerability.</p> <p>A strategic alliance with Dorset Police has been agreed to enable the two</p>	<p>The force is analysing its current demand to identify areas where more efficient use can be made of police resources and where a focus on preventive policing can reduce future demand. This analysis is informing the force change programme and the strategic alliance with Dorset Police and will inevitably lead to a significant change in how the force will provide policing services in the future. For example, there are plans for improved customer self-service arrangements through telephony and internet and provision of enhanced mobile data equipment for officers to increase their visibility and improve</p>	<p>The force has a secure financial position for the short and medium term, although not all savings have yet been identified for 2017/18 and 2018/19. Prudent budget management enabled the force to achieve all of the savings required during the last spending review period.</p> <p>Plans to achieve savings through to 2018/19 include development of a new operating model and the strategic alliance with Dorset Police, with the majority of the savings set to come from a reduction in police officer numbers.</p> <p>The force has made a considered decision to use reserves over the period</p>

<p>forces to provide jointly a wide range of specialist and support services. Extensive plans are being developed and implemented over three phases through to 2018 with demand and resource management a principal element of the planning.</p> <p>The force is also working with other agencies, such as health, to understand demand better and identify opportunities for prevention. This is supported by a well-established assessment process which seeks to reduce demand by better targeting prevention activity.</p>	<p>effectiveness.</p> <p>Although total workforce numbers have been projected for 2016/17, 2017/18 and 2018/19, ongoing development of the future operating model means that the distribution of future workforce numbers across officers, staff and PCSOs has not been fully determined. The force has identified some future savings but unless additional savings are identified, there is risk that further posts may have to be removed from the current published figures up to 2018/19.</p>	<p>from 2015/16 to 2018/19 to support development of the new operating model and the transition to the strategic alliance.</p> <p>The force's financial plans support the objectives set out in the police and crime plan. The force's chief finance officer works closely and constructively with the police and crime commissioner's finance officer.</p> <p>The force provides timely and relevant financial information to the OPCC and shared assumptions are used to develop financial planning. All budget plans are developed in consultation with and shared with the PCC. The nature of the working relationship provides reassurance that financial planning and workforce plans are aligned.</p>
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Force in numbers



Financial position

Forecasted change in expenditure 2015/16 to 2018/19



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



Providing policing

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



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



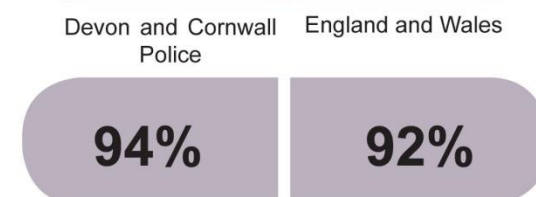
Proportion of police officers on the operational frontline 31 March 2010



Proportion of police officers on the operational frontline 31 March 2015



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





Organisation

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

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

Devon and Cornwall Police England and Wales

£93

£115

Devon and Cornwall Police England and Wales

£135

£165



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

Devon and Cornwall Police England and Wales

-6%

+2%

Devon and Cornwall Police England and Wales

-12%

-16%

Devon and Cornwall Police England and Wales

82.3%

83.8%

Devon and Cornwall Police England and Wales

Decreased

No change

Victim satisfaction: Devon and Cornwall, confidence interval +/- 1.5 percent. England and Wales, confidence interval +/- 0.2 percent.

For full details on the data used in this graphic see annex A in the efficiency national report.

Introduction

In October 2010, the Government announced that central funding to the police service in England and Wales would reduce by 20 percent in the four years between March 2011 and March 2015. Now, in a period of sustained budget reductions, forces need to continue to make efficiencies while focusing on reducing crime and keeping communities safe.

As part of its annual inspections into police effectiveness, efficiency and legitimacy (PEEL), HMIC's Efficiency programme assessed how a force maximises the outcomes from its available resources. We reviewed both the financial and workforce planning of police forces whilst examining wider questions of cost, capability and productivity. Our inspection focused on the overall question, 'How efficient is the force at keeping people safe and reducing crime?'

To answer this question we looked at three areas:

- How well does the force use its resources to meet demand?
- How sustainable and affordable is the operating 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 Devon and Cornwall Police.

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

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

How well does the force understand its demand?

The force has a good understanding of the demand from the public for its services. This is based on detailed demand analysis which was initially carried out in 2013 and work within the control rooms to understand better the nature of incidents arising from calls from the public. The 2013 analysis has also been used to inform decisions on workforce modelling, particularly regarding which resources the force uses to respond to calls from the public and investigate crime. The force conducts 'demand-modelling' analysis to understand the demand placed upon it by the public better. As a result of this research, police resources in the control rooms have been increased and the numbers of specialist staff trained to deal with sexual offences and child sexual abuse have also been increased.

The force has also conducted a pilot scheme in the Torbay area to get a more detailed understanding of the demand the force faces with the intention of using this information to inform the future workforce model.³

How well does the force match resources to demand?

The current operating model matches predicted demand. The force is therefore typically able to match resources with demand.

