

PEEL: Police efficiency 2015

An inspection of Lancashire Constabulary



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

Overall judgment¹



Outstanding

HMIC found that Lancashire Constabulary is exceptionally well prepared to face its future financial requirements. It has a good understanding of the main elements of demand and uses its resources well. It is taking clear and effective steps to tailor its future workforce plans to meet longer-term changes in demand, as well as future organisational and financial requirements. It has an excellent track record of robust financial management to achieve planned savings and has well developed plans for future savings. In last year's value for money inspection, which considered how forces had met the challenge of the first spending review period, Lancashire was judged to be outstanding.

Summary

HMIC judges Lancashire Constabulary to be outstanding.

Lancashire Constabulary has a good understanding of the demand for its services from calls and incidents and is developing its understanding of demand in other areas. It has re-aligned its resources to provide a more versatile and responsive workforce. The constabulary retains a daily focus on prioritising threat, risk and harm issues while caring for the needs of vulnerable people and is committed to developing its approach with other public sector organisations. Additionally, there are well established meeting structures that consider performance, finance, personnel, tasking and demand management, which provide the constabulary with a robust structure to prioritise activity and inform the development of a new neighbourhood policing model.

The constabulary's current workforce model² matches current demand and organisational and financial requirements. There is good oversight and monitoring of personnel issues.

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

² 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.

It has projected required workforce numbers to 2018 and is clear on which officers will leave the organisation by 2021, including an understanding of their skills and capabilities which will need to be reviewed and potentially replaced. This is to ensure required savings are secured while continuing to protect the public.

The constabulary has a secure financial position. Careful management of budgets and a considered approach to strategic change has allowed the constabulary to meet the savings required from austerity and to invest in technology. This should enable the constabulary to engage with their communities more effectively through increased use of technology and for officers to remain on patrol for longer in the community.

<p>How well does the force use its resources to meet its demand?</p>	<p>How sustainable and affordable is the workforce model?</p>	<p>How sustainable is the force's financial position for the short and long term?</p>
<p> Good</p>	<p> Outstanding</p>	<p> Outstanding</p>
<p>The constabulary has a good understanding of the demand for its services from calls and incidents. It is developing its understanding of demand in other areas.</p> <p>Lancashire Constabulary's resources are matched to its predicted demand and effective arrangements are in place to quickly move resources to respond to increases in demand.</p> <p>It has developed new ways to respond to demand from the public, such as greater use of investigations over the telephone. It could improve how it identifies</p>	<p>The constabulary's workforce model matches current demand, organisational and financial requirements. There is good oversight and monitoring of personnel issues provided at senior management level.</p> <p>The constabulary has undertaken a major re-organisation to enable it to better provide frontline policing services while making substantial cuts to its budget. While there is an appreciation that the workforce will become smaller, there is continuing research and investment ongoing within the</p>	<p>The constabulary has a good history of achieving or exceeding savings requirements and has balanced the budget for 2014/15. Owing to the constabulary overachieving on planned savings, a capital reserve was accrued in 2014/15 enabling the constabulary to invest in areas such as information technology to increase efficiency. It has balanced the budget for 2015/16.</p> <p>The constabulary has looked to maximise investment opportunities and has identified the future risks to this funding to</p>

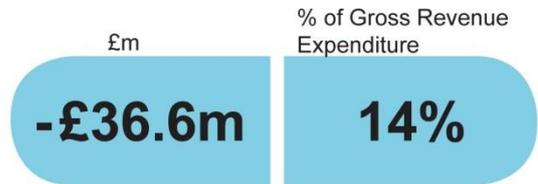
<p>which resources are available to respond to calls from the public. The constabulary is improving its internal processes and working with other public sector organisations to better manage demand.</p> <p>The constabulary has good arrangements to hold senior managers accountable for the cost and the quality of the local police service being provided.</p> <p>Lancashire is making good use of technology and working with others to improve its service provision to the public. However, it is hampered by its existing IT infrastructure which the constabulary intends to improve over the next three years. To achieve this, it has plans in place and funding set aside.</p>	<p>constabulary to explore more efficient working methods and improve the service to the public.</p> <p>The constabulary's future workforce model is also matched to demand, organisational and financial requirements. It has projected workforce numbers going forward to 2020 and is clear on those officers that will leave the organisation to 2021, including an understanding of their skills and capabilities which will need to be reviewed and potentially replaced. This is to ensure required savings are secured while continuing to protect the public.</p>	<p>enable it to manage those risks.</p> <p>Strong and effective financial governance is in place with all pay budgets managed centrally. This provides greater control and allows the constabulary to ensure its workforce model matches demand and financial requirements. The constabulary has earmarked reserves for capital investment over the next four years rather than face an increase in its costs through borrowing.</p> <p>The constabulary has considered and aligned the financial plans for future policing across the county in line with the objectives set out in the police and crime commissioner's (PCC's) police and crime plan. The PCC is provided with timely and relevant financial and future plans information.</p> <p>The constabulary has well developed plans to achieve future savings. The constabulary has forecast the savings requirements through to 2019/20.</p>
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Force in numbers



Financial position

Forecasted change in expenditure 2015/16 to 2018/19

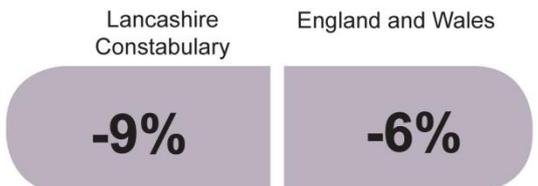


It is important to note that some forces only provided figures for savings they had formally signed off at that point, while others provided estimates for the whole period. As a result, the savings figure above might not reflect the full saving which the force might have to make. 2014/15 GRE has been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

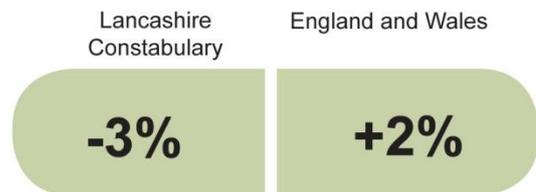


Workforce cost per head of population compared to England & Wales (2014/15)



Key statistics

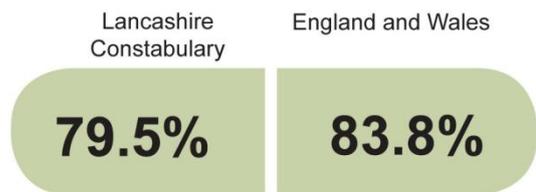
Changes in recorded crime (excluding fraud) 12 months to 31 March 2014 to 12 months to 31 March 2015



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



Victim satisfaction 12 months to 31 March 2015



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



Victim satisfaction: Lancashire confidence interval +/- 0.8 percent. England and Wales confidence interval +/- 0.2 percent.

