

PEEL: Police efficiency 2015

An inspection of Essex Police



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

Overall judgment¹



Good

HMIC found that Essex Police is adequately prepared to face its future financial problems. Through effective financial management and accurate budgeting it is successfully making the savings required of it and is well placed to continue to do so. Its future ambitious change programme will need to be successful if the force is to realise savings and be in a position to meet changes in demand for its services. In last year's value for money inspection, which considered how forces had met the challenge of the first spending review period, Essex was judged to be good.

Summary

HMIC judges Essex Police to be good. The force's workforce model by which it provides its services is broadly aligned to meeting its current requirements. The force is developing a good understanding of the demands placed on its services and is reallocating the workforce to the areas of most need. The force intends to increase the number of police staff as a proportion of its workforce, on the basis that it believes this will improve resilience. Its change programme sets out step-by-step changes through to 2020.

The force has an established track record of successful collaboration with Kent Police and ambitious, far-reaching plans to improve services. The force has pioneered the Athena² integrated IT solution.




Essex Police has identified savings through to 2018/19. It is set on a firm programme of major change based on improved digital working, the rationalisation of buildings and modernising the workforce. The force has made realistic assumptions on the levels of savings required, which is estimated at £53.8m to 2018/19. While these plans are well developed, they are ambitious and are yet to be tested in reality. More work is necessary to manage the response to calls for service from the public in the control room³ where there is an unacceptable backlog of unresolved open incidents

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

² Athena is a web-based IT system which replaces a number of different systems (custody, case preparation, intelligence and crime recording).

³ Facility in which call-handlers answer telephone calls from the public, determine the circumstances of the incident, decide what needs to be done, and initiate the initial response.

awaiting action. The numbers of these unresolved open incidents mean that control room staff are unable to manage risk effectively, and this may mean that victims are not receiving the service they need and they may lose confidence in Essex Police. This has been a recurring issue for the force over the last few years and has yet to be resolved effectively and is a cause for concern.

<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> Requires improvement</p>	<p> Good</p>	<p> Good</p>
<p>Essex Police is developing a good understanding of the demands placed on its services. The force has invested in a software system that should assist in assessing this demand.</p> <p>The force lacks detective officers and so while it has moved officers and staff into areas of most need, including supporting vulnerable people, not all of these officers are appropriately trained or experienced.</p> <p>Essex Police has a good understanding of the roles of police officers and those roles which could be undertaken by civilian employees. As a result the force is planning to increase the number of police staff as a proportion</p>	<p>Essex Police has a workforce model which is broadly aligned to meeting its current requirements and supports the police and crime plan. While the force broadly understands the skills, experience and capability of its workforce, it is not yet able to match these against current demand.</p> <p>The change programme sets out step-by-step changes between now and 2020, and while these plans are well developed, they are ambitious and have yet to be tested in reality. Although a software programme is helping to identify potential vacancies and gaps in skills and experience, the force is yet to have effective</p>	<p>Essex Police achieved its savings requirement of £13.9m, and balanced the budget for the spending review period of 2014/15, and the budget for 2015/16 has been balanced. The force has a good track record of delivering savings.</p> <p>The medium-term financial strategy (MTFS) identifies savings through to 2020 with a mix of improved digital working, rationalisation of buildings and modernising the workforce. The force understands, and is planning for, likely financial challenges beyond the current spending review based on robust, realistic and prudent assumptions.</p> <p>The force has a proven</p>

<p>of its workforce, on the basis that it believes this will build capacity and improve resilience.</p> <p>There is an unacceptable backlog of unresolved open incidents within the control room which represents a significant risk.</p> <p>The force has a track record of successful collaboration with Kent Police as well as ambitious, service improvement plans. The force is pioneering the Athena integrated-IT solution, however the implementation has been difficult with some enduring issues and HMIC found that the workforce is frustrated by a lack of support to resolve issues with the system.</p>	<p>succession planning.</p> <p>In the future, the force aims that the majority of services will be provided through joint ventures with other police forces, with other public sector organisations and with commercial organisations.</p>	<p>track record of robust financial management, accurate budgeting and achieving planned savings. The force has a clear and relatively prudent reserves plan. There is an established and close working relationship with the office of the police and crime commissioner (OPCC) who is fully informed and plays an early part in budget plans.</p> <p>The force has been successful in receiving monies from the Police Innovation Fund, and has exploited collaborative working opportunities. Kent Police is Essex's preferred partner; this collaboration provides financial benefits as well as increased capacity and resilience.</p> <p>The force's long-term financial plans rely on the force's ambitious approach to demand management being successful. While change plans are well developed and managed they are yet to be tested in reality.</p>
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Force in numbers



Financial position

Forecasted change in expenditure 2015/16 to 2018/19

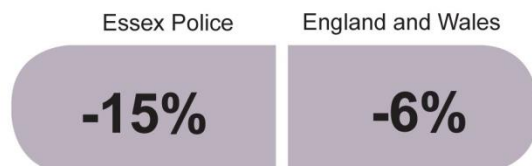


It is important to note that some forces only provided figures for savings they had formally signed off at that point, while others provided estimates for the whole period. As a result, the savings figure above might not reflect the full saving which the force might have to make. 2014/15 GRE has been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



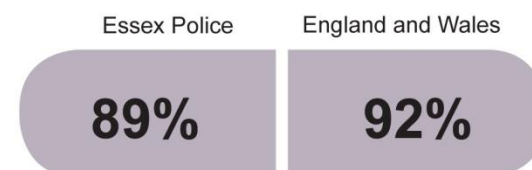
Proportion of police officers on the operational frontline 31 March 2010



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)

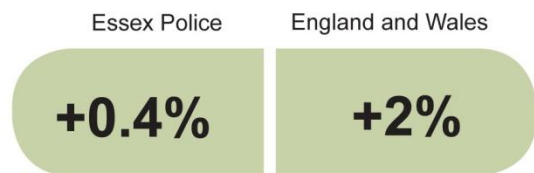


Workforce cost per head of population compared to England & Wales (2014/15)

