



Inspecting policing
in the public interest

Lancashire Constabulary's response to the funding challenge

July 2013

Contents

Lancashire Constabulary: Executive summary	3
The challenge	5
Progress in making savings: Years 1–2	5
Plans for Year 3–4	5
Looking beyond the current spending review	5
The scale of the challenge in Lancashire	5
Demand	6
How difficult is the challenge?	6
Response to the challenge	7
Changes to workforce numbers	7
Changes to the proportion of workforce on the front line	7
Collaboration	9
Managing change	10
How is the force engaging police officers, PCSOs and staff in the change programme?	10
How effective has the response been?	11
Impact of the changes on the public	12
Visibility	12
Calls for service	13
Crime	14
Victim satisfaction surveys	15
Changes to how the public can access services	15
Conclusion	16

Lancashire Constabulary: Executive summary

Lancashire Constabulary faces a smaller savings requirement than most other forces. However, as Lancashire spends less on policing than other forces, finding savings is not without challenge.

The constabulary has responded to the challenge well, with the majority of spending cuts already made, ahead of target.

HMIC is impressed that the plans for achieving the savings have been strongly focused on making sure that the quality and visibility of policing in Lancashire is maintained as far as possible, despite fewer staff.

Financial challenge

Lancashire Constabulary has identified that it needs to save £42.8m over the four years of the spending review (i.e. between March 2011 and March 2015).

This savings requirement is 14% of its overall budget, which is less than that faced by most other forces. Lancashire's position is, however, not without challenge; it spends less on policing per head on policing compared with other forces in England and Wales, so it will be harder to find further savings.

Progress in making savings

Lancashire Constabulary has planned how to save £40.8m, so still has £2.0m¹ to find. The constabulary is in a very strong position to deliver and exceed its planned savings. It expects to close the gap through savings identified from further reviews, which are already in progress.

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.² Lancashire Constabulary 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 plans to have 525 fewer police officers. This means the number of police officers is planned to reduce by 14% between March 2010³ and March 2015; this is a greater reduction than in most other forces.

1 The amounts to save may not add up to the total due to rounding.

2 See *Adapting to Austerity*, HMIC, London, July 2011, p.13. Available from www.hmic.gov.uk.

3 We use 2010 as our baseline as many forces started to make staff reductions in anticipation of the spending review.

There is evidence that Lancashire Constabulary 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 88% to 92%. This compares to an overall increase across England and Wales from 89% to 93%.

The constabulary 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, it plans to employ 118 fewer police staff. This means the number of police staff is planned to reduce by 6% between March 2010 and March 2015., which is a smaller reduction fewer in most other forces. The constabulary plans to reduce the number of police community support officers (PCSOs) by 19 or 4%. Again, this is a smaller reduction than in most other forces.

Impact on the public

HMIC expects forces to make savings without damaging the service provided to the public. We monitor whether they are achieving this by examining recorded crime rates and the results of the victim satisfaction surveys which all forces conduct.

Over the first two years of the spending review, recorded crime⁴ (excluding fraud) fell by 9%, which is less than the figure for England and Wales (13%). Victim satisfaction remains high at 86.5%,⁵ which is higher than in most other forces.

Future challenges

HMIC is confident that Lancashire Constabulary fully understands the challenge it faces. There are very detailed plans in place to deliver the necessary savings by March 2015, and it has a strong track record in making savings. The constabulary is developing plans for beyond this spending review, in anticipation of further spending cuts through to 2017. These plans include reducing and managing demand on the constabulary by early intervention and implementing more sustainable solutions, while still maintaining and improving services.

4 Crime excluding fraud, as per the new crime classifications released in July 2013 by the Office for National Statistics.

5 \pm 0.7%.

The challenge

Over the four years of the spending review (March 2011 to March 2015), Lancashire Constabulary identified that it needs to find savings of £42.8m, which equates to 14% of its total expenditure⁶ (which in 2012/13 was £286.6m). Across England and Wales, a 17% reduction in total expenditure is required.