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

Introduction

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

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

To answer this question we looked at three areas:

- How well does the force use its resources to meet demand?
- How sustainable and affordable is the workforce model?
- How sustainable is the force's financial position for the short and long term?

During our inspection we collected data and plans from forces, surveyed the public to see if they had noticed any changes in the service they received and conducted in-force inspections. We interviewed chief constables and the chief officers responsible for finance, organisational change, human resources and performance in each force and held focus groups of officers and staff at different grades and ranks, and made unannounced visits to police stations.

This report sets out the findings from this wide-ranging inspection of Lancashire Constabulary.

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

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

How well does the force understand its demand?

The constabulary has a good understanding of incident and call demand. In 2011, the constabulary recognised that it needed to change how it would provide policing across Lancashire. An external company was engaged to assist the constabulary in identifying how to use its resources more efficiently and improve the services it provided to the public.

The constabulary reported during the inspection that it had undertaken an initial assessment to review how it responded to 4,000 calls for service from the public. Each call was analysed to identify waste, failure demand³ and inform an overall approach which would enable the constabulary to respond more efficiently to calls for service. The constabulary explained that it has continued to refresh this approach periodically with ongoing analysis of 650 incidents to identify new opportunities to further refine how services are provided. In taking this action, the constabulary has continued to develop its understanding of the changing nature of demand on its services. Currently, a dedicated change management team (called the futures team) undertakes a regular assessment of the services provided as part of normal response policing and explores the more involved police activities such as investigation of complex crimes.

With support from the PCC, the constabulary has invested in the development of software to inform the analysis of business processes by analysing existing internal systems and processes to identify opportunities to become more efficient. One of the outcomes of this work has resulted in the constabulary re-configuring the structure of its basic command units (BCUs) from six to three commands. Additionally, there have been changes to the response service, including the reduction of response bases from seventeen down to nine more central locations across the constabulary. There has also been the introduction of a new shift pattern to bring response officers on duty at different times in line with peaks in caller demand. The constabulary also re-assigned specialist frontline resources, such as roads policing and armed

³ Failure demand is demand caused by a failure to do something or do something right for the caller.

response officers, within existing response teams. This has increased frontline response capability and streamlined the response service. In taking these steps, the constabulary has been able to meet demand and achieve savings.

The constabulary is currently placing greater emphasis on identifying demand that is not simply a crime or incident. Some examples under review include the work done by neighbourhood teams in following up reports of crime that were initially recorded over the telephone. While there is further work ongoing in relation to the constabulary response to concern for welfare type calls, such as mental health incidents, this work is not yet complete.

There is an appreciation from the constabulary that the nature of demand is changing. The constabulary is developing detailed investigation profiles for a number of specific crime types to identify and cut waste in more complex crimes; those that have traditionally been more challenging to investigate and have taken up significant amounts of officer time, such as child sexual exploitation.

The constabulary is working to understand how much work is done by officers in non-frontline response roles. All three BCUs are carrying out an evaluation of the workload being carried out by officers away from the front line to determine the nature of demand faced by officers and staff performing non-response type duties. This will involve the completion of personal questionnaires to measure time spent by officers working as detectives on crime investigations and in supporting vulnerable victims with partner organisations. The time spent on non-response functions (such as community engagement) by community beat officers and police and community support officers (PCSOs) is also to be considered in this way. The project will be evaluated jointly by the constabulary and University of Central Lancashire (UCLAN) at its conclusion. The constabulary expects that the results of the evaluation will provide a more extensive insight into the 'hidden' demand across these roles and identify further opportunities to increase efficiency.

How well does the force match resources to demand?

The current workforce model is matched to predicted demand and effective arrangements are in place to quickly move resources to respond to increased demand. The constabulary holds a bi-weekly strategic resource management group meeting to examine forthcoming events. This identifies gaps in services and considers those areas where officers can be better deployed to provide an improved response to calls from the public.

There are good structures in place to monitor peaks in demand and to ensure resources are in place to protect the public. In deciding how resources will be allocated, there is a focus on prioritising those actions that reduce threat, risk and harm to the public. The safety and continued protection of vulnerable people is a priority for all officers and staff when deciding what will be completed first.

A risk and threat meeting is held daily to ensure that there are sufficient resources to match demand. Each BCU has at least one demand resource inspector on duty at all times who is present at the risk and threat meeting to highlight any issues affecting the BCU's capability to respond to developing incidents. The main responsibility of the demand resource inspector is to ensure that there are resources available to respond to and deal with calls.

The constabulary retains good oversight of all developing incidents within its communications centre. There has been considerable investment into the communications centre, which provides control and direction for all incidents for each of the three BCUs. Within the communications centre, there is a significant supervisory presence giving good oversight to incidents which allows staff within the communications centre to manage the calls received and to provide a measured response with the resources available.