Workforce numbers have been produced on a three-year rolling profile to incorporate changes in projected demand. This work has contributed to the current force position where resources match demand with measures in place to move resources quickly to respond to temporary increases in demand. However, some staff spoken to during the inspection indicated severe pressure on operational resources. There was a consistent view that operational staff were operating at optimum level with no flexibility or respite.

³ Workforce model - the way in which the workforce is organised. In the case of the police, it includes police officers, even though they are holders of the office of constable and therefore not employees of their police forces; it also includes police community support officers and police staff.

Staff stated that the force capability to protect effectively vulnerable people is at risk due to resource pressures. There were also concerns expressed regarding the wellbeing of frontline staff.

The force has recognised that improvements need to be made in dealing with calls from the public and subsequent attendance times at incidents. Resource levels for call handling in the control rooms are insufficient at times of peak demand. An increased concentration on caller vulnerability in line with the new force mission has contributed to calls taking longer to resolve. Staff shortages in control rooms are also a factor. The force is considering a number of options to resolve these issues, including improvements to the telephony system and the use of local university students to gain course-related experience working within the control rooms at times of peak demand.

A strategic alliance with Dorset Police has been agreed and is set to enable the two forces to provide jointly a wide range of specialist and support services. The drivers have been the financial imperative to maintain or improve services within the constraints of reduced funding and to improve interoperability⁴ and resilience across the two forces. A joint project team has been exploring every aspect of the business to identify opportunities for collaborative working with 27 areas being selected for further exploration. The plans are being developed and implemented over three phases through to 2018 with demand and resource management an important element of the planning. Principal programme roles have been filled by officers and staff from across the two forces and where skills gaps have been identified, such as project managers and HR experts, the force has made efforts to recruit external expertise.

ICT provision is largely incompatible across the two strategic alliance forces, particularly in relation to frontline policing, for example the UNIFI crime and intelligence system is used by Devon and Cornwall and NICHE by Dorset. This represents significant risk to the alliance programme. The force is aware of the difficulties and is taking early decisions in order to manage and mitigate the risk.

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

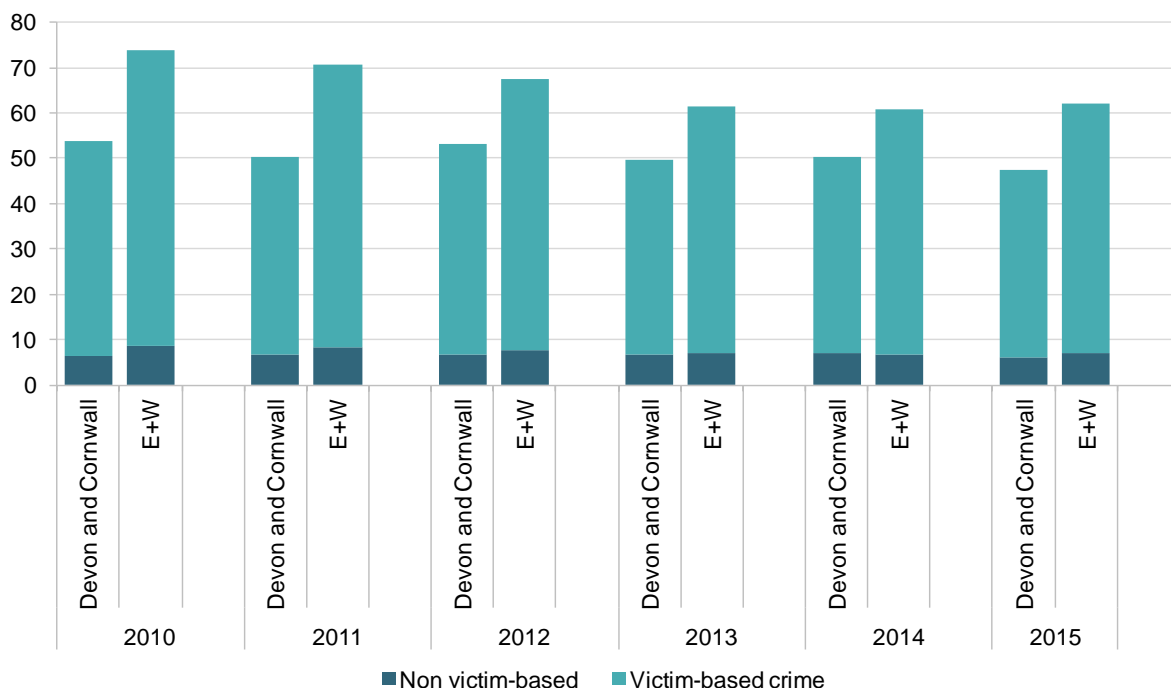
To assess the force's response to public demand, HMIC considered crime figures and rates in Devon and Cornwall; victim satisfaction levels; and whether the force is using different ways to communicate and engage with the public.

⁴ Interoperability is defined as the extent to which organisations can work together coherently as a matter of routine.

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 Devon and Cornwall had a victim-based crime rate of 41.3 and a non-victim-based crime rate of 6.2 per 1,000 population. This represents a decrease (13 percent) in the victim-based crime rate and a decrease (4 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.