Progress in making savings: Years 1–2

The constabulary successfully made 78% (£33.3m) 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; and restructuring how the constabulary delivers elements of its policing, for example, by halving the number of geographical policing areas into which the constabulary area is split, and centralising contact centre activities.

Plans for Year 3–4

The constabulary has plans in place to achieve further savings of £4.3m in 2013/14, and another £3.2m in 2014/15. This leaves a funding gap of £2.0m at the end of the spending review period. The force has a number of reviews in progress which will identify and deliver savings to close this gap by March 2015.

Looking beyond the current spending review

The constabulary continues to develop plans to face the future challenges of more savings requirements after 2015. Its medium-term financial plan looks forward to 2016/17.

The constabulary is preparing options for delivering policing in a different way. For example, by reviewing demand management focused on the contact centre; reducing demand, by early intervention; and implementing sustainable solutions, all while maintaining vital services for the public of Lancashire. This work will ensure that the constabulary is well placed to respond to future funding reductions.

The scale of the challenge in Lancashire

Although Lancashire Constabulary faces a smaller financial requirement than other forces, it faces a difficult challenge because it spends less per head of population than most other forces in England and Wales.

⁶ Based on a gross expenditure baseline in 2010/11.

However, there are opportunities to deliver savings as:

- it has a higher number of police officers per head of population than most other forces in England and Wales; and
- the cost of police staff per head of population is higher than in most other forces in England and Wales.

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	Lancashire Constabulary	England and Wales
Emergency and priority calls per 1,000 population	121	134
Victim-based crime per 1,000 population	56.9	54.5
Prosecutions (charges) per 1,000 population	14.5	10.2

In 2012/13, Lancashire Constabulary received fewer emergency and priority calls from the public than other forces. However, it had to deal with slightly more crimes, and it supported more prosecutions.

How difficult is the challenge?

Although facing a smaller savings requirement than other forces, there are additional challenges for Lancashire Constabulary. It has a low income in comparison to many other forces, and polices over a large rural area, as well as to urban communities. As a tourist destination, the constabulary sees peaks of demand during the summer months. Overall, we consider Lancashire Constabulary faces a more difficult challenge than other forces.

Response to the challenge

Because over 80% of a police budget (on average) is spent on staff costs,⁷ it is not surprising that forces across England and Wales plan to achieve most of their savings by reducing the number of police officers, police community support officers (PCSOs) and police staff employed.

Lancashire Constabulary is no exception. It has slowed its recruitment of new police officers and police staff, and reduced the number of police staff it employs. The Constabulary plans to make 81% of its spending review savings requirement from its pay budget. This is higher than most other forces, and indicates that Lancashire Constabulary may have some more opportunities to make savings from reducing expenditure on goods and services.

Changes to workforce numbers

The following table shows the constabulary's planned changes to workforce numbers over the spending review period, and compares these to the change for England and Wales.⁸

	31 March 2010 (baseline)	31 March 2015	Change	Lancashire change %	Change for England and Wales %
Police Officers	3,649	3,124	-525	-14%	-11%
Police Staff	1,957	1,839	-118	-6%	-16%
PCSOs	428	409	-19	-4%	-17%
Total	6,034	5,372	-662	-11%	-13%
Specials	470	627	+157	+33%	+60%

Overall, the table shows that the constabulary plans to lose more officers but fewer police staff and PCSOs than other forces, and to increase the number of special constables.