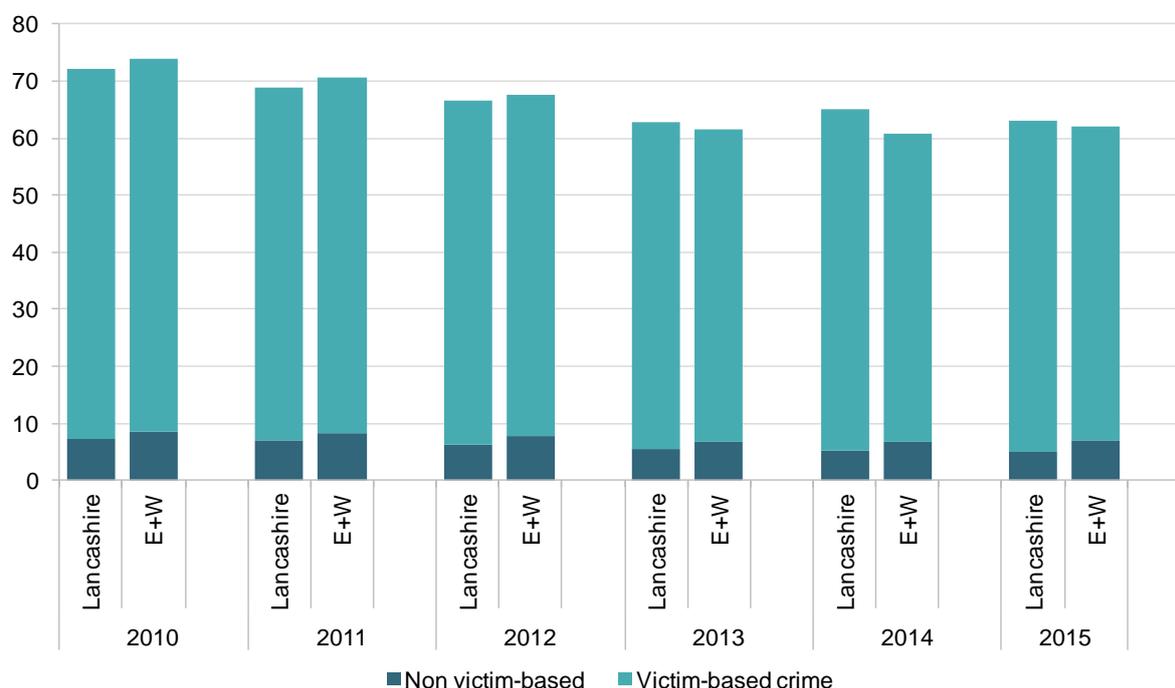
How well are the force's services meeting the demand from the public?

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

Although police recorded crime is by no means a complete measure of the totality of demand a force faces, it does provide a comparable performance indicator across all forces. Crime rates are reported as a number of crimes per 1,000 population in each force area to enable comparison between areas. Total police recorded crime is made up of victim-based crime (e.g. theft) and non victim-based crime (e.g. possession of drugs). Two-thirds of forces showed an annual increase in total police recorded crime in the year ending 31 March 2015. This increase in police recorded crime may have been affected by the renewed focus on the quality and compliance of crime recording since HMIC carried out a national inspection of crime data integrity in 2014.

In the 12 months to 31 March 2015 Lancashire had a victim-based crime rate of 58.2 and a non-victim-based crime rate of 4.9 per 1,000 population. This represents a decrease (10 percent) in the victim crime rate and a decrease (33 percent) in the non-victim based crime rate since the start of the spending review in 2010. During the same time period England and Wales had a victim-based and non victim-based crime rate of 55.2 and 6.9 per 1,000 population respectively. This represents a decrease in both crime rates by 15 percent and 19 percent respectively since the start of the spending review. The scale of the change in crime rate can be seen in Figure 1 on the following page..

Figure 1: Police recorded crimes per 1,000 population from Lancashire 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 Lancashire, 79.5 percent⁴ were satisfied with their whole experience with the police in the 12 months to 31 March 2015. This is lower than the national victim satisfaction rate of 83.8 percent⁵ over the same time period. 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 Lancashire.

In December 2013, the force invested in a demand reduction unit (DRU) within the communications centre. This was to reduce the demand on frontline police services and provide a more considered response to those incidents where attendance at the scene is not necessary. Within the DRU, a telephone investigation unit has been established consisting of experienced police officers to take details of some reports of crime and to carry out an initial investigation over the telephone. This has resulted in fewer deployments to incidents, which has enabled the constabulary to commit its resources to frontline patrolling and other duties.

⁴ Lancashire, confidence interval +/- 0.8 percent.

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

There are opportunities to improve how the constabulary identifies resources able to respond to incidents. Radio sets used by officers carry software that identifies where each officer is located and gives an indication of their availability to respond to calls for service. There have been reliability issues with the system, which has resulted in a lack of confidence in its use.

Communications staff told us that deploying resources using the system is still difficult. Some officers and staff are not updating the system adequately or often enough for the communications centre to see whether they are available. This means that some members of staff working within the communications centre do not always have a full and accurate picture of the true extent of resources which may be available to attend incidents.

A meeting structure is in place to assess how calls for service are responded to by the constabulary. A command and control board sits each month to review officer time spent in and out of police stations and to assess how effective the response has been to calls from the public.

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

Figure 2: Methods of public engagement used by Lancashire Constabulary in the 12 months to 31 December 2014

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

Source: HMIC Efficiency data collection

Police forces are exploring different ways in which the public can access policing services. Like other forces, Lancashire Constabulary is making use of the internet and social media to communicate with the public and is developing different mechanisms for the public to contact the police. The constabulary recently introduced on-line reporting of crime as a convenient alternative to attending a traditional police station.

HMIC found evidence during the inspection that technology is being used well to keep the public informed. The constabulary uses Facebook for online engagement and has 40 distinct neighbourhood and specialist accounts where officers can conduct chats online with the community on local issues. Facebook is also used for police and community together (PACT) meetings, which has proved more successful in engaging the public and reaching a wider audience than more traditional face-to-face public meetings. An example, provided by the constabulary, was of a recent PACT meeting for Preston, which had 3,000 online followers. There are news updates and key community messages also published through the constabulary Twitter account, which has over 60,000 followers. Communication is considered at a monthly digital engagement board and each BCU has a chief inspector responsible for developing the local community engagement arrangements. This ensures that the constabulary remains in touch with the public on issues affecting them.

How well is the force managing demand?

The constabulary is taking a preventative approach to reduce future demand for its services. In order to manage longer-term demand the constabulary is engaged with other public sector organisations in a number of innovative initiatives under the 'Early Action' programme. One initiative, that is in its early stages, is built on the premise that the most prolific users of the different public services are identified early and receive intensive multi-agency support to address the issues that bring them to notice, encouraging them to live more positive lives in future. The expectation is that this preventative approach, with an early investment of supportive measures in the short-term, will negate the need for more intensive support in later years. The constabulary expects that it will reduce costs for all the public services and ultimately reduce demand on the police in particular by diverting potential offenders away from a life of crime.