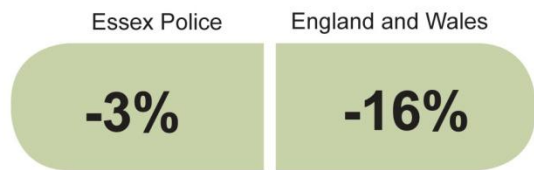


Key statistics

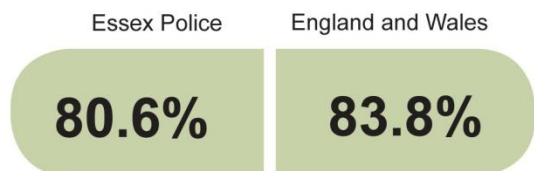
Changes in recorded crime (excluding fraud) 12 months to 31 March 2014 to 12 months to 31 March 2015



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: Essex confidence interval +/- 1.7 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 Essex Police.

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

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

How well does the force understand its demand?

Essex Police has a good understanding of its demand. In the 2014 valuing the police inspection programme, HMIC reported that the force's understanding of demand was restricted to 999/101 calls received in the control room and that further analysis beyond this was lacking. HMIC is encouraged that the force has since developed a deeper understanding of demand in other major areas of police activity. Examples include a better insight into the resources required to prepare prosecution files at times of peak prisoner flows and the number of investigative hours associated with the investigation of rape and domestic abuse offences.

To understand the changing demands made of it, the force has invested in a software system that will assist in assessing this demand. The force is working to understand demand relating to protecting vulnerable people and this includes some data from partner agencies including data on child abuse and sexual exploitation. The force invested extra funds to conclude this work earlier than was scheduled and it was due to be completed in May 2015. A new force control strategy, that directs what is important to the force, has been published to allow better prioritisation of response to incidents; this includes child protection.

How well does the force match resources to demand?

Essex Police has a change programme which is designed to implement the force operating model (the way in which a police force is organised in terms of its structure and the processes it has adopted and operates in order to achieve its objectives), called the 2020 Model by 2020 and achieve the savings identified in the medium-term financial strategy.

A main feature of this change programme is the allocation of more officers and staff to frontline activities in line with an analysis of need. A good example of where the force has matched resources to demand is the recent adjustment of the shift pattern to bring a better response to 999 calls at times of known high demand.

The force has compared information with other forces, which revealed that it was top heavy in relation to supervision ratios. This led the force to reduce some supervisory posts and reinvestment the savings into other areas of policing.

The force's change programme also involves the introduction of new skills to sections of the workforce, such as digital investigation skills. The force has a good understanding of the roles that have to be discharged by warranted police officers and those which could be undertaken by civilian employees. Over the next three years it is predicted that the number of police officers will fall by 447 with the numbers of police staff employees increasing by approximately 200. Many of the new police staff employees will bring civilian investigative support to teams of detectives, meaning police officers should be able to focus on those areas of investigation demanding their skills, training and level of accreditation. This is designed to build capacity and bring resilience to the force's overall investigative capability, which is currently below that required due to previous lack of investment in the area. While the force recognises its weakness in this area, the work to resolve the issue will be a quick fix and the area will remain of concern.

Technology is being used effectively. The force has made a successful bid to the Police Innovation Fund for tracking devices to be placed on police vehicles, which is aimed at providing better resource information. The innovation fund bid linked to the Athena IT project, and based on sharing data with other public service organisations, should also help the force match resource to demand. Further improvements to use of technology include the impending trial to use mobile devices, which are planned to be introduced at the end of May 2015 and are designed to increase efficiency in deployment and resource allocation.

The force has recognised that it had under-resourced its services in relation to protecting vulnerable people, and has moved officers and staff to meet the demand which had outstripped resources. This had resulted in considerable pressure being placed on staff whose role it is to protect the most vulnerable which in turn meant that some victims have not been receiving the service they should have received. As part of the change management programme, this area will be reviewed to determine the required capacity and capability to meet need. However, many of the officers who have been allocated to this area of policing have limited detective skills, and the force is some way away from matching capability and capacity requirements in this area.

HMIC is satisfied that, in structural terms, the change programme provides an effective framework to allocate officers and staff to areas of current and emerging demand; however the public protection area remains an area of concern and the force will need to ensure ongoing assessments are undertaken as its understanding of demand in this area develops.

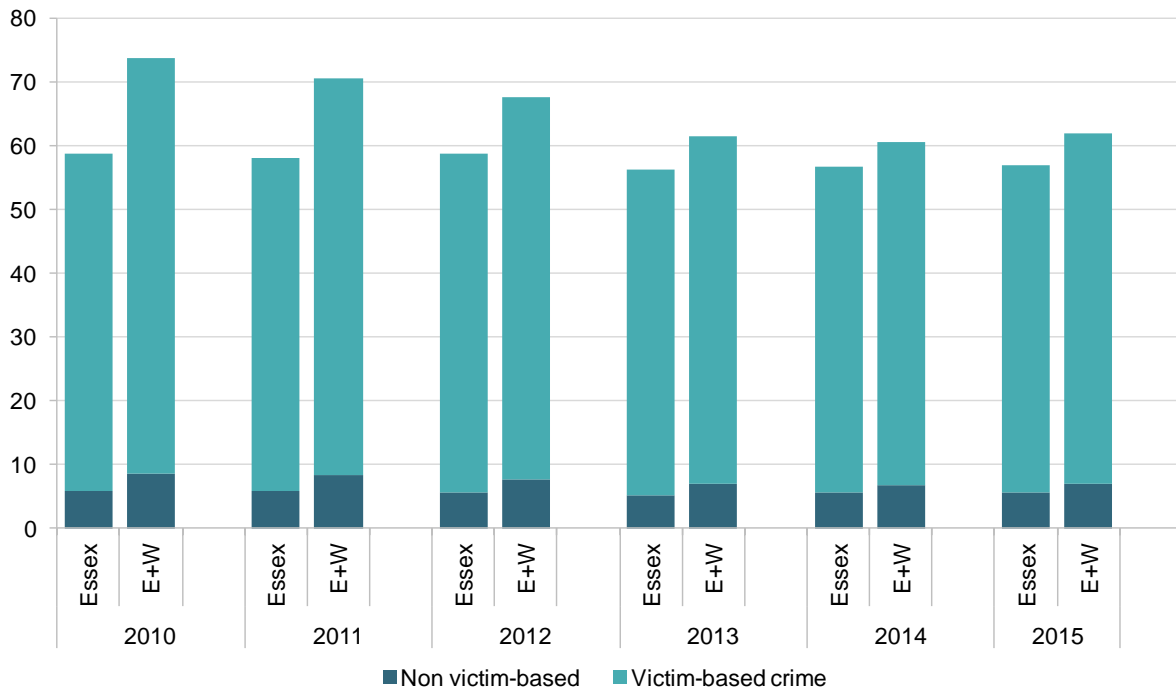
How well are the force's services meeting the demand from the public?