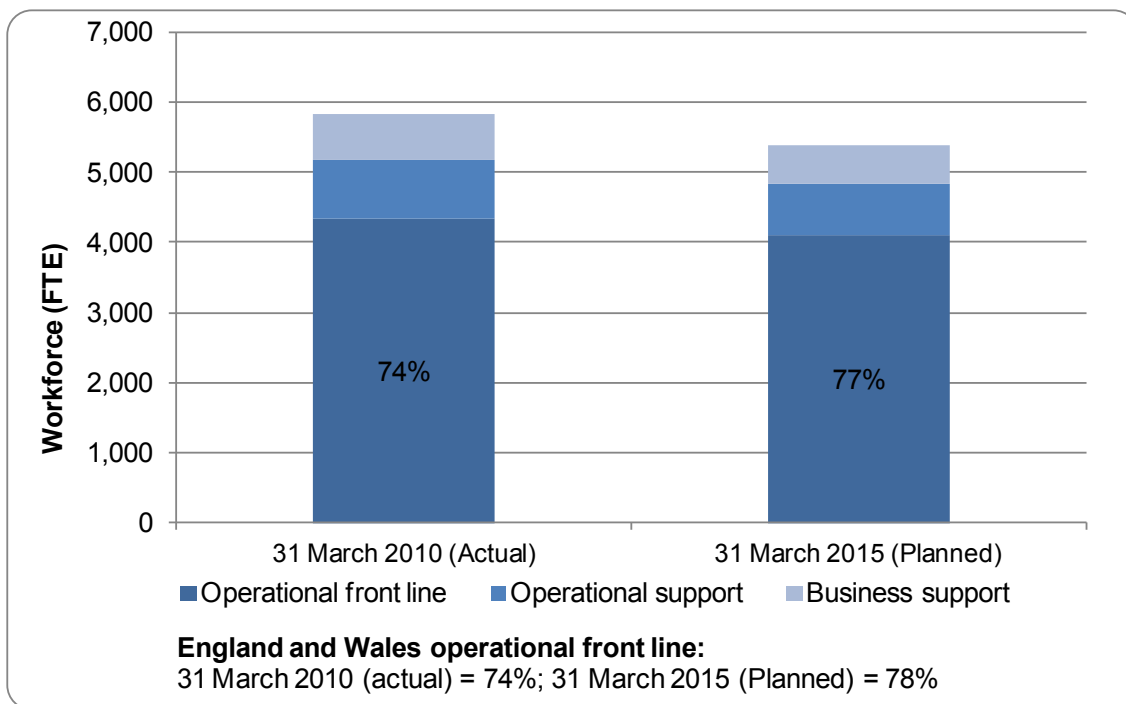
Changes to the proportion of workforce on the front line

HMIC defines the people who work on the police front line as: *“those who are in everyday contact with the public and who directly intervene to keep people safe and enforce the law”*. It is important that as forces reconfigure their structures and reduce workforce **numbers**, they focus on maintaining (or if possible increasing) the **proportion** of people in these crime-fighting roles.

⁷ See *Adapting to Austerity*, HMIC, London, July 2011, p.13. Available from www.hmic.gov.uk.

⁸ Workforce figures for March 2010 show the actual number of people working for the force in permanent posts on the 31 March in that year. People on long-term absences (such as maternity leave) are included in these 'actual' figures, but vacant posts are not. Workforce projections for March 2015 are for budgeted posts, so the actual number of people who will be working for the force at that point in reality may be different, because some posts will be vacant or filled by temporary staff. Forces' projections may also exclude people who will be on long-term absences. The difference between actual workforce numbers and projected numbers should therefore be taken as an approximate expected change.

The following chart shows the change in the workforce frontline profile in Lancashire Constabulary.⁹

