



House of Commons
Home Affairs Committee

Police Service Strength

Fifth Report of Session 2009–10

Report, together with formal minutes, oral and written evidence

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The Home Affairs Committee

The Home Affairs Committee is appointed by the House of Commons to examine the expenditure, administration, and policy of the Home Office and its associated public bodies.

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The Committee is one of the departmental select committees, the powers of which are set out in House of Commons Standing Orders, principally in SO No 152. These are available on the Internet via www.parliament.uk

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Committee staff

The current staff of the Committee are Elizabeth Flood (Clerk), Eliot Barrass (Second Clerk), Elisabeth Bates (Committee Specialist), Sarah Petit (Committee Specialist), Darren Hackett (Senior Committee Assistant), Ameet Chudasama (Committee Assistant), Sheryl Dinsdale (Committee Assistant) and Jessica Bridges-Palmer (Select Committee Media Officer).

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Key facts

- There was a 4.8% increase in police officers and a 15.5% increase in police staff employed across the service between 2004 and 2009.
- 13 forces out of 43 reported an overall decrease in officer numbers between 2004 and 2009, ranging between -0.9% to -7%.
- Three forces reported a rise in officer numbers of over 10%.
- Ten forces reported an increase in staff numbers of over 25%.
- In the last financial year, officer numbers rose by 2.9% across the service and staff numbers by 3%.
- 71% of police budgets is spent on police salaries and 16% on pensions, meaning that in total almost 88% is spent on the workforce.
- Central funding to the police service increased by 19% in real terms between 1997/98 and 2008/09.
- The police national grant is expected to increase by 2.7% in 2010/11.
- The future is more uncertain: the Association of Police Authorities estimates that forces may be able to manage a 5% cut in overall spending without reducing uniformed staff budgets; a 10% cut on the other hand would be likely to require forces to reduce these budgets by £260 million, or 5,800 officers.

1 Introduction

1. Over the course of 2009 a number of media reports expressed concern that police forces were being compelled to cut their workforces as chief officers struggled to deal with the impact of the recession.¹ Evidence we took from the Association of Chief Police Officers' finance lead, Chief Constable Dr Timothy Brain, in March 2009 suggested this concern was warranted, particularly in forces which are disadvantaged by the way in which the police national grant is distributed.² The Government has dismissed such claims on the grounds that the police service has received relatively high levels of funding in historical terms—central funding increased by 19% in real terms between 1997/98 and 2008/09—and will continue to do so in the next financial year.³ More recently, however, the extent of the financial uncertainty faced by all public services beyond 2011 has become apparent. The President of the Association of Chief Police Officers, Sir Hugh Orde, has suggested that police budgets could be cut by up to 20%.⁴

2. In the past we have warned the Government against fixating on maintaining a specific number of officers at the expense of measures to improve efficiency in deployment; however, we have also heeded cautions from the Police Federation, amongst others, about the implications for resilience should officer levels be allowed to fall significantly.⁵ We were therefore keen to take evidence from representatives of the police service to establish the legitimacy of these concerns and explore how forces can minimise the effects of funding cuts on service delivery.

3. In the first instance we wrote to all 43 territorially-based police forces and authorities in England and Wales asking them to provide data on:

- The number of police officers and staff currently employed by their force;
- How this figure has changed over the past five years, including details of business areas where reductions or increases have occurred;
- Any comments on the relationship between these trends, the most recent Comprehensive Spending Review funding settlement, efficiency savings targets, the force's overall financial position and any other factors;
- An indication of likely changes to the workforce during the remainder of 2009/10 and in 2010/11; and
- Plans the force is putting in place to deal with reduced funding in future years.