Figure 1: Police recorded crimes per 1,000 population in Devon and Cornwall in the 12 months to 31 March 2010 to the 12 months to 31 March 2015, compared to England and Wales



Source: Home Office crime statistics and ONS mid-2013 population estimates (2013 population data are used across multiple years to reveal actual change in recorded crimes, rather than changes due to population change)

Of those who have been the victim of a crime in Devon and Cornwall, 82.3 percent were satisfied with their whole experience with the police in the 12 months to 31 March 2015.⁵ This is similar to the national victim satisfaction rate of 83.8 percent over the same time period.⁶ There has been a significant decrease in victim satisfaction between the 12 months to 31 March 2011 and the 12 months to 31 March 2015 in Devon and Cornwall.

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

Figure 2: Methods of public engagement used by Devon and Cornwall Police over the 12 months to 31 March 2015

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

Source: HMIC Efficiency data collection

The force conducts a range of public engagement activity to understand how well its services are meeting the demand from the public. Examples include the use of neighbourhood teams, public surveys, communication through the force website and engagement activity alongside the office of the police and crime commissioner (OPCC).

The force also conducts analysis of complaints from members of the public to inform the way in which services are provided. For example, the force was able to link an increase in complaints of incivility to low staff morale linked to inadequate internal communication regarding substantial force structural changes. The force

⁵ Devon and Cornwall, confidence interval +/- 1.5 percent.

⁶ England and Wales, confidence interval +/- 0.2 percent.

immediately addressed the situation by engaging with affected staff following which there was a decrease in incivility complaints.

Force incident managers and frontline supervisors take responsibility for the real-time management of demand, by reallocating patrols and identifying alternative resources. The ability of control room staff to support this flexible deployment is sometimes hampered by the limitations of the force's current satellite tracking systems and the failure of some officers to update systems with duty and availability times.

The force has recently undertaken a programme of enquiry desk reception closures, but it is unclear whether the impact of the closures is fully understood. Public complaint levels, which have remained low, have been used as the main indicator of public satisfaction following the closures. There is a possibility therefore that the force has not assessed the full impact on the public. Staff spoken to during the inspection stated that associated demand on local officers and staff has increased at affected police buildings. Staff reported increased demands to respond to callers at police buildings, a role which would formally have been performed by designated police staff.

How well is the force managing demand?

HMIC found evidence of a determination to manage and reduce future demand. The force is working effectively with other agencies to better understand and reduce demand. Activity in relation to mental health includes development of a mental health protocol and placing mental health nurses in the police control room which is proving very effective in reducing demand, particularly in relation to the number of persons detained in police custody as a place of safety. Further examples include a focus on the Troubled Families programme; a well established assessment process which seeks to reduce demand by better targeting prevention activity; and a single safeguarding response to crime and incidents help identify and protect the most vulnerable.

To support and embed a whole force approach to performance (how well the force is doing) and demand, a force business board which includes local police commanders and departmental heads, has been introduced. HMIC found evidence that the board is helping to remove artificial internal barriers connected to former geographical and functional boundaries.

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

The force has some strong measures in place to monitor and understand outputs, outcomes and costs, but has identified opportunities for improvement. For example the detailed business cases being developed as part of the strategic alliance programme should provide further opportunities to increase understanding and analysis. Each business case includes market provider tests to assess the strength and weakness of alliance options when compared with external outsourcing alternatives.

Previously, the force had made conscious decisions to review costs in line with wider public service considerations. It recognises now the need for greater clarity of understanding on costs linked to specific outputs and outcomes. The force has centralised all budgets with the exception of those allocated to overtime and equipment. Centralised control provides the force with opportunities to understand and control budget requirements better across the whole organisation. The force compares performance with other forces by using the HMIC value for money profiles. By using this approach, the force was able to identify high expenditure on transport and information technology. Costs in those areas have since been reduced and savings have been made. For example, the force identified savings in the region of £1m from renegotiation of existing information technology contracts.

The force monitors costs and outputs through monthly budget and performance monitoring meetings some of which include representation from the police and crime commissioner's office to ensure the budgets are reviewed in line with the police and crime plan.

Performance meetings led at chief officer level have developed from traditional target-based meetings to those with an increased focus on harm and vulnerability in line with the new force mission. Staff wellbeing and public satisfaction also receive increased attention during such meetings.

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

The force is strong on developing new working methods to improve services.

The force introduced a new governance structure in January 2015. The new structure oversees the provision of policing and the core mission of detecting and preventing harm, protecting the vulnerable and reducing crime. The executive board, chaired by the chief constable and attended by chief officers, is designed to oversee all areas of force progress and development. A business board, containing chief superintendents and departmental heads, has been developed to provide a structure in which everyone in the organisation clearly understands their roles and

responsibilities. The business board is chaired on a six-month rolling programme and is represented on the executive board. The new structure has the potential for streamlining decision making and ensuring roles and responsibilities are clearly understood.

The force is considering new ways of working to improve its services in the future. There is an aspiration to communicate with the public more clearly regarding reasonable expectations on service provision. Options being considered include a facility to redirect callers better to other service providers where appropriate and development of repeat caller protocols and interactive voice response (IVR) so that callers can be automatically redirected to individual members of staff. A voicemail compliance policy is being developed in order to ensure staff provide a timely response to IVR-related messages. The force is especially keen to improve ways of working in relation to call management where it faces a particular pressure on demand and resources. To alleviate this, the force has reduced recruitment process time for control room staff by more than half and improved staff retention.