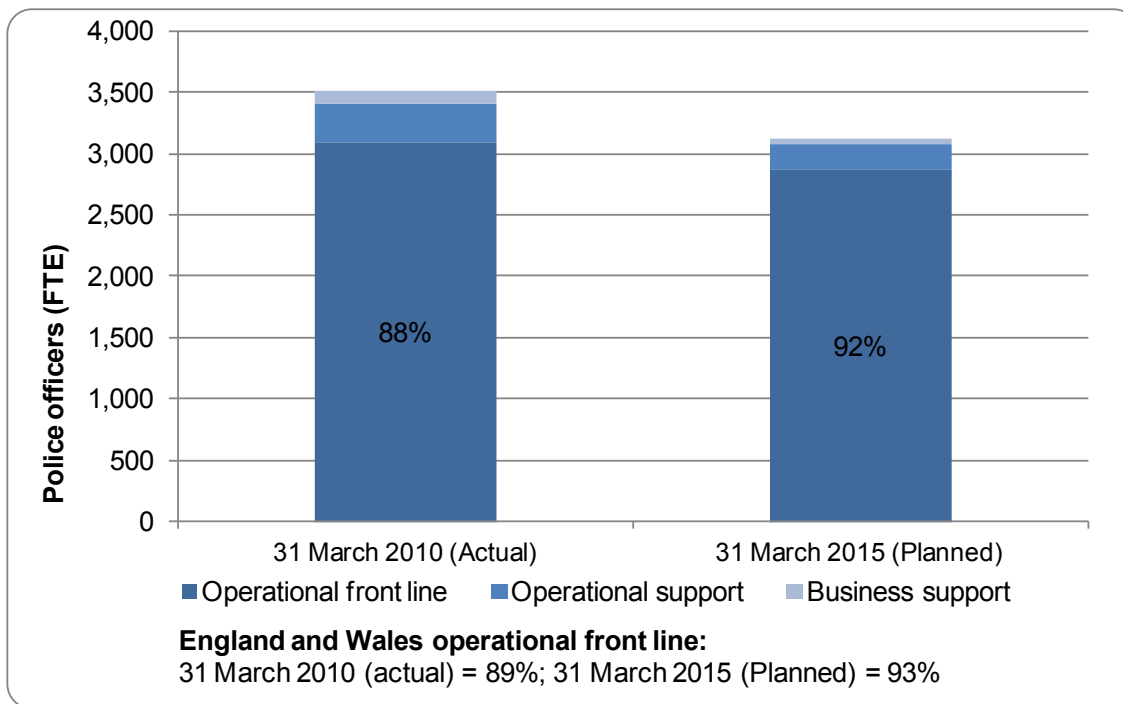


The **number** of officers, PCSOs and staff (i.e. of the constabulary’s total workforce) working on Lancashire’s front line is planned to reduce by 5% between March 2010 and March 2015 (from 4,333 to 4,113).

Over the same period, the **proportion** of Lancashire’s total workforce allocated to frontline roles is planned to increase from 74% to 77%. This compares with an overall increase across England and Wales from 74% to 78%.

The **number** of Lancashire’s police officers in frontline roles is planned to reduce by 8%, from 3,097 in March 2010 to 2,863 in March 2015, as the chart on the next page shows. The **proportion** of those remaining on the front line is planned to increase from 88% to 92%. This compares to an overall increase across England and Wales from 89% to 93%.

⁹ From 2010, Gwent, the Metropolitan Police Service, Wiltshire and North Wales police forces chose to code those officers and staff who are on long-term absence from duty due to maternity/paternity leave, career break, full-time education or suspension, and those on long-term leave, to their normal working role. This has the effect of inflating their workforce and frontline figures by up to 1% compared to other forces.



Collaboration

HMIC monitors a force's progress on collaboration¹⁰ because it offers the opportunity to deliver efficient, effective policing and help achieve savings.

The constabulary has been working in collaboration with other police forces to deliver a number of policing services across the north west region and north Wales. Examples include roads policing; intelligence gathering; serious and organised crime; counter terrorism; firearms; and training.

The constabulary also collaborates with local partners, and the Police and Crime Commissioner (PCC) is focused on working with other strategic partners. These include Lancashire County Council, where a partnering arrangement already provides a range of financial services (e.g. payroll) and some ICT provision.

A good example of extended collaboration across Lancashire is the multi-agency safeguarding hub (MASH). All public services (police, local councils, probation, mental health, fire and rescue) work together within Lancashire to protect and care for victims by identifying risks and adopting early interventions. While this does not deliver significant cash savings to the Constabulary, it does, undoubtedly, provide a better quality, joined-up service for the county's most vulnerable people. Proposals are being developed to include integrated offender management and other established partnerships once the evaluation of the MASH has taken place later in 2013.

The constabulary is developing plans for the PCC to consider collaboration across a variety of sectors. It has already outsourced some significant custody services.

¹⁰ HMIC defines collaboration as "all activity where two or more parties work together to achieve a common goal, which includes inter force activity and collaboration with the public and private sectors, including outsourcing and business partnering".