To assess the force's response to public demand, HMIC considered crime figures and rates in Essex; victim satisfaction levels; and whether the force is using different ways to communicate and engage with 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 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 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 Essex had a victim-based crime rate of 51.3 and a non victim-based crime rate of 5.6 per 1,000 population. This represents a decrease (3 percent) in the victim crime rate and a decrease (3 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 in Essex 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 Essex, 80.6 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 in the 12 months to 31 March 2015 in Essex, which means that people may disengage with the force due to their dissatisfaction with the service they have received.

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

⁴ Essex, confidence interval +/- 1.7 percent.

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

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

Are the following communication channels being used by the Force?	
Facebook	Yes
Twitter	Yes
Email	Yes
Text message	Yes
Web forum	Yes
Instagram	Yes
Local phone (not 999 or 101)	Yes

Source: HMIC Efficiency data collection

HMIC has concerns about the effectiveness of current day-to-day practices in the force control room, where demand from public calls for service is managed. A spot check revealed some approximately 1,300 calls for service remain open and unresolved; some of these revealed potential harm to individuals. This issue has been highlighted previously by HMIC in September 2014, and the force’s work to reduce the levels was monitored. The numbers had fallen from around 1,200 in September 2014 to around 800 by January 2015, before sharply increasing again in April 2015.

The force is certain that this latest increase is linked to the implementation of the Athena IT platform, and that it will come under control as issues with the implementation of Athena are resolved. The force has implemented a recovery plan; however the levels of unresolved open incidents remain unacceptably high and present a significant risk. Another anomaly is the high number of calls for service that lead to immediate deployment. HMIC recognise the force’s intention to implement THRIVE (a risk based model which assesses Threat, Harm, Risk, Investigation, Vulnerability and opportunities for Engagement on a call-by-call basis) should enable it to make a more efficient response to 999 calls. However, not enough has been done to address the problem up until now.

The Athena integrated-IT roll out has experienced some technical issues, which is not a surprise given the extent of the change the project represents. The issues are reducing the effectiveness of the force as officers and staff are finding the system to be slow, and that routine tasks are taking longer, and in some cases much longer to complete. The force has put in place support for officers experiencing difficulties.

However, HMIC found that operational staff are becoming frustrated as the problems with Athena persist and technical support only operates during office hours and there is a backlog of unresolved requests for assistance.

How well is the force managing demand?

The issue that the force faces in reducing the unresolved open incidents in the control room has already been discussed in this report. Despite this significant issue the force is making progress in streamlining its procedures. It is becoming more economical in the use of its officers and staff who no-longer attend every crime; the new mix of police officer/police staff ratios in the workforce will bring more resilience over time.

Essex Police also uses a range of projects and activities to help reduce demand. A good example where duplication has been removed is streamlining processing of prisoners in the custody centres. Civilian detention officers are rostered for duty in line with times of peak demand to further assist this streamlined process. Progress has also been made on the introduction of contact points where public-facing front counter services are provided together with council employees. The force introduced these changes after it had identified wasted work in provided this service in under-used police stations.

The force employs a range of activities and initiatives to reduce demand, for example, a long running operation to reduce dwelling burglary offences. The force has reviewed all firearms licence holders who had been involved in incidents of domestic violence as either the offender or the victim, leading to removal of licences, which should reduce threat.

Essex Police works well with other local organisations to reduce repeat demand. The force is one of four pilot forces taking part in a national programme to work closely with domestic abuse offenders to seek their engagement with behavioural therapies. Also, the force is working with academic partners to better understand risk in domestic abuse cases. Both of these initiatives are intended to reduce demand by better and more effective interventions.

The force has introduced an effective mental health concordat with the NHS which has led to marked reductions in the use of police cells to detain those suffering from mental ill health. The force uses its quality of service team in the control room to identify the top repeat callers for emergency and non-emergency service and contacts them to understand the reason for multiple calls. Where the team can, it will resolve the issue but if this is not possible it will forward it to the appropriate team.

There is good engagement with local public service organisations to reduce demand, including work to reduce repeated attendance at the homes of so-called troubled families, and closer working with licensing authorities to reduce calls to late night drinking venues. The force has a number of joint 'hubs', where police and council

resources work together. Funding for new crime prevention projects is available through the police and crime commissioner (PCC) community service budget, an example being the youth restorative justice,⁶ which is provided by trained volunteers and went live in March 2015.

A number of ways of working with the community and crime prevention programmes are in place including a rural community business watch and a special constable's rural crime team that can be moved across the county to deal with demands in rural areas.

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

The force measures performance on the basis of the PCC priorities and its own control plan. The force has a performance management framework in place, which it is developing further. It has recently reviewed its governance and meetings structure to simplify attendance and ensure effective decision making. The force has looked nationally at good ways of improving public protection outcomes and has incorporated these into its tasking and coordination processes, which prioritise resources to demand.