Other force initiatives to use new methods of working include using information technology to better track and deploy mobile resources and increasing mobile data technology for operational staff to enable research and report writing to be carried out without the need to return to police buildings.

The force has several initiatives in place with other organisations to improve services and reduce demand. Examples include a range of alcohol care and mental health protocols, including joint arrangements with the local ambulance service. The force is also looking to expand the use of police volunteers under the community safety accreditation scheme.

The force employs a range of methods to engage with staff on the implementation of change. Main messages in relation to the strategic alliance are posted on the force intranet and each detailed business case includes active engagement with and involvement of staff associations. The force holds two senior leaders' events per year during which important messages such as the strategic alliance, development of the executive board and progress on wider change is communicated to inspectors, police staff equivalents and above. The expectation is that leaders will pass this information to their staff. However, HMIC found inconsistent levels of knowledge and understanding among staff regarding the new executive structure, force mission and development of the strategic alliance.

Summary of findings



Good

The force understands its current demand on services and uses this effectively to deploy its resources to respond to calls for service and investigate crime. Given that workforce numbers may continue to reduce in the future the force recognises that its current operating model will have to change if it is to continue to meet demand. Workforce numbers have been profiled through to 2020 and the force is using this information to design a future operating model focused on providing a response based on threat, harm and vulnerability.

A strategic alliance with Dorset Police has been agreed to enable the two forces to provide jointly a wide range of specialist and support services. Extensive plans are being developed and implemented over three phases through to 2018 with demand and resource management a principal element of the planning. The force is also working with other agencies, such as health, to understand demand better and identify opportunities for prevention. This is supported by a well-established assessment process which seeks to reduce demand by targeting prevention activity more effectively.

How sustainable and affordable is the operating model?

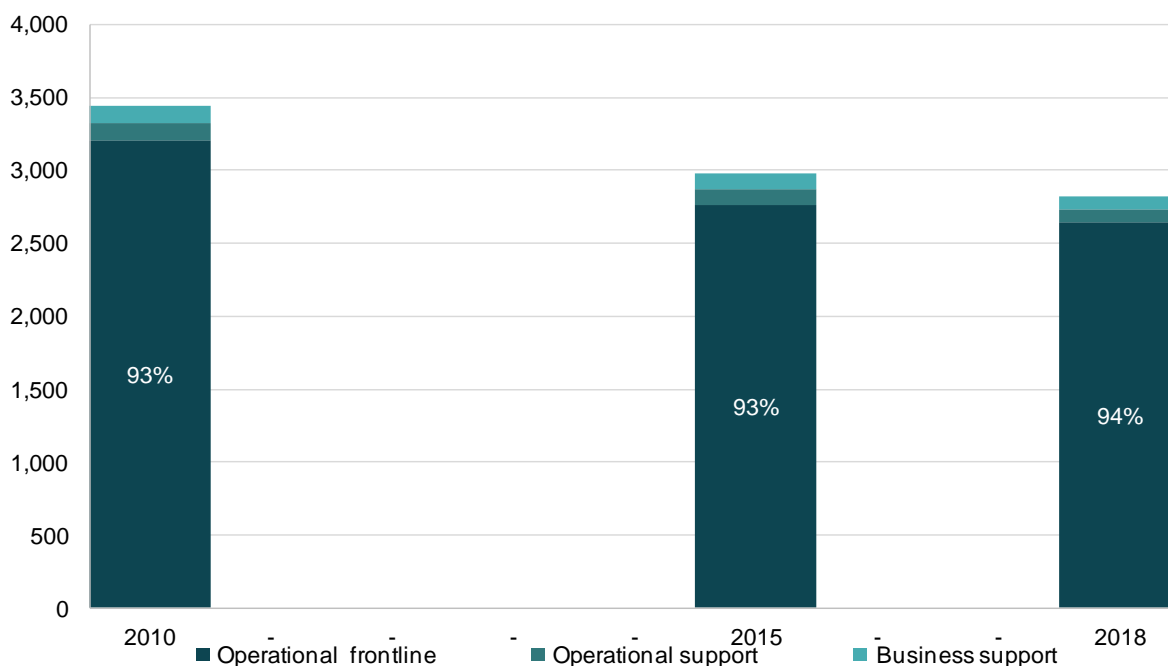
HMIC examined how Devon and Cornwall Police has structured its workforce (i.e. its mix of police officers, staff and PCSOs, and the proportion of all these groups working in frontline positions), and assessed whether this was affordable and sustainable as the force responds to its financial challenge. 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 operating model match demand, organisational and financial requirements?

Devon and Cornwall Police forecasted a total savings requirement of £53.29m over the first four years of the spending review (2011/12 to 2014/15) as part of the value for money inspection. This is the equivalent of 17 percent of the 2010/11 gross revenue expenditure for the force. Savings were made in both the pay and non-pay budgets. Since 2010, Devon and Cornwall Police has seen a reduction of 488 police officers, 439 staff and 17 PCSOs, full-time equivalent (FTE).