There are a number of positive 'early action' programmes already underway across the county. In one example, HMIC inspectors were able to see a 'Transforming Lives' panel meeting in Blackburn at first hand. The panel comprised of a wide range of organisations (e.g. representatives from 'Troubled Families', Department of Education, targeted youth services, community housing providers and the Department of Work and Pensions). The panel members have agreed to work jointly across all their agencies with a common aim of addressing the vulnerability of the families and individuals in the cases discussed. There is a consensus that this

integrated approach, together with the sharing of information will reduce demand on each of the organisations on the panel. Clear benefits were also evident from a reduction in the duplication of effort between agencies. There was open sharing of information from all the agencies present. This meant that a single, co-ordinated response could be implemented rather than several disparate ones. The work goes beyond a remit of managing offenders to finding solutions for whole families, including children.

The constabulary has developed an innovative approach to managing some offenders. For example, the constabulary has formed a private company to provide diversionary opportunities for some offenders. This scheme, funded jointly with Blackpool Council provides participants with transferrable skills and experience in building and decorating, while limiting the opportunity for those on the scheme to relapse back into offending behaviour. At the end of the attachment, those on the scheme acquire qualifications and are eligible to live in the houses that they have helped to renovate/ build, this initiative is being academically evaluated. The inspection found a significant benefit of this initiative is that the outlay for the project only costs the constabulary the salary of a single sergeant and has the potential to be extended to assist more offenders away from a life of crime.

The constabulary is committed to working more efficiently in future with the other emergency services to reduce demand. Provisional agreements are in place for other services to perform what have traditionally been perceived as police responsibilities (e.g. the fire service taking responsibility for gaining forced entry to premises where there are concerns for an occupant's safety).

The emergency services have previously worked together in the call management arena to reduce demand while managing public safety. During the Christmas period of 2014, the North West Ambulance Service (NWAS) had paramedics posted within the police communications centre at peak times to manage calls in a triage capacity. This demonstrated the viability of a longer-term joint working arrangement within the communications centre. In order to enable NWAS to be based in the call management environment on an ongoing basis, a communications company is currently upgrading the constabulary's communications systems.

The constabulary has identified the need to deal more effectively with people in crisis in the community. Since June 2015, three mental health and six case workers have been working alongside response officers across three hubs. These new personnel will respond to calls concerning members of the public where mental health may be an issue. By ensuring that properly trained care workers are attending these types of incidents, vulnerable people will receive an earlier degree of care appropriate to their situation. Using specially trained staff to support vulnerable people in the community will also release police officers, who would otherwise have attended, to perform other mainstream police duties.

The constabulary is working to understand how it can better communicate with the public to identify how future services should be provided. Work is ongoing with the University of Central Lancashire to improve the understanding of how future public engagement and priorities should be determined.

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

The constabulary has reviewed and introduced revised governance arrangements to provide more effective oversight and co-ordination of costs. The constabulary has a capital and revenue meeting each month, which reports to the senior management board. The new structure allows the constabulary to make more flexible decisions and to re-distribute budgets efficiently and effectively. The result is that all information on outputs, outcomes and costs is more transparent and is openly shared with the office of the police and crime commissioner (OPCC).

The constabulary has a good understanding of costs and has used benchmarking against goods and services provided by other similar police forces to inform potential avenues for review and savings. This allows the constabulary to have a good overview of the costs of its services.

Senior managers are held accountable for decisions they take in relation to how they provide their policing services locally. HMIC inspectors were present at a quarterly performance review meeting in Blackpool. The meeting was chaired by the deputy chief constable and questioning led by the assistant chief constables and assistant chief officer finance. The meeting had a comprehensive agenda and reviewed all areas of demand. The entire BCU command team was present and it was clear that senior managers had a good understanding of the issues and demand in their area. They were able to articulate how they were responding to demand and were in a position to explain the outcomes achieved. The meeting discussed crime performance with the emphasis on understanding the root cause of demand on the service and what was being done to reduce it.

At the meeting, the assistant chief officer finance asked for updates on the effectiveness of new technology, which had been subject to recent investment (such as body-worn cameras and hand-held devices). Managers were also asked to account for wastage in the form of parking tickets accrued and damage to police vehicles. This shows that Lancashire has good arrangements to hold its senior managers accountable for the cost and quality of local police services.

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

The constabulary has put considerable effort into identifying ways to improve its services and has prioritised the reduction of internal demand (created by inefficient processes) before reducing external demand (created by the public reporting crime and incidents). Analysis is carried out on current systems and new ways of working by the futures team at headquarters. A key priority is to reduce waste and identify service improvements using a systems thinking⁶ approach. There are opportunities for different members of staff from across the constabulary to be seconded to the team to learn systems thinking. They can then share learning with colleagues on return to their usual place of work. The constabulary intends that this will result in systems thinking becoming part of daily business across all functional areas. However, there has not been an evaluation undertaken to determine whether the anticipated benefits from seconded officers taking new skills learned from their secondment back to their regular roles are being realised.

The constabulary is developing its understanding of modern policing by securing the services of academics from the University of Central Lancashire (UCLAN). The constabulary has jointly funded three PhD students who are working for the constabulary to evaluate projects in relation to domestic abuse, risk assessment and the work undertaken by the different multi-agency safeguarding hubs⁷ (MASH). There is an expectation that the learning from these studies will inform how vulnerable people will be supported in the future. The university has also funded a PhD student to work for three years in the constabulary to enhance the constabulary's understanding of gun crime prevention.

The constabulary submitted a successful bid to the Police Innovation Fund to develop the early action programme to reduce demand on police services. Money from the bid has allowed the constabulary to employ two evaluators supported by a researcher to identify the most effective practices within the early action agenda.

The constabulary places a strong emphasis on improving the flexibility and visibility of its frontline staff. To achieve this it is investing in technology over the next five years. This will include the wider use of portable IT tablets and hand-held devices to allow more remote working away from police stations. The use of body-worn cameras is to be extended and money has been set aside in the capital budget for

⁶ Systems thinking is a business management approach to reviewing systems and processes which has continuous learning as a key component.