The force has responded positively to areas where it has been identified as an performing less well than other forces in HMIC's value for money profile, which provides information on how well the force is providing value for money with the services they are providing. For example, a far more robust regime has been introduced to manage sickness absence. Improvements have focused on identifying signs of the potential abuse of sick leave; better support to first-line supervisors in managing absence; and taking action to help employees leave the force where this is the best result.

The force has analysed all areas of the force in order to identify potential improvements to productivity. It has identified roles which would be better performed by a civilian employee, has curtailed some working practices which attracted unwarranted shift allowances and has allocated more responsibility to some post-holders.

⁶ Restorative justice brings together people harmed by crime or conflict with those responsible for the harm, to find a positive way forward.

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

The force has both an established track record of successful collaboration⁷ as well as ambitious, far-reaching plans in terms of service improvement. The increased capacity and efficiency associated with the successful merger of specialist crime directorates and shared services department with Kent Police has enabled wider collaboration. A scoping exercise has identified areas to be considered for future collaborative working. The chief officers of both Kent and Essex Police agreed in April 2015 that both forces would invest in a project to stabilise their IT infrastructure. The force expects this approach to provide more stability and improved working, enabling money to be invested in IT development rather than spent on support of old systems.

A main element of IT development approved by the joint chief officers is to provide a standardised tablet for mobile data. Additionally, through pioneering the Athena integrated-IT solution; the force is paving the way to future work with a number of forces in the east of England who are set to adopt the same technology.

The force regularly reviews its collaboration arrangements. The benefits from collaborative working are understood by the force and it is exploring further opportunities for collaboration. Work is ongoing to achieve further savings, including significant savings planned from collaborating shared services with Kent Police. The collaboration arrangements between the forces are mature and savings are equalised and synchronised to ensure one force is not subsidising the other.

In terms of the workforce, the force plans to dismantle the long established distinction between police officers and police staff in frontline roles. An increasing number of roles are being undertaken by accredited civilians particularly in the field of custody management and investigations. This together with plans for more flexible, digital working should help the force to better meet future challenges.

⁷ 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”.

Summary of findings



Requires improvement

Essex Police is developing a good understanding of the demands placed on its services. The force has invested in a software system that should assist in assessing this demand.

The force lacks detective officers and so while it has moved officers and staff into areas of most need, including supporting vulnerable people, not all of these officers are appropriately trained or experienced.

Essex Police has a good understanding of the roles of police officers and those roles which could be undertaken by civilian employees. As a result the force is planning to increase the number of police staff as a proportion of its workforce, on the basis that it believes this will build capacity and improve resilience.

There is an unacceptable backlog of unresolved open incidents within the control room which represents a significant risk.

The force has a track record of successful collaboration with Kent Police as well as ambitious, service improvement plans. The force is pioneering the Athena integrated-IT solution, however the implementation has been difficult with some enduring issues and HMIC found that the workforce is frustrated by a lack of support to resolve issues with the system.

Areas for improvement

- The force should ensure it has a sufficiently skilled and trained workforce to deal with the demand of protecting vulnerable people.
- The force should ensure it reduces the backlog of unresolved open incidents within the control room.

How sustainable and affordable is the workforce model?

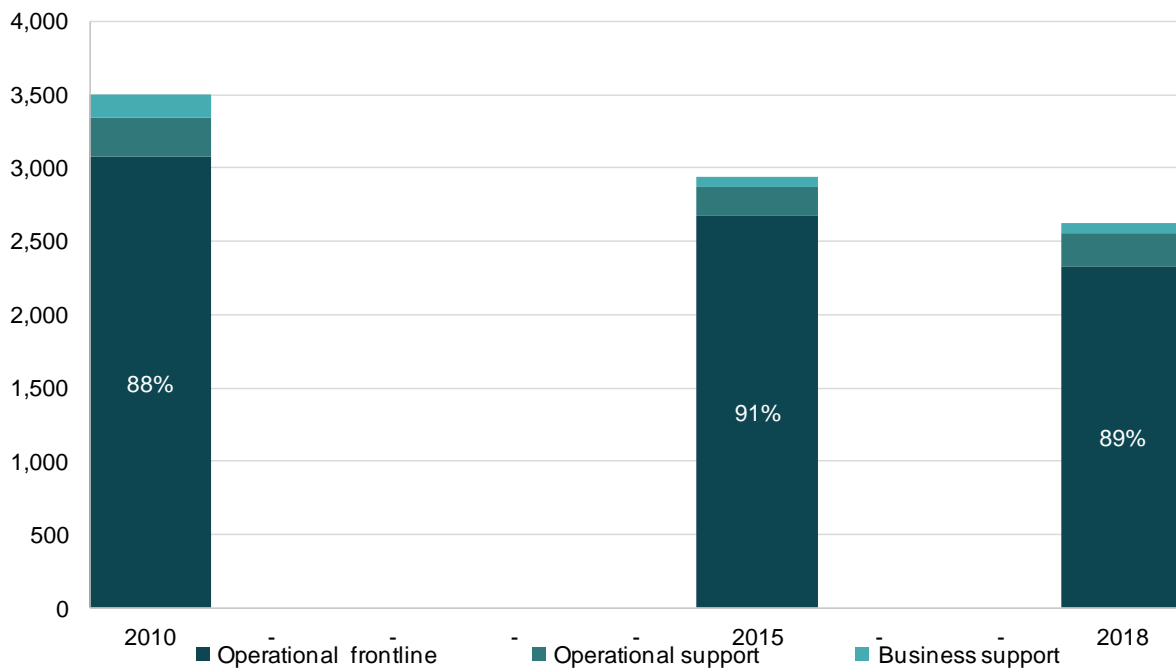
HMIC examined how Essex Police has structured its workforce (i.e. its mix of police officers, staff and PCSOs, and the proportion of all these groups working in frontline positions), and assessed whether this was affordable and sustainable as the force responds to its financial challenge. We also considered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

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

Essex Police forecasted a total savings requirement over the first four years of the spending review as part of the valuing the police programme (2011/12 to 2014/15) of £47.32m, the equivalent of 15 percent of the 2010/11 gross revenue expenditure for the force. Savings were made in both the pay and non-pay budgets. Since 2010, Essex Police has seen a reduction of 537 police officers, 338 staff and 183 PCSOs, full time equivalent (FTE).