1 See for example "Thousands of police to lose jobs as forces feel the pinch", *The Times*, 24 February 2009, www.timesonline.co.uk; "Force fears budget cuts will harm service", *Police Review*, 20 February 2009, p 12

2 Oral evidence taken before the Home Affairs Committee on 31 March 2009, HC 254 (2008–09), Q 102

3 Home Office, *From the Neighbourhood to the National: Policing our Communities Together*, July 2008, p 8

4 "Police budgets to be cut by 20 per cent, says senior officer", *The Independent*, 18 November 2009, www.independent.co.uk

5 Home Affairs Committee, Seventh Report of Session 2007–08, *Policing in the 21st Century*, HC 364, paras 301, 229

We are grateful to the Association of Chief Police Officers (ACPO) and the Association of Police Authorities (APA) for collating their responses, and to those individual forces and authorities who also chose to send a separate response.

4. On 24 November 2009 we took oral evidence from the Deputy Commissioner of the Metropolitan Police, Tim Godwin, and the Chief Constable of Bedfordshire Police, Gillian Parker on service strength data relating to their forces; from the Chief Constable of Avon and Somerset, Chief Constable Colin Port, the Chair of Avon and Somerset Police Authority, Dr Moira Hamlin, and the Director of SouthWest One, Dr Simon Humberstone, about how public bodies in the South West of England are working with the private sector with the aim of maximising resources; and from the Minister of State responsible for Crime and Policing, Rt Hon David Hanson MP. We also explored how the National Policing Improvement Agency is helping forces to release officers to the frontline in our evidence session with the organisation's Chief Executive, Chief Constable Peter Neyroud, on 15 December 2009 and cite that evidence in this Report. We thank all those who contributed to our inquiry.

2 Trends in service strength

Trends over the past five years

5. The most recent Home Office figures show that as of 31 March 2009 the police service employed:

- 147,085 (full-time equivalent) police officers, including 2,811 employed by the British Transport Police (BTP) and 504 seconded to central services;
- 80,542 police support staff, including 1,246 employed by the BTP;
- 16,831 Police Community Support Officers (PCSOs), including 324 employed by the BTP;
- 469 traffic wardens;
- 3,083 designated officers; and
- 14,469 special constables, including 218 employed by the BTP.⁶

6. The Association of Chief Police Officers (ACPO) provided us with a table showing how figures for the two largest categories have fluctuated over the past five years, broken down by force.⁷ The table shows that over the five-year period:

- Despite a tiny fall in officer levels of -0.15% in 2007–08, overall there was a 4.8% increase in police officers and a 15.49% increase in police staff across the service;
- 13 forces out of 43 reported an overall decrease in officer numbers between 2004 and 2009, ranging between -0.9% to -7.04%;
- Three forces reported a rise of over 10% in officer numbers;
- Three forces reported an overall decrease in staff numbers; and
- Ten forces reported an increase in staff numbers of over 25%.

In the most recent financial year, officer numbers rose by 2.89% across the service and staff numbers by 3.04%.

7. This appeared to indicate that concerns about reduced officer strength were largely unjustified. The Home Office has emphasised that officer numbers are at a “record high”.⁸ ACPO also acknowledged that:

It is clear that there are no notable changes to police force strengths (officers or staff) during the current financial year.⁹

6 Home Office Statistical Bulletin, *Police Service Strength*, July 2009, p 1

7 Ev 69–70 [ACPO, Appendix B]. Contains data from all 43 territorially-based forces in England and Wales.

8 Home Office Statistical Bulletin, *Police Service Strength*, July 2009, p 1

Factors influencing these trends

8. We put these findings to our first two witnesses, selected to represent a large urban force and a small force covering a mix of urban and rural areas, and asked them to discuss them in the context of their own experiences. The Metropolitan Police employs 33,318 officers and 14,226 staff. Officer numbers rose by 9.4% and staff numbers by 12.1% over the five-year period. Deputy Commissioner Tim Godwin agreed that “our numbers appear quite stable”.¹⁰ He explained that one of the advantages possessed by the Metropolitan Police as a larger force is its ability to “package initiatives together”, moving officers from business areas where efficiency savings can be made to areas where Government (or Mayoral) initiatives have funded more officer places.¹¹