In Devon and Cornwall, there have been falls in the total number of police officers (FTE) over the period 2010 to 2015, as shown in figure 3 on the following page. During this time period the proportion in frontline roles has remained at 93 percent in 2010 and 2015. The force expects to broadly maintain the current frontline proportion of officers.

Figure 3: Actual and planned changes to police officer full-time equivalents (FTE) in operational frontline, operational support and business support roles in Devon and Cornwall 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 operating model is typically able to match current demand, organisational and financial requirements. The force recognises that the current operating model is focused on a traditional response culture relating to reported incidents and crime. The force understands that a new approach will be required in adapting to its new stated mission and an increased focus on harm and vulnerability. The force is in the process of developing a revised operating model, in line with the force mission, linked to local needs, and with less reliance on warranted officers.

HMIC found evidence that the force is seeking to match the workforce with the demand on services. The force is currently consulting local operational commanders regarding training and resource requirements. The intention is for the information to feed into decisions regarding the future operating model. The force uses a 'figure of eight' model which assists in decision making related to people, leadership and demand. Representations from the local commanders are assessed by the human resources department in order to ensure an appropriate local operating model in line with local requirements.

The force is considering moving to an arrangement where police and other public sector agencies are located in joint community facilities. It believes that such an arrangement would provide opportunities for improved partnership working and reductions in costs.

The initiative follows a recent force decision to decommission two large police buildings which the force anticipated will provide savings in the region of £6m over four years.

How well does the force’s projected operating 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 Devon and Cornwall 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	3,556	-14%	-12%	3,068	-7%	-6%	2,848
Police Staff	2,071	-21%	-19%	1,633	-4%	-6%	1,567
PCSOs	363	-5%	-27%	346	4%	-11%	360
Workforce total	5,990	-16%	-15%	5,047	-5%	-6%	4,775

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

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

In the HMIC data return, the following comment was provided by the force: “These figures have not been formally agreed through a budget proposal and are designed to show the effect if all the strategic alliance savings and all the unidentified savings came from reductions in people numbers. Broadly it assumes that the reductions fall in proportion across police staff and police officer numbers, although much work is being done to design a workforce mix that will inevitably mean a different structure across all three main people groups.” This statement is also applicable to figure 3.

The force understands that the overall workforce will need to reduce in the future and has mapped its workforce through to 2020. It has a good understanding of the changing workforce numbers and the profile of the staff it will have and is analysing current demand to identify areas where efficient use can be made of the reduced police resources and where a focus on preventive policing can reduce future demand.

This understanding and analysis is informing the force change programme and the strategic alliance with Dorset Police and will inevitably lead to a significant change in how the force will provide policing services in the future.

Although total workforce numbers have been projected for 2016/17, 2017/18 and 2018/19, ongoing development of the future operating model means that distribution of numbers across officers, staff and PCSOs has not been fully determined. The force has identified some future savings but unless additional savings are identified, there is risk that further posts may have to be removed from the current published figures up to 2018/19.

The force recognises that the current operating model is focused on responding to reported incidents and crime. The development of the future operating model is based on centralised functions which retain links to local services. The force has taken steps to protect neighbourhood policing and intends to maintain neighbourhood policing in the design of the future operating model, but believes that opportunities exist to align future neighbourhood policing resources to threat, harm and vulnerability. This is intended to provide opportunities to adapt to local needs, and have less reliance on warranted officers. Improved customer self-service arrangements through telephony and internet and the provision of enhanced mobile data equipment for officers to increase their visibility and improve effectiveness are being designed to support this approach.

The force intended to have the model agreed with the police and crime commissioner (PCC) by October 2015 and then subsequently implemented. Once implemented, the force believes that it may have increased opportunities to analyse and respond to demand across the whole force area but with continued focus on local issues and requirements. The force aims to have a model that will manage demand through to 2020 and beyond.

Plans in relation to the strategic alliance with Dorset Police are being developed to help the force achieve future economies of scale. If the strategic alliance is effective, the force believes this will reduce demand and costs without compromising public service standards.

Summary of findings



Requires improvement

The force is analysing its current demand to identify areas where more efficient use can be made of police resources and where a focus on preventive policing can reduce future demand. This analysis is informing the force change programme and the strategic alliance with Dorset Police and will inevitably lead to a significant change in how the force will provide policing services in the future. For example, there are plans for improved customer self-service arrangements through telephony and internet and provision of enhanced mobile data equipment for officers to increase their visibility and improve effectiveness.

Although total workforce numbers have been projected for 2016/17, 2017/18 and 2018/19, ongoing development of the future operating model means that the distribution of future workforce numbers across officers, staff and PCSOs has not been fully determined. The force has identified some future savings but unless additional savings are identified, there is risk that further posts may have to be removed from the current published figures up to 2018/19.

Areas for improvement

- The force should ensure that its workforce modelling includes a focus on threat, harm and vulnerability when outlining future resource allocations, the mix of skills required by the workforce and behaviours expected of them.