In Essex, there have been falls in the total number of police officers FTE over the period 2010 to 2015, as shown in figure 3 on the following page. During this time period the proportion in frontline roles has increased from 88 percent in 2010 to 91 percent in 2015. The force expects to reduce this proportion looking forward to 2018.

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



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

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

The force understands in the majority of areas the skills, experience and capability of its workforce, and is broadly able to match these against current demand, including through some succession planning. The force has a software programme, which helps it model the future resource requirements of the force, identifies potential vacancies and gaps in skills and experience. The director of human resources chairs postings panel which aim to provide an equitable distribution of skills, talent and experience across the force area. This helps the force to place the right people in the right place in support of the change programme. However the force’s processes were not sufficiently mature to identify the rapid increase in demand in the public protection area meaning that demand has outstripped capacity and resources have had to be rapidly moved to try and fill the gaps.

The force is working toward reducing the number of police officers, and is increasing the number of civilian staff who can carry out appropriate operational frontline roles. The force is working to increase its detective officer capacity which has been identified as an area in need of improvement.

There is tight and effective vacancy management and as of 31 March 2015 the total police officer vacancies held by the force was zero. The human resources department meets twice monthly with the change programme to manage resource requirements. For example, the force relocated over 200 staff to support the change programme and work to introduce new shift patterns from September 2015.

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 Essex Police compared to England and Wales

	March 2010	Difference between 2010 and 2015		March 2015	Difference between 2015 and 2018		March 2018
		Force	England and Wales		Force	England and Wales	
Police Officers	3,606	-15%	-12%	3,069	-15%	-6%	2,623
Police Staff	2,152	-16%	-19%	1,813	11%	-6%	2,008
PCSOs	445	-41%	-27%	262	-48%	-11%	138
Workforce total	6,202	-17%	-15%	5,145	-7%	-6%	4,768

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

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

Essex Police is tailoring its future workforce plans to meet longer-term changes in demand, organisational and financial requirements in a sustainable way, including through recruitment and effective development of staff. The force has factored in gaining small numbers of new recruits over the next four years of the spending review period. The change programme will provide incrementally the operating model by 2020. The force's future will be characterised with all services (apart from response to emergencies, local crime and incidents of anti-social behaviour) being provided through joint ventures with other forces, public sector and commercial organisations. The force plans to build on and potentially broaden the successful collaboration arrangements with Kent Police.

The force's future plans are based on three strands of change: increased digital working; the rationalisation of buildings; and workforce modernisation. Successful implementation of their plans should protect the force against the constraints of austerity at the same time as ensuring that the service it provides to the public is

sustainable. The change programme has identified the savings associated with each strand. The force is planning workforce reductions to achieve the savings identified in the medium-term financial strategy. The future configuration of the force is expected to be quite different but the force is expecting to maintain service standards. The force is planning changes in the use of its buildings, an increasing dependency on the Athena integrated-IT solution and more and more services being provided through joint venture.

As part of providing a more modern way of gaining access to the police, traditional 'over-the-counter' services provided in police stations will be reduced and replaced with contact points shared with local councils, which aim to provide access to a wider range of service provision. Additionally, self-help, online access is being designed to reduce a significant proportion of non-emergency calls received annually; the force has identified likely savings from this programme.

The future model aligns well with projected demand and organisational and demanding financial requirements. However, to be successful the model is heavily reliant on the force's ambitious approach to reducing and managing demand being achieved. It is too early to say whether this will be the case.

Summary of findings



Good

Essex Police has a workforce model which is broadly aligned to meeting its current requirements and supports the police and crime plan. While the force broadly understands the skills, experience and capability of its workforce, it is not yet able to match these against current demand.

The change programme sets out step-by-step changes between now and 2020, and while these plans are well developed, they are ambitious and have yet to be tested in reality. Although a software programme is helping to identify potential vacancies and gaps in skills and experience, the force is yet to have effective succession planning.

In the future, the force aims that the majority of services will be provided through joint ventures with other police forces, with other public sector organisations and with commercial organisations.

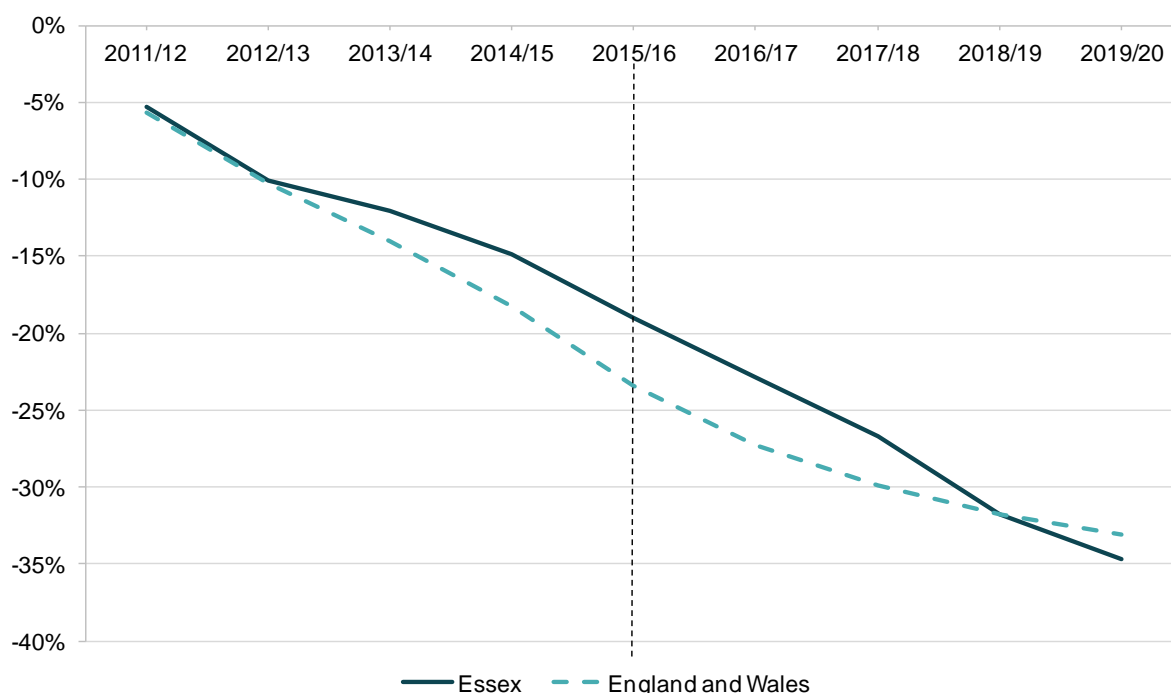
How sustainable is the force's financial position for the short and long term?