9. Bedfordshire employs 1,274 officers and 957 staff. Officer numbers fell annually by between 1.1% and 2.7% between 2004 and 2008, before rising by 6.1% in 2008/09 (constituting an overall rise of 5.4% over the five-year period). Staff levels rose by 14% during the same period. Chief Constable Parker explained that Bedfordshire’s initial losses were caused in part because the force lost more officers than anticipated through resignations or transfers to other forces but that to an extent the force used this natural wastage as a means of balancing the books. The force was able subsequently to increase its establishment “primarily due to an increase in the council tax at that particular time”.¹² In her view:

The figures hide a multitude of sins ... They are very complex, because they are not just made up from police officers and police staff who are funded from local budgets, they are of course supported by grant-funded officers ... On the face of it, the numbers in my own force look fairly constant, but were those grants to be removed then clearly there could be a substantial drop in the numbers.¹³

10. Written evidence from ACPO attributed much of the officer growth across the service to such grants, particularly in the field of counter-terrorism.¹⁴ The Metropolitan Police has recruited over 1,000 officers in relation to the counter-terrorism response and 1,900 officers through neighbourhood policing grants since 2004.¹⁵ In Bedfordshire the number of grant-funded officers increased by 23% in the same period, from 136 to 167.¹⁶ A second key reason for officer growth, cited specifically by 14 forces in their submissions, is the allocation of extra resources by chief officers to close the identified gap in protective services.

11. In the majority of the 13 forces who have reduced their officer establishments overall, these losses were explained by workforce modernisation initiatives which have identified a number of roles, particularly in back-office functions and custody, which could be filled by

9 Ev 56

10 Q 6

11 Q 7

12 Q 17

13 Q 2

14 Ev 58

15 Q 7

16 Q 1

staff rather than warranted officers. All but four of these forces have increased staff levels by over 10%. Warwickshire Police and Police Authority explained that “posts can be filled in many cases by ... support staff at a lesser cost”.¹⁷ Where an increase in staff is greater than the reduction in officer numbers, this would appear to be beneficial as it can enable forces to make more police officers available for operational duties.¹⁸ According to the Minister:

That [increase in staff numbers] is because in part the chief constables themselves have started to move some of the policing roles that were undertaken by police officers to civilian support staff to ensure that we maintain a presence on the frontline for officers doing what I think the Committee would want police officers to do, which is to give reassurance, patrol the streets, detect crime and tackle some of the issues of frontline crime rather than some of the issues of backroom bureaucracy.¹⁹

12. There were only two forces in which staff increases did not outnumber officer reductions: City of London and North Wales. The submission from the City of London Police and Police Authority drew attention to the “extremely unfavourable position” in which the force has found itself because it has received less than the minimum increase of 2.5% promised to forces by the former Home Secretary in the three-year funding settlement she announced in December 2007.²⁰ North Wales explained their losses were the result of “funding shortfalls”: their officer reductions were minor compared to that of some others, at less than 1%.²¹

13. Figures provided to us by forces in England and Wales show overall rises in both the number of police officers and the number of police staff employed across the service over the past five years. Overall rises of 4.8% and 15.5% respectively appear to indicate that reports of reduced service strength are unjustified. However, figures varied significantly between forces, with 13 reporting a reduction in officer levels over the same period. In the majority of these forces, reductions were linked to workforce modernisation initiatives and were therefore accompanied by large increases in staff levels. Only a small minority admitted that they were obliged to make cuts because of funding shortfalls, blamed in part on the current distribution of the police national grant. Witnesses also warned that the rise in officer numbers was largely the product of an increase in specific grant-funded posts, particularly in the area of counter-terrorism, which obscure the trends and could be withdrawn at any point.