⁷ A multi-agency safeguarding hub (MASH) brings together staff from police and partner agencies who work from the same location, sharing information and ensuring a timely and joined-up response to protect children and vulnerable adults.

this development. These devices will be used to improve the evidence recovery at crime scenes, and in cases of public order and anti-social behaviour. By this investment the constabulary should be able to keep officers out on patrol in the community for longer and secure better quality evidence to prosecute offenders.

There have been revisions made to the workforce structure across the constabulary to improve services. Examples are the creation of hybrid neighbourhood officers who not only deal with their traditional neighbourhood policing duties but also spend part of their time as the initial responder to calls for service. Another example is the merging of the public protection teams with reactive criminal investigation departments at BCU level. This has been introduced as a means of spreading demand across resources and enhancing the quality of crime investigations.

Lancashire has reviewed how it can deploy its front counter staff more effectively. There is an intention to use volunteers to staff front counters at quieter police stations. This will allow it to allocate its front counter staff to those enquiry offices which have the greatest footfall, such as where there is a custody suite.

The constabulary's current IT infrastructure is inefficient and needs updating. While there is significant investment in IT, Lancashire is still hampered by existing technology platforms; with frequent system crashes and systems that are not integrated and do not communicate with each other. In some cases, incompatibility between systems has meant officers spend time scanning and sending documents between the different IT systems. Staff told HMIC this was limiting their ability to be more efficient. Lancashire plans to move away from its legacy in-house systems and has put funds aside for a 3-year programme to introduce off-the-shelf systems. The current custody and case management system (C3PO) is to be replaced with a more modern standalone system, the new system called 'Northgate Connect' is to be introduced in April 2016. This should allow a more streamlined approach for case submission, reduce the administrative burden for officers in preparing case files and negate the costs of maintaining the outdated system.

Progress on the introduction of new information technology is monitored through an ICT Change Board. This is positive, as the constabulary not only manages the introduction of the technology itself, but also reviews how well the workforce is making use of the new systems and how the benefits can be fully exploited.

The constabulary is looking at ways of working more closely with other public sector organisations. This will build on the existing MASH arrangements and explore the potential of a shared IT platform that can be used by all the agencies. In this way, the constabulary will be able to better understand the nature of demand that comes from other public sector agencies. Funding is earmarked for this initiative over the coming months. The expectation is that the new system should enable service users to be directed to the most appropriate agency.

The constabulary has collaborated in a number of areas to save money and improve efficiency. There are formalised arrangements with Lancashire County Council (for back office administrative services) and with Cumbria Constabulary for training and learning and development. The constabulary is developing relationships with Lancashire Fire and Rescue Service and the North West Ambulance Service (NWAS) to assist with missing and vulnerable people. The constabulary also works at a regional level with neighbouring police forces to share some specialist policing services, such as motorway policing. While some plans have been developed in relation to maintenance of the police estate infrastructure with Lancashire County Council, current reorganisation within the council has slowed progress in implementation.

There are formal reporting lines which allow the constabulary to monitor how collaboration is working. A good example of this is the sharing of the learning and development department between Lancashire and Cumbria Constabularies. The department head reports to a joint learning and development board. An update on the support provided to both constabularies is discussed as well as progress on the collaboration between the two services. This allows Lancashire to be confident that the shared arrangement is providing what was intended and that training reflects the changing demand being faced by staff.

Summary of findings



Good

The constabulary has a good understanding of the demand for its services from calls and incidents. It is developing its understanding of demand in other areas.

Lancashire Constabulary's resources are matched to its predicted demand and effective arrangements are in place to quickly move resources to respond to increases in demand.

It has developed new ways to respond to demand from the public, such as greater use of investigations over the telephone. It could improve how it identifies which resources are available to respond to calls from the public. The constabulary is improving its internal processes and working with other public sector organisations to better manage demand.

The constabulary has good arrangements to hold senior managers accountable for the cost and the quality of the local police service being provided.

Lancashire is making good use of technology and working with others to improve its service provision to the public. However, it is hampered by its existing IT infrastructure which the constabulary intends to improve over the next three years. To achieve this, it has plans in place and funding set aside.

How sustainable and affordable is the workforce model?

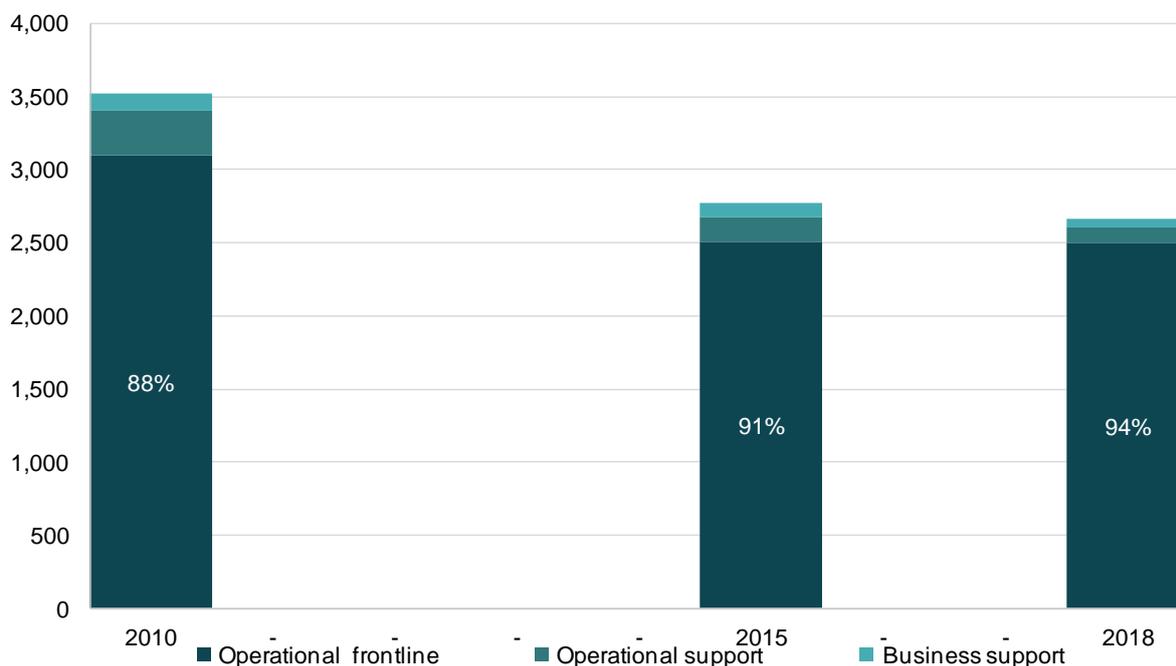
HMIC examined how Lancashire Constabulary has structured its workforce (i.e. its mix of police officers, staff and PCSOs, and the proportion of all these groups working in frontline positions), and assessed whether this was affordable and sustainable as the force responds to its financial challenge. We also considered what the force is doing to ensure the workforce has the right skills and capacity to fight crime and keep communities safe now and in the future.