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?

Essex Police forecasted savings of £47.32m over the first four years of the spending review (2011/12 to 2014/15), the equivalent of 15 percent of the 2010/11 gross revenue expenditure for the force. Over the period, savings were made in both the pay and non-pay budgets, so as to balance budgets by 2014/15. Over the same period all forces across England and Wales forecasted a total savings requirement of £2.53bn, the equivalent of 18.2 percent of the 2010/11 gross revenue expenditure for England and Wales.

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

Essex Police achieved its savings requirements of £13.9m, and balanced the budget for the spending review period of 2014/15. The savings requirement was achieved by saving £6.9m from pay, and £1.9m from non-pay. The force forecast to use £5.1m reserves to bridge the outstanding budget gap, with £1.6m from the general reserve (£3.5m from earmarked reserves).

The force has well-established collaboration arrangements with Kent Police and is saving more through collaborative working than many other forces. The progress made by the force means that it is well positioned going into the next spending review period.

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

Essex Police has planned a balanced budget of £288.4m for 2015/16, which includes a cut in spending of £13.1m. It is forecast that the reduction will be split between £10.1m from the pay budget (77 percent) and £2.1m (16 percent) from the non-pay budget in this year's savings. The force planned to use £0.9m of reserves to fund one-off expenditure in 2015/16. Since the 2010 baseline, at the start of the spending review, this represents savings of 19 percent.

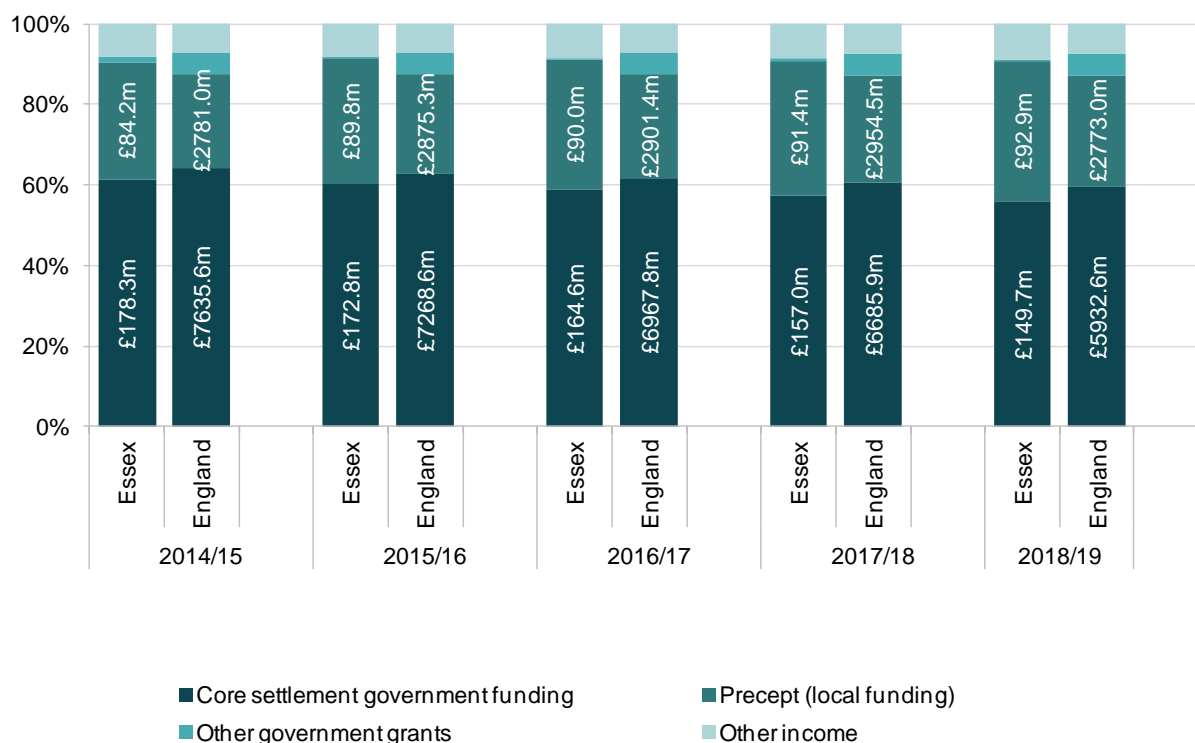
The budget for 2015/16 has been balanced; £12.2m of savings have been identified. These savings are associated with the benefits of 2014/15 re-establishment of local policing in line with local government jurisdictions and the reduction of constables, PCSOs and criminal justice caseworkers as the change programme progressed.