Despite these benefits, in 2014/15 the constabulary expects to spend only 3% of its total expenditure on collaboration, which is lower than the 11% figure for England and Wales. Overall, collaboration is expected to contribute only 3% of the constabulary's savings requirement, which is again lower than the 7% figure for England and Wales.

Managing change

Reductions in police budgets have inevitably led to a shrinking workforce. HMIC expects forces also to have an eye within their change programmes on the longer term transformation¹¹ which can help maintain or improve the service they offer to the public and prepare for future funding challenges.

Lancashire Constabulary has established an over-arching change programme, known as 'Sustaining Excellence'. Within the change programme the constabulary is reviewing a wide range of activities, using a structured approach which assesses the impact of cuts on both service provision and performance, as well as any potential effect on public confidence. Targets are no longer used to drive performance. Instead, there is a focus on what matters to the victim, and on gaining a positive outcome from policing.

Lancashire Constabulary is restructuring the way it operates in order to deliver high-quality neighbourhood policing with fewer resources. It will have reduced its basic command units (BCUs) from six to three by April 2014, reducing senior management and support costs in order to maintain frontline policing. Further reductions are being made by integrating six contact centres into one.

The constabulary anticipates that these restructurings alone will deliver up to £5m in savings.

HMIC is impressed by the capability and capacity of Lancashire Constabulary's leadership. The senior team is focused on outcomes and is demonstrating effective leadership in its aspirational approach to transforming the way the constabulary operates. The overriding aspiration is to be the best, while focusing on its customers, through excellent, high quality customer service; and its own people, through concentrating the people strategy on culture and wellbeing.

How is the force engaging police officers, PCSOs and staff in the change programme?

The constabulary has good engagement with staff in delivering change. It uses many different methods of communication, such as the intranet, emails and news bulletins. The chief officer group has been involved in face-to-face meetings and open question sessions from the workforce through a series of road shows.

¹¹ Transformation is a process of radical change that orientates an organisation in a new direction and takes it to an entirely different level of effectiveness. It implies a fundamental change of character, with little or no resemblance to the past configuration or structure.

HMIC found that staff were aware of the financial challenge the constabulary faces, understood the need for change, and were engaged in the change programme. Staff associations and the police staff union report open dialogue and engagement with the chief officer group, and provided examples of where they have added value to the planned changes.

The constabulary has a good, structured approach to managing the impact of change on the workforce. It has also invested in leadership development; for example, staff are selected to move between departments and undertake attachments to the private sector, from where they bring back valuable knowledge and experience.

How effective has the response been?

HMIC is confident that Lancashire Constabulary has responded well to the funding challenge, with a set of detailed plans and well-led approaches to managing the cuts and maintaining high-quality and visible policing for the people of Lancashire. Satisfaction levels among those who come into contact with the constabulary are above average, and recorded crime has fallen, suggesting that so far Lancashire Constabulary is managing to make cuts without reducing the service it provides to the public.

Overall, the constabulary understands the scale of the financial challenges ahead, and has the capability, capacity and governance structures to deliver the savings required by the end of this current spending review period. It has proved its ability to review its organisational structure and change how it operates to reduce costs. It has started to develop more detailed plans for the next round of spending cuts after 2015. Although the challenges going forward will be significant, the constabulary is in a good position as it looks to make savings over the next two years and beyond.

Impact of the changes on the public

The challenge for forces is not just to save money and reduce their workforce numbers, but to ensure the choices they make in deciding how to achieve this does not have a negative impact on the service they provide to their communities. HMIC therefore looked for evidence that the constabulary had kept a consideration of the effect on the public at the heart of their choices.

Visibility

The work done by police officers and staff in visible roles (such as officers who respond to 999 calls, deal with serious road traffic collisions or patrol in neighbourhoods) represents only a part of the policing picture. Chief Constables need to allocate resources to many other functions in order to protect the public, such as counter terrorism, serious and organised crime, and child protection (to name just three).

That being said, research shows that the public value seeing visible police officers on patrol in the streets, and that those who see police in uniform at least once a week are more likely to have confidence in their local force.¹² HMIC therefore examined how far the changes being implemented by the constabulary had affected the visibility of the police on the streets of Lancashire.