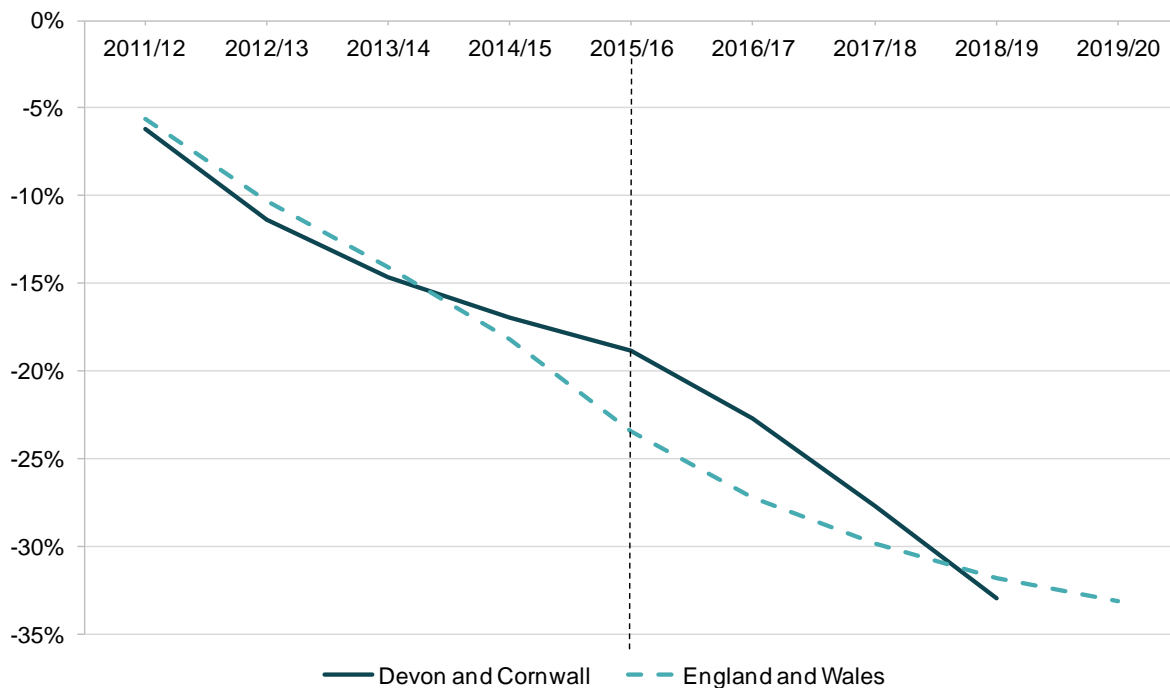
How sustainable is the force's financial position for the short and long term?

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?

Devon and Cornwall Police forecasted savings of £53.29m over the first four years of the spending review (2011/12 to 2014/15), the equivalent of 17 percent of the 2010/11 gross revenue expenditure for the force. Over the period savings were made in both the pay and non-pay budgets, so as to balance budgets by 2014/15. Over the same period all forces across England and Wales forecasted a total savings requirement of £2.53bn, the equivalent of 18.2 percent of the 2010/11 gross revenue expenditure for England and Wales.

Figure 5: Estimated change in expenditure from 2011/12 to 2014/15, and forecast planned savings for 2015/16 to 2018/19, against the 2010 gross revenue expenditure baseline for Devon and Cornwall, and England and Wales



Source: HMIC policing in austerity data, HMIC efficiency data collection and The Chartered Institute of Public Finance & Accountancy (CIPFA) Police Objective Analysis data

For further information about the data for figure 5 please see Annex B

The force achieved its savings requirement and balanced the budget for the spending review period through to 2014/15.

The force has recorded a provisional underspend in 2014/15 of £3.9m. At the time of the inspection the figure was still to be confirmed. The underspend came as a result of vacancies created by unforeseen departures of some police staff, some recruited as police officers and others moving to roles in other organisations. Decisions were yet to be taken regarding where the money will be invested. However, contribution to development costs for the strategic alliance was deemed likely.

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

Devon and Cornwall Police has planned a balanced budget of £280.7m for 2015/16, which includes a cut in spending of £5.8m. It is forecast that the reduction will be split between £2.3m from the pay budget (40 percent) and £3.5m (60 percent) from the non-pay budget in this year's savings.