The force has made reasonable assumptions in calculating its budget going forward. They have assumed a 2 percent increase in precept year on year to 2017/18, and while some conservative estimates around inflationary rises have led to a recent saving with the fall in fuel prices, they have not assumed inflation (and fuel prices) will stay as low as they are in future years.

How well has the force maximised other funding opportunities?

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

Figure 6: Forecast mix of funding for Essex Police in the 12 months to 31 March 2015 to the 12 months to 31 March 2019, compared to English forces



Source: HMIC efficiency data collection

The Athena integrated-IT programme represents a significant investment for the force. The force, as part of the Athena consortium, was successful in its bid into the Police Innovation Fund on customer contact and data analytics.

Another successful bid into the Police Innovation Fund secured £250,000 of funding for the drug testing of detained people upon arrest which has led to more people getting treatment for their drug addiction.

The force plans to achieve £24m of revenue funding from other sources in 2016/17 including the recovery of all policing costs from the airport operator at Stansted. The force has recently appointed a dedicated income generation manager to further exploit funding opportunities.

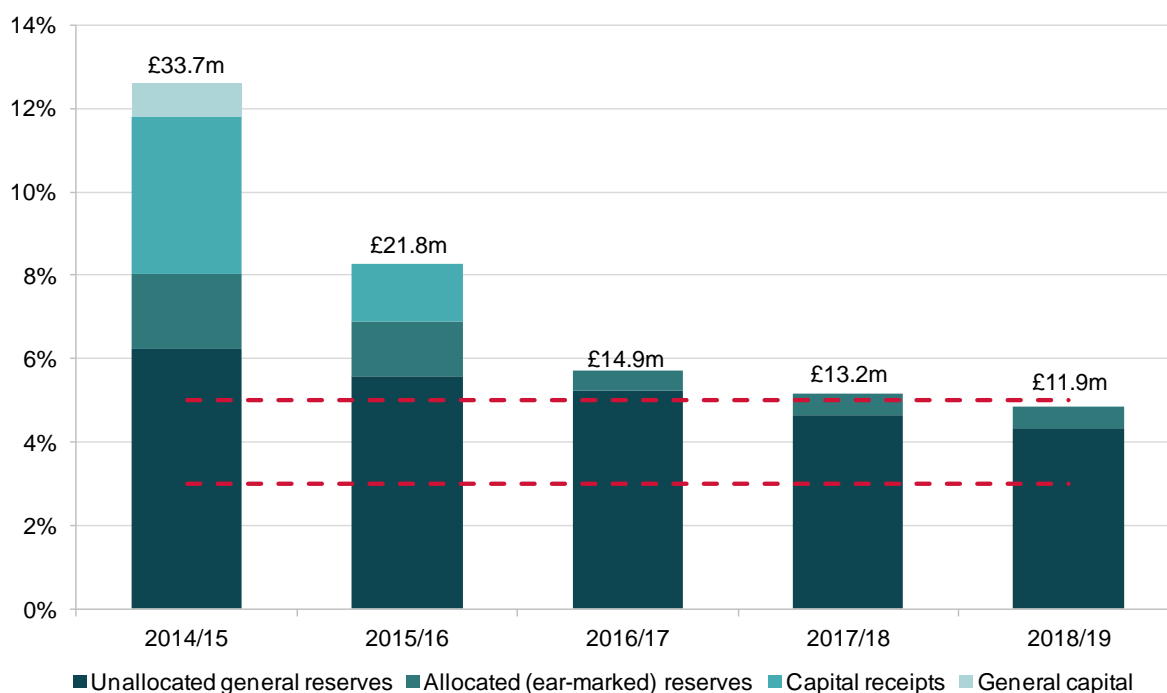
Essex Police continues to demonstrate that it is ambitious in its approach to working with others to reduce costs across all functions, and that it is effectively exploiting opportunities for income generation and funding. The force's effective collaboration with Kent Police is mature and expanding, and the force is ambitious to expand the extent of its collaborative working with Kent Police and other organisations.

How well does the force control expenditure?

The force's level of reserves and how these are forecast to change over time, is shown in figure 7. Essex Police reported that its total reserves were £33.7m in 2014/15. These are broken down into several categories:

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

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



Source: HMIC efficiency data collection

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

The force has appropriate measures in place to control expenditure effectively. A management accountant has been seconded to the change programme and human resources department, and they work closely with these teams on the feasibility of any savings and workforce plans.

Pay budgets are centralised with workforce and vacancy levels subject to central control. A few budgets are devolved away from the corporate centre (for example overtime, expenses and temporary duty allowance) and the force can account for all expenditure. This has the dual benefit of bringing increasing control to expenditure at the same time as ensuring costs can be compared. Much unnecessary spending has been eliminated or reduced, for example spending on hire cars has decreased. The force has recently changed its cycle of internal audit to examine the areas most vulnerable to over-spending year on year.

The force has a clear and relatively prudent reserves plan. Reserves are planned to reduce from £21.8m in 2015/16 to £11.9m by 2018/19. Capital reserves are planned to be at zero during 2016/17. The force intends to continue to use reserves to bridge saving gaps. It also intends to invest reserves in its 'spend to save' proposals, such as an IT investment reserve, and for short-term borrowing to aid its estates plan.

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

Essex Police has an effective working relationship with the office of police and crime commissioner (OPCC) and there is a shared understanding of the financial position, including current expenditure monitoring and longer-term options for further cost reduction. The force's financial plans are developed in conjunction with the OPCC and are designed to reflect the priorities in the police and crime plan and the force's 'Plan on a Page'.

The PCC holds regular public 'challenge' meetings with the chief constable and other senior staff members. Four Essex police challenge meetings take place each year; the agenda is structured to allow the public and the PCC to examine how well the force is performing against the police and crime plan, and includes some financial elements such as improving efficiency.

The effective working relationship between the force and the OPCC and their shared understanding of the financial position, gives the force a solid foundation for future financial planning and service delivery.