How well does the force's current workforce model match demand, organisational and financial requirements?

Lancashire Constabulary forecasted a total savings requirement over the first four years of the spending review as part of the value for money inspection programme (2011/12 to 2014/15) of £54.32m, the equivalent of 18% of the 2010/11 gross revenue expenditure for the force. Savings were made in both the pay and non-pay budgets. Since 2010, the constabulary has seen a reduction of 730 police officers, 354 staff and 96 PCSOs full time equivalent (FTE).

In Lancashire, there have been falls in the total number of police officers (FTE) over the period 2010 to 2015, as shown in figure 3. During this time period the proportion in frontline roles has increased from 88 percent in 2010 to 91 percent in 2015. The force expects to increase this proportion looking ahead to 2018.

Figure 3: Actual and planned changes to police officer full time equivalents (FTE) in operational frontline, operational support and business support roles in Lancashire Constabulary, 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

There are established and robust plans in place to match demand to available funds. The constabulary has projected that its total workforce will reduce by 1,457 from 2010 to 2018. It has also assessed that it needs to save a further £36.6m from the period 2015/16 to 2018/19 as part of ongoing austerity measures. The constabulary undertook an internal restructure last year to allow it to be more efficient. This led to the reduction in the number of BCUs (from six to three) and there are further restructuring plans expected to be implemented in September 2015.

There is good oversight provided at senior management level of personnel issues with monitoring undertaken by the tactical management board and the strategic management board, which has led to much greater consideration given to staffing and recruitment decisions. All decisions about recruitment and promotion must be considered at these boards and staff can be moved according to where the demand is in the constabulary.

The work undertaken by the futures team is well regarded by senior managers and is seen as important by staff in influencing change across the constabulary. However, some staff told us that while they understood the work that the futures team was doing was designed to allow them to work more effectively and efficiently, they felt that few of the initiatives had made a significant difference to their workload. The notable exception to this was the introduction of the demand reduction unit (DRU),

which had been universally well received. Some staff felt that the futures team could do more to communicate how their work was making a difference to officers and staff.

How well does the force's projected workforce model match demand, organisational and financial requirements?

Figure 4: Actual and planned changes in workforce FTE from 31 March 2010 to 31 March 2018 for Lancashire Constabulary 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	3,649	-20%	-12%	2,919	-9%	-6%	2,664
Police Staff	1,957	-18%	-19%	1,603	-2%	-6%	1,578
PCSOs	428	-23%	-27%	331	1%	-11%	335
Workforce total	6,034	-20%	-15%	4,853	-6%	-6%	4,577

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

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

The constabulary has developed a detailed understanding of the numbers and profile of officers and staff leaving the organisation, on which it has provided data up to 2020. This information is used to inform the workforce profile requirements for the future. The constabulary has forecast the workforce reductions year-on-year from 2010 to 2018. The inspection found that the constabulary also plans to recruit 196 police officers.

Summary of findings



Outstanding

The constabulary's workforce model matches current demand, organisational and financial requirements. There is good oversight and monitoring of personnel issues provided at senior management level.

The constabulary has undertaken a major re-organisation to enable it to better provide frontline policing services while making substantial cuts to its budget. While there is an appreciation that the workforce will become smaller, there is continuing research and investment ongoing within the constabulary to explore more efficient working methods and improve the service to the public.

The constabulary's future workforce model is also matched to demand, organisational and financial requirements. It has projected workforce numbers going forward to 2020 and is clear on those officers that will leave the organisation to 2021, including an understanding of their skills and capabilities which will need to be reviewed and potentially replaced. This is to ensure required savings are secured while continuing to protect the public.

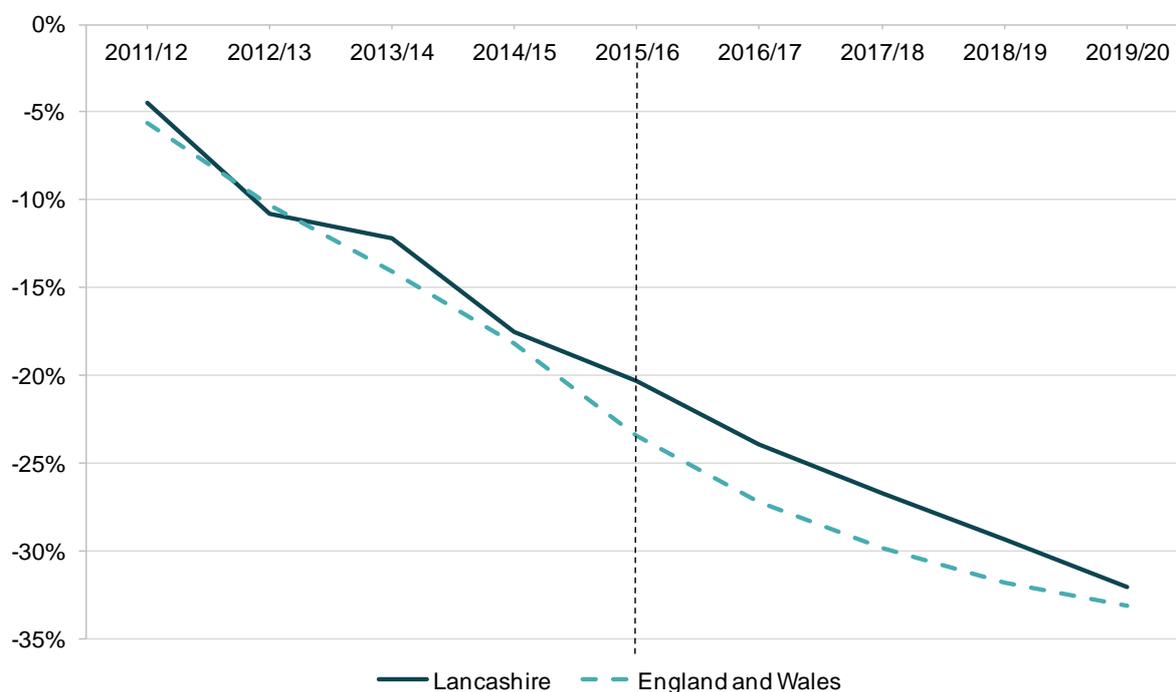
How sustainable is the force's financial position for the short and long term?