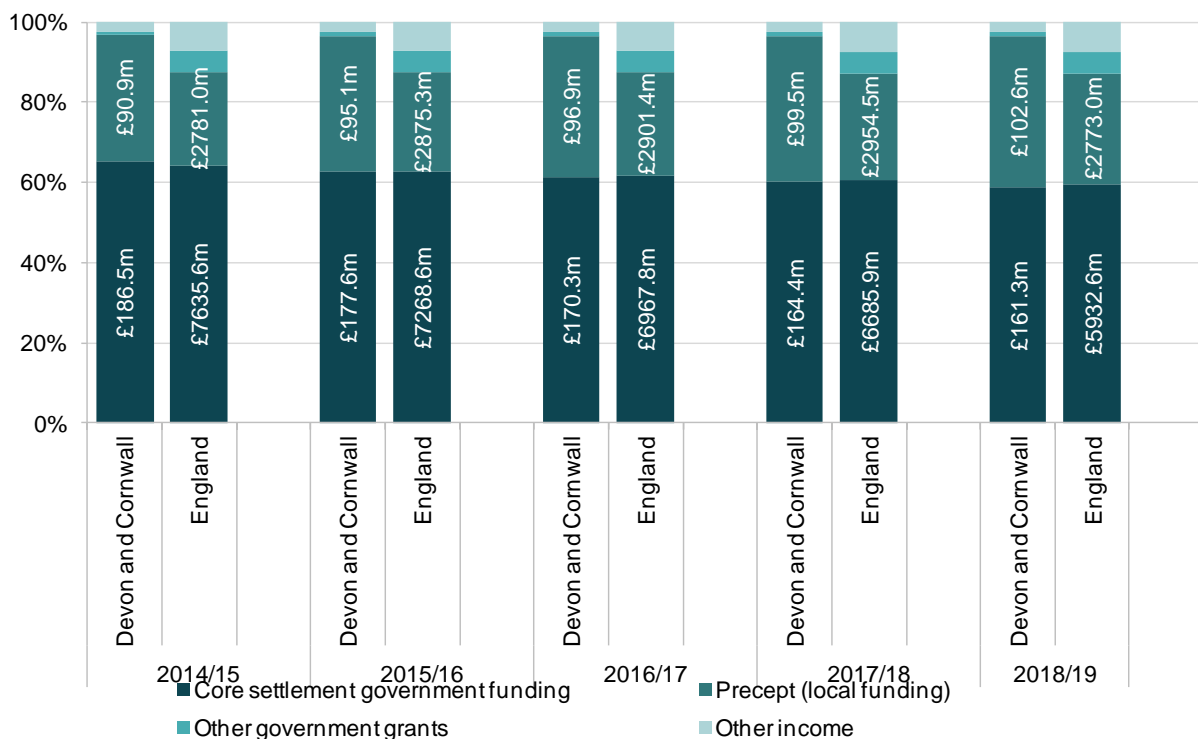
The force plans to meet its reduction in spend without using reserves as a bridge. Since the 2010 baseline, at the start of the spending review, this represents savings of 19 percent.

The force has set aside £1m to support implementation of the proposed strategic alliance. The force and the PCC shared assumptions for a precept increase this year.

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. Devon and Cornwall Police is expecting the proportion of their 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 Devon and Cornwall 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 explores a broad range of options to secure additional funding. It received a Department for Communities and Local Government (DCLG) award of £1.6m in support of the Troubled Families programme. A bid to the Police Innovation Fund in 2014/15 secured £0.6m to assist with the force mobile technology programme. A further bid to the Police Innovation Fund in 2015/16 to support implementation of the strategic alliance was unsuccessful. The force is reviewing actions relating to the failed bid to identify opportunities to submit successful bids in the future.

The force has appointed 'partnership superintendents' in each of the three policing areas. This provides the force with opportunities to ensure that potential areas for collaboration and joint working are identified and led at a senior level. The partnership superintendents are also in a position to apply to national fund providers such as the national lottery or the military covenant fund.

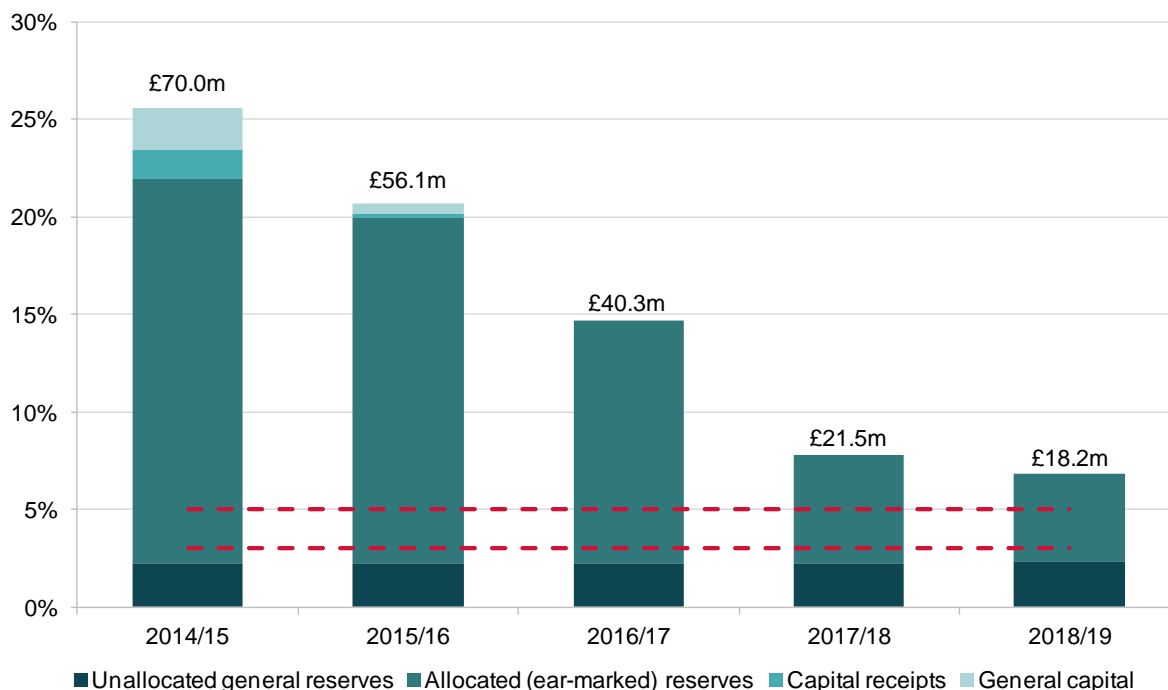
The force is exploring unusual sources of revenue such as the use of government social impact bonds where private investors and voluntary sector organisations can invest in demand reduction initiatives in return for a proportion of any savings realised. The force has also applied for funding from the 'Daphne' funding programme, a European Union initiative which aims to identify and share effective practice to protect those at risk from violence from across member countries.