In March 2013, Lancashire Constabulary allocated 56% of its police officers to visible roles. This is one percentage point less than it allocated in 2010, but higher than the figure for most other forces (which was 54% across England and Wales).

Police visibility is further enhanced by PCSOs, who principally support community policing. Looking at the proportion of police officers and PCSOs, the constabulary allocated 60% to visible roles. This again is one percentage point less than it allocated in 2010, and is broadly in line with the 59% figure for England and Wales.

HMIC conducted a survey¹³ of the public across England and Wales to assess whether the public had noticed any difference in the way their area is being policed. Of those people surveyed in Lancashire, 8%¹⁴ said that they have seen a police officer more often than they had 12 months ago; this is broadly in line with the 13% average across all survey respondents in England and Wales.

Of those people surveyed, 70%¹⁵ said they felt either as safe or safer in the areas where they live, compared with two years ago. This again is broadly in line with the figure for most other forces which is 75%.

¹² See *Demanding Times*, HMIC, London, 2011. Available from www.hmic.gov.uk.

¹³ A YouGov survey was carried out during a four-week period during March 2013. Satisfaction and confidence surveys are also carried out at a national level by the Crime Survey of England and Wales. These use larger sample sizes and are carried out quarterly over a rolling-year period. Some forces also carry out their own surveys of the general public. More information can be found at www.crimesurvey.co.uk, www.hmic.gov.uk or from force websites.

¹⁴ $\pm 5\%$.

¹⁵ $\pm 5\%$.

HMIC found that the constabulary is fully committed to engaging with the community and finding innovative ways to improve public access to policing, in spite of less resource. For example, 'Operation Firecrest' looked at the needs of rural communities, and the constabulary then carried out a three-week trial to increase the ways in which these communities could access and engage with the constabulary electronically. Previously, they would have typically seen 30-40 contacts in a three-week period; during the trial, more than 200 contacts were made. The constabulary now has a tailored engagement plan and has worked with the National Farmers Union on a critical debrief to ensure this was appropriate for the rural community.

Calls for service

HMIC examined whether Lancashire Constabulary was taking longer to respond to calls for help, as a result of its workforce reductions and other changes designed to save money. Forces are not required to set response times or targets and are free to determine their own arrangements for monitoring attendance to calls, so information between forces is not comparable.

In the three years from 2010, Lancashire Constabulary had maintained the same target response time of within 15 minutes for calls classed as 'emergency', and within 60 minutes for calls classed as 'priority'.

Over that period, the constabulary met its target response time for 'emergency' calls 93% of the time in 2010/11, 94% of the time in 2011/12, and 94% of the time in 2012/13.

For 'priority' calls, the constabulary met its target 90% of the time in 2010/2011, 94% of the time in 2011/12, and 93% of the time in 2012/13.

Lancashire Constabulary is using new technology to improve how it responds and make best use of less resource. It is now bringing together all of its knowledge about its communities and their needs, to help determine the most appropriate response.

Through having more accurate and accessible intelligence about neighbourhood needs, and the police resources available to meet demand, the constabulary is aiming to know, with much greater precision, where and what resources are available, matching them to risks and locations. This is already saving a considerable number of hours and highlighting where there has been past inefficiency; the constabulary can show that demand is reduced through early action and problem solving. HMIC welcomes this approach, which not only provides a more efficient use of resources, but enhances the service provided to the public.

Crime

In 2010, the Home Secretary, Theresa May, set a clear priority for the police service to reduce crime.

Between 2010/11 and 2012/13 (the first two years of the spending review) Lancashire Constabulary reduced recorded crime (excluding fraud) by 9%, compared with a 13% reduction in England and Wales. This was among the lowest reductions in England and Wales. Over this period, victim-based crime (that is, crimes where there is a direct victim – an individual, a group, or an organisation) has reduced by 7%, compared with 12% in England and Wales.