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?

Lancashire Constabulary forecasted savings of £54.32m over the first four years of the spending review (2011/12 to 2014/15), the equivalent of 18 percent of the 2010/11 gross revenue expenditure for the constabulary. 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 2019/20, against the 2010 gross revenue expenditure baseline for Lancashire 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 constabulary has achieved its savings requirements and balanced the budget for the spending review period and 2014/15. The savings for the spending review period were achieved within the previous change programme (called 'Sustaining Excellence').

Owing to the constabulary overachieving on planned savings, a capital reserve was accrued in 2014/15 and has enabled the constabulary to invest in areas such as information technology to increase efficiency.

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

Lancashire Constabulary has planned a balanced budget of £268m for 2015/16, which includes a cut in spending of £8.5m. It forecasts that the reduction will be split between £6.4m from the pay budget (75 percent) and £2.2m (26 percent) from the non-pay budget in this year's savings. The constabulary 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 20 percent.

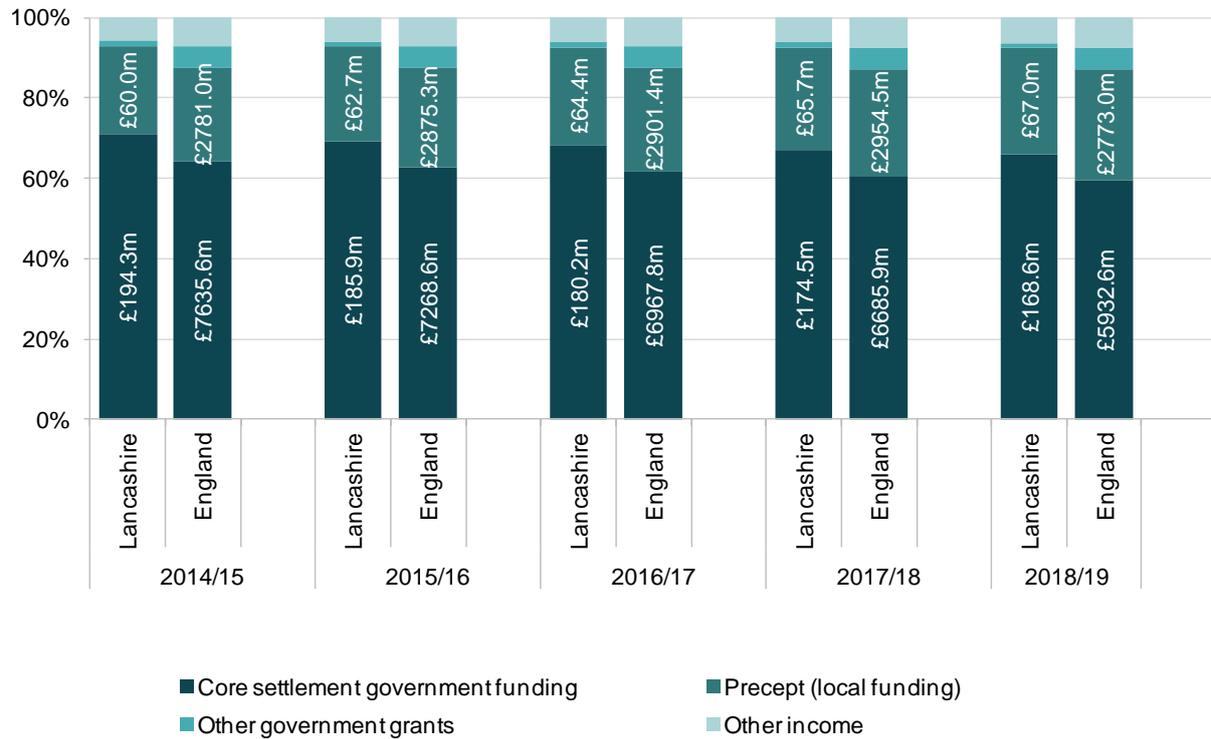
The PCC set a precept⁸ increase of 1.99 percent for 2015/16. This, along with recurring savings has enabled Lancashire to achieve a balanced budget for 2015/16. The bulk of the savings have been already achieved through the planned reduction in workforce numbers during 2014/15. An underspend from 2014/15 has been earmarked to fund the cost of future change. This additional funding has been accrued through the constabulary not taking the savings achieved from the staff pay budget when personnel leave Lancashire until the start of the next financial year.

How well has the force maximised other funding opportunities?

Figure 6 demonstrates the amount of funding that the constabulary received from a central government grant, as precept from local councils through council tax, and from other sources, such as Home Office special grants. Lancashire Constabulary is expecting the proportion of its funding that comes from core settlement government funding to decline over the coming years, while anticipating the proportion of its funding that comes from precept (council tax funding) to increase over the same time period. It should be noted that the core settlement government funding, both monetary values and proportions of total funding, detailed in figure 6, are from force estimates collected as part of HMIC's efficiency inspection data collection. This data should not be considered as an official projection. The Home Office is currently consulting on changes to the forces funding formula and therefore any current projections may change over the time period highlighted.

⁸ Funding raised through council tax as opposed to central funding received from the Home Office in the form of an annual grant.

Figure 6: Forecast mix of funding for Lancashire Constabulary 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 constabulary has secured innovation funding for the early action programme and has shown it can maximise other funding opportunities. There is a risk in terms of continued funding for the scheme from government and the continued co-operation and investment of main organisations. The constabulary has currently only received guarantees for the first year of the two-year programme.