How well does the force control expenditure?

The force's level of reserves and how these are forecast to change over time is shown in figure 7. Devon and Cornwall Police reported that its total reserves were £70.0m in 2014/15. These are broken down into several categories:

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

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



Source: HMIC efficiency data collection

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

The force has good financial controls in place. The change programme board, which includes the OPCC finance officer, oversees financial controls and reviews all major changes to the force change programme. A benefits realisation manager works with individual project managers to ensure maximum benefits are realised. Benefits realisation in the force was subject of an external audit in March 2015 and assessed to be of a good standard.

The force has recognised notable risk in relation to a number of contested cases connected to police regulation A19. The force recently used regulation A19 in a number of cases and the decision is being contested by many of the officers affected. Any future legal judgment has the potential to have a significant financial impact on the force.

The strategic alliance programme is governed by a separate governance structure under an alliance executive board. The board includes the PCC, chief constable and deputy chief constable from each force. Additional scrutiny is applied by a joint force audit committee. While the programme is currently developing detailed business cases, there is an intention that benefits management plans will feature strongly. External quality assurance has been provided by local authority representatives and other outside bodies with experience in collaboration and business partnering.

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

Strong working relationships exist between the force finance director, HR director and the OPCC finance officer with a range of regular formal and informal meeting structures. The force's finance director works closely with the OPCC's finance officer to develop the budget for the force and the PCC. The nature of the working relationship provides reassurance that financial planning and workforce plans are aligned.

The 2015/16 policing plan was completed after the budget was agreed for that period. Since that time the force has worked closely with the OPCC to ensure that the force's organisational priorities and financial planning supports the police and crime plan priorities.

The development of the strategic alliance programme has clearly been directed and strongly supported by the PCCs and chief constables from both forces.

How well does the force provide timely and relevant financial information to the office of police and crime commissioner (OPCC), and are shared assumptions used to develop current and future plans?

The force provides timely and relevant financial information to the OPCC and shared assumptions are used to develop financial planning. All budget plans are developed in consultation with and shared with the PCC. The PCC receives reports on progress of the strategic alliance and force change programme through the alliance executive board and the joint management committee.

The monthly 'every penny counts' meeting attended by representatives of the force executive and the OPCC provides an opportunity to review financial information regularly, shared assumptions and to ensure budgets are in line with police and PCC plans.

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

The force has developed a strong understanding of the current financial position and likely financial position through to 2018/19. Options for savings have been identified for 2015/16 and beyond, including those potentially generated by the proposed strategic alliance with Dorset Police.

Plans to achieve further savings through to 2018/19 include the development of a new operating model and the strategic alliance with Dorset Police. The force has made a considered decision to use reserves to support development of the new

operating model and the transition to the strategic alliance. The strategic alliance is planning to create savings of £0.645m in 2016/17, £2.237m in 2017/18 and £5.518m in 2018/19. At the time of inspection, although part of its data return the force was able to demonstrate a balanced budget up to 2018/19, it recognised that detailed staffing reductions had not been formally agreed through the budget process. This means the force may need to reduce its workforce further than planned to fill the gap.

Total reserves remaining at the end of the four-year period amount to 6.7 percent of the 2015/16 budget requirement.

Summary of findings



Good

The force has a secure financial position for the short and medium term, although not all savings have yet been identified for 2017/18 and 2018/19. Prudent budget management enabled the force to achieve all of the savings required during the last spending review period.

Plans to achieve savings through to 2018/19 include development of a new operating model and the strategic alliance with Dorset Police, with the majority of the savings set to come from a reduction in police officer numbers.

The force has made a considered decision to use reserves over the period from 2015/16 to 2018/19 to support development of the new operating model and the transition to the strategic alliance.

The force's financial plans support the objectives set out in the police and crime plan. The force's chief finance officer works closely and constructively with the police and crime commissioner's finance officer.

The force provides timely and relevant financial information to the OPCC and shared assumptions are used to develop financial planning. All budget plans are developed in consultation with and shared with the PCC. The nature of the working relationship provides reassurance that financial planning and workforce plans are aligned.

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,⁷ 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.

⁷ *Striking a balance: Improving councils' decision making on reserves*, Audit Commission, December 2012. Available from <http://webarchive.nationalarchives.gov.uk>