By looking at how many crimes occur per head of population, we can see how safe it is for the public in that police area. The table below shows crime and anti-social behaviour rates in Lancashire compared with the rest of England and Wales.

12 months to March 2013	Rate per 1,000 population in Lancashire	England and Wales rate per 1,000 population
Crimes (excluding fraud)	62.5	61.4
Victim-based crime	56.9	54.5
Burglary	8.1	8.2
Violence against the person	12.7	10.6
Anti-social behaviour incidents	61.3	40.7

It is important that crimes are effectively investigated and the perpetrator identified and brought to justice. When sufficient evidence is available to say who has committed a crime, it can be described as detected.

The constabulary's sanction detection¹⁶ rate (for crimes excluding fraud) for the 12 months to March 2013 was 35.9%. This is above the England and Wales sanction detection rate of 27.0% (excluding fraud).

We have chosen these types of crime to give an indication of offending levels in Lancashire. For information on the frequency of other kinds of crimes in your area, go to www.hmic.gov.uk/crime-and-policing-comparator.

¹⁶ A sanction detection is a 'solved crime' where a suspect has been identified and notified as being responsible for committing that crime and what the full implications of this are, and has received an official sanction. Official sanctions include charges, cautions, penalty notices, offences taken into consideration (TICs) and cannabis warnings.

Victim satisfaction surveys

An important measure of the impact of changes to service delivery for the public is how satisfied victims are with the overall service they receive when they seek police assistance.

In the 12 months to March 2013, 86.5%¹⁷ of victims were satisfied with the overall service provided by Lancashire Constabulary. This is higher than the England and Wales figure of 84.6%.¹⁸

Changes to how the public can access services

Forces are exploring different ways in which the public can access policing services. Lancashire Constabulary is planning to close 21 front counters¹⁹ and 17 police stations between 2010 and 2015. However, new stations are planned for Blackpool and Accrington, and opportunities are being pursued to increase public access points, through shared services with partner agencies such as district councils.

The constabulary is making more use of the internet and social media to communicate with the public, and is developing different mechanisms by which the public can contact the police. They have an online customer services desk and an 'in the know' messaging service via email or SMS. The constabulary is developing IT solutions so that the public can make contact with the police more easily via the internet. The constabulary is also working to improve accessibility for its rural community, and now has a tailored engagement plan, working with the National Farmers Union.

17 ± 0.7%.

18 ± 0.2%.

19 A police building open to the general public to obtain face-to-face access to police services.

Conclusion

Overall, the constabulary understands the scale of the financial challenges ahead, and has the capability, capacity and leadership to deliver the savings required by the end of this spending review period. It has proved its ability to review its organisational structure, and is changing how it operates to reduce costs.

HMIC found that there is a strong focus on minimising any potential negative impact of the change programme on its communities and workforce. The constabulary has identified current and future risks, and has plans in place to manage them accordingly.

The change programme is underpinned by detailed and innovative plans and approaches. These plans include reducing and managing demand on the constabulary by early intervention and implementing more sustainable solutions, while still maintaining and improving services.

Lancashire Constabulary has started to develop more detailed plans for the next round of spending cuts (after 2015). Although the challenges going forward will be significant, the constabulary is in a good position as it looks to make savings over the next two years and beyond.

In October 2010, the Government announced that central funding to the Police Service in England and Wales would reduce by 20% in the four years between March 2011 and March 2015.

HMIC's Valuing the Police Programme has tracked how forces are planning to make savings to meet this budget demand each year since summer 2011. This report identifies what we found in this third year.

Our inspection focused on three questions:

1. How is the force responding to the budget reduction?
2. What is the impact for the workforce and the public?
3. How is the force managing current and future risks?

To answer these questions, we collected data and plans from forces, surveyed the public to see 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. We also interviewed the Chief Constable, Police and Crime Commissioner and the chief officer leads for finance, change, human resources and performance in each force, and held focus groups with staff and other officers.

National findings and patterns across all 43 forces are given in our thematic report, *Policing in Austerity: Rising to the Challenge*, which is available from www.hmic.gov.uk.

This report provides the findings for Lancashire Constabulary.