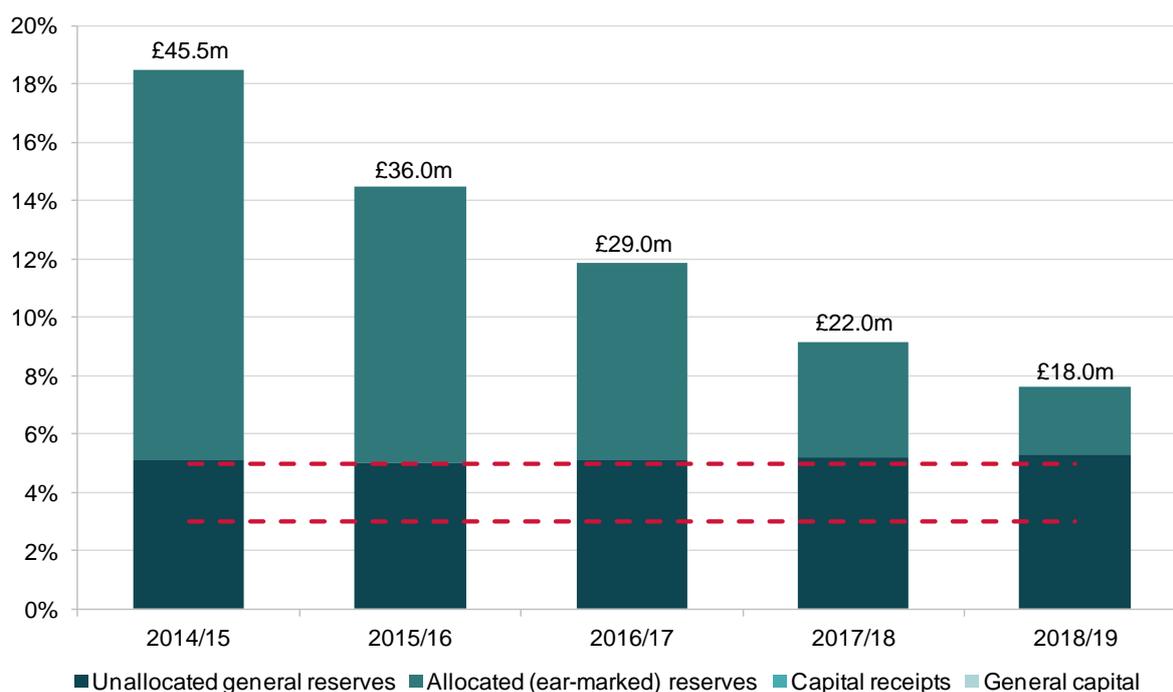
The constabulary has identified some risks associated with the withdrawal of financial support for major programmes, and has plans in place to mitigate that risk. Risk identified include the withdrawal of NWS from early action triage activity within the communications centre or the loss of medically trained mental health staff who perform a dual role alongside response officers.

How well does the force control expenditure?

The constabulary's level of reserves and how these are forecast to change over time is shown in figure 7. Lancashire Constabulary reported that its total reserves were £45.5m 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

Strong and effective financial governance is in place; all pay budgets are now managed centrally following a review by the strategic resource board. This provides greater control and allows the constabulary to ensure its workforce model matches demand and financial requirements.

The constabulary has decided that rather than borrow for future capital investment, it will earmark reserves to capital investment over the next four years. To date, the constabulary has not utilised reserves to bridge funding gaps and has no plans to do so in the future.

During previous inspections by HMIC, it was identified that Lancashire County Council provides financial services support to the OPCC and the constabulary and this is still the case. Finance and HR representatives are seconded to the futures programme to quality assure proposals, cost business cases and track the financial benefits realisation of change. Exception reporting takes place at oversight meetings, which have a strong and regular framework and these report to a monthly gold group chaired by the deputy chief constable.

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

The constabulary has considered the cost of future policing across the county in line with the objectives set out in the PCC's police and crime plan. The constabulary's futures programme has four work streams with business cases being developed to meet the savings requirement in 2016/17 and beyond. These work streams are closely aligned with PCC priorities. Resources have been made available to the futures team to ensure the constabulary continues to develop a programme of change that is capable of meeting the objectives set out within the police and crime plan.

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 constabulary ensures that the OPCC is clearly sighted on and agrees with the future direction of the constabulary. There are clear responsibilities for representatives within the futures board and joint management board to ensure the OPCC is kept informed on service change and that the futures work streams are reflecting current and future PCC priorities. There is clear support for the early action approach, with the PCC undertaking a role as facilitator and enabler with other public sector organisations.

There is an open and businesslike arrangement between the constabulary and the PCC, with regular meetings and conversations to discuss progress and to ensure good governance and scrutiny.

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

The constabulary has well developed plans to achieve future savings. The savings requirements through to 2020/21 have been forecast and indicate that the constabulary will need to find additional savings over this period. The bulk of future savings are expected to be achieved through reducing workforce numbers.

A change team is in place to continue to evaluate how services will be provided in the future in a more cost effective way. There is careful budgetary oversight with long-term projections to monitor progress on savings achieved. The constabulary intends to reduce its workforce, reduce long-term demand for its services through an early action preventative approach, to work more efficiently with other organisations and make better use of new technology.

Summary of findings



Outstanding

The constabulary has a good history of achieving or exceeding savings requirements and has balanced the budget for 2014/15. Owing to the constabulary overachieving on planned savings, a capital reserve was accrued in 2014/15 enabling the constabulary to invest in areas such as information technology to increase efficiency. It has balanced the budget for 2015/16.

The constabulary has looked to maximise investment opportunities and has identified the future risks to this funding to enable it to manage those risks.

Strong and effective financial governance is in place with all pay budgets managed centrally. This provides greater control and allows the constabulary to ensure its workforce model matches demand and financial requirements. The constabulary has earmarked reserves for capital investment over the next four years rather than face an increase in its costs through borrowing.

The constabulary has considered and aligned the financial plans for future policing across the county in line with the objectives set out in the police and crime commissioner's (PCC's) police and crime plan. The PCC is provided with timely and relevant financial and future plans information.

The constabulary has well developed plans to achieve future savings. The constabulary has forecast the savings requirements through to 2019/20.

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,⁹ 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.

⁹*Striking a balance: Improving councils' decision making on reserves*, Audit Commission, December 2012. Available from <http://webarchive.nationalarchives.gov.uk>