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

The force's finance department works closely with the OPCC to ensure it is fully informed and plays an early part in budget plans. From October onwards there is an annual cycle of meetings between the force's finance department and the OPCC as the revenue budget goes through various iterations. At the start of each January, the budget is formally signed off by the PCC. A similar process occurs for the capital budget.

The force has worked constructively to re-profile reserves particularly to make funds available for its 'spend to save projects' within the change programme, for example the investment reserve for estates and IT. Additionally Essex Police and its external auditors both recognise the value of the PCC appointing non-executive directors to bring further scrutiny to financial probity.

The force very clearly understands the lines of responsibility and accountability and evidence for this comes from sharing of relevant and timely information on budgeting, finances and change management.

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

The force has made realistic assumptions of £53.8m savings that are likely to be required over the next four years. This represents an 18 percent reduction in spending between 2015/16 and 2018/19. It is significant that this saving requirement goes further than the requirements of the previous spending review period. The combined effect of this and other budget pressures, for example increased National Insurance employers' contributions, pay inflation and anticipated borrowing (for replacement of the force HQ), mean that cumulative saving targets over that period are set at £53.8m.

In the face of these challenges HMIC is encouraged by the detailed, structured and far-reaching change programme, while noting that this programme has yet to be signed-off and implemented. The change programme does not solely focus on the reductions in the workforce; at the forefront of the programme are the three main strands of digital working, rationalisation of buildings and workforce modernisation.

Nonetheless savings of the magnitude described above cannot be achieved through these measures alone. Associated with each of the above strands is a reduction in workforce levels. Since 2010 Essex Police is operating with almost 600 fewer officers. Over the next four years, broadly similar reductions in the workforce can be

anticipated to deliver the savings outlined in the MTFS. The scale of required savings and amount of workforce modernisation planned are expected to be demanding for the force to achieve while maintaining the current level of service to the public of Essex.

In order to absorb these reductions at the same time as maintaining sustainable services, a scoping exercise has been completed of all frontline roles. This will lead to a far greater representation of civilian police staff in frontline roles; particularly in the areas of criminal investigation (both local policing and serious crime), providing custody services and roads policing. A solid workforce plan is in place to recruit, train and develop police staff to take up these new responsibilities.

Built onto this will be a greater dependence on digital working, more sharing of specialist police services with other forces and a more efficient use of the police estate to realise efficiencies and increase resilience.

For the force to be successful in realising its saving requirements while continuing to provide an effective and efficient service, all the separate elements of its change programme will need to be met. This will be difficult due to the extent of the programme and the ambitious nature of parts of it. There are clear lines drawn between the desired results of the change programme and the medium-term financial saving requirements, which if delivered will secure the financial security of the force.

Summary of findings



Good

Essex Police achieved its savings requirement of £13.9m, and balanced the budget for the spending review period of 2014/15, and the budget for 2015/16 has been balanced. The force has a good track record of delivering savings.

The medium-term financial strategy (MTFS) identifies savings through to 2020 with a mix of improved digital working, rationalisation of buildings and modernising the workforce. The force understands, and is planning for, likely financial challenges beyond the current spending review based on robust, realistic and prudent assumptions.

The force has a proven track record of robust financial management, accurate budgeting and achieving planned savings. The force has a clear and relatively prudent reserves plan. There is an established and close working relationship with the office of the police and crime commissioner (OPCC) who is fully informed and plays an early part in budget plans.

The force has been successful in receiving monies from the Police Innovation Fund, and has exploited collaborative working opportunities. Kent Police is Essex's preferred partner; this collaboration provides financial benefits as well as increased capacity and resilience.

The force's long-term financial plans rely on the force's ambitious approach to demand management being successful. While change plans are well developed and managed they are yet to be tested in reality.

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 going forwards. In other cases, forces may be planning to reduce their workforce but have a current high vacancy rate which masks this change.

Due to the complex and continually evolving picture of workforce collaboration between neighbouring forces, not all changes in workforce figures are real in terms of the workforce available. Involvement in strategic alliances and/or regional organised crime units (ROCU) would be an example of where changes over time are likely to be skewed. Therefore sharp increases or decreases over time need to be considered with caution as they may simply represent accounting changes related to how staff are allocated to forces, not real changes in staffing levels.

At the time of the inspection, the future financial climate was uncertain. Several forces were in a position where they did not have confirmed/signed-off plans for workforce projections. It is important to note that figures provided are in many instances unconfirmed estimates provided to assist HMIC in its inspection programme and should not be seen as a concrete plan for the future landscape of policing. These comments apply to figure 3 and figure 4.

Figure 5

Estimated change in expenditure from 2011/12 to 2014/15, and forecast change in expenditure for 2015/16 to 2019/20, against the 2010 GRE baseline for the force and England and Wales

Figure 5 shows how force expenditure has changed over the period of the spending review, relative to the total change in expenditure for all forces across England and Wales. For 2015/16 onwards there has been a change in methodology in comparison to the value for money inspection. The savings requirement is no longer inflated gross revenue expenditure (GRE) minus expenditure but the sum of planned savings and use of reserves to bridge an in-year funding gap. This change is indicated by the vertical dashed line on the chart. The chart shows planned savings (including use of reserves to bridge an in-year funding gap) in future years, calculated using the planned savings for pay and non-pay budgets provided to HMIC at the time of the data collection (February 2015). Some forces only provided figures for savings they had formally signed off at that point, while others provided estimates for the whole period. Therefore small savings requirements do not necessarily equate to a small savings challenge for the future.

Figure 7

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

According to a survey of financial directors conducted by the Audit Commission,⁸ it is commonly considered that three percent to five percent of net revenue expenditure is a prudent level of unallocated general reserves for risk-based planning purposes. This range is shown on the graph by the two horizontal red dotted lines.

Please note that all categories of reserves for the force/constabulary are held by the PCC apart from City of London and the Metropolitan Police Service where reserves are held by the City of London Corporation and MOPAC respectively.

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