Future projections

14. Our evidence highlighted greater uncertainty about future funding settlements and its impact on the workforce. Police funding is mainly derived from a combination of locally levied precepts and central grants from the Home Office. Forces can also raise money

17 Ev 47

18 Ev 17 [Hampshire Police Authority]

19 Q 74

20 Ev 50

21 Ev 68 [ACPO, Appendix A]

through partnership and sponsorship funding, charging for goods and services, interest from investment of reserves, sale of assets and reinvestment of efficiency savings.²² Government spending on policing for 2008/09–2010/11 was detailed in the Comprehensive Spending Review (CSR) announcement in December 2007.²³ The grant for next year is expected to be along the lines indicated in the CSR, a 2.7% increase across the service.

15. Few indications have been given about future years. In his pre-budget report the Chancellor of the Exchequer estimated that current spending will fall by 0.8% across the board between 2011/2 and 2014/5 but guaranteed:

Sufficient funding to maintain the number of police and community support officers. That means that I can confirm not just that we will increase spending as planned next year on hospitals, schools and policing, but we can pledge that spending on these crucial front-line services will continue to rise over and above inflation.²⁴

16. Clearly specific settlements will depend on political decisions taken after the general election, but police witnesses anticipated that their funding will be squeezed regardless of the result, because of the state of the economy.²⁵ According to the Association of Chief Police Officers:

Without exception, all forces are concerned as to the future outlook and the funding position into the next year and beyond. The recession is a clear driver in this, coupled with messages from Government on driving down public sector spending to reduce the national debt, and revenue costs.²⁶

The organisation also pointed to measures that forces are already taking in anticipation of future funding cuts, such as freezing recruitment and holding vacancies, which will become visible in workforce figures for 2009/10.²⁷ Evidence from our two individual forces corroborated this analysis. Chief Constable Parker advised that she is considering reducing her establishment by about 30 officers next year based on the information she currently possesses, and that future years look “bleaker”.²⁸ According to Deputy Commissioner Godwin, the Metropolitan workforce seems “fairly secure” for 2010/11 but future years will be “a challenge”.²⁹

17. The police service also warned that there was an extent to which they could manage with less funding; but significant cuts would eventually lead to a reduction in the level of policing they could provide. Generally, forces have given a commitment to “protect the

22 Ev 56 [ACPO]

23 HC Deb, 6 December 2007, col 88WS [Commons written ministerial statement]

24 HC Deb, 9 December 2009, col 370 [Commons Chamber]

25 Q 21 [Chief Constable Parker]

26 Ev 56

27 *Ibid*

28 Qq 2–4

29 Q 6

‘frontline’” from cuts that will undoubtedly need to be made.³⁰ But the Association of Police Authorities stated:

We must be clear. The ability of police forces to maintain existing levels of service with smaller budgets has limits. At some point, service must diminish.³¹

Gwent Police Authority, for example, told us that “further unexpected cuts” in government spending plans would “inevitably” result in reductions in frontline policing numbers, and neighbourhood policing in particular.³² The Association of Police Authorities estimated that forces may be able to manage a 5% cut in spending without making savings from uniformed staff budgets; a 10% cut in total spending on the other hand would be likely to result in cuts of £260 million from these budgets, constituting 5,800 officers.³³

18. Chief Constable Parker indicated that the recent history of her force demonstrated the causal relationship between officer reductions and force underperformance: “it is the people who deliver the service, so there has to be a direct correlation between the numbers of staff ... and the service you are able to deliver”.³⁴

19. Moreover, innovative means of delivering long-term savings—such as collaboration and private sector partnerships that we explore in the next chapter—often require initial investment. The Association of Police Authorities argued that:

Change needs time and needs investment. To reduce funding now will seriously impact the ability of the police service to implement new business models to produce a second wave of productivity and service delivery enhancements.³⁵

20. The Minister of State responsible for crime and policing was more optimistic about the impact of financial pressures on policing, telling us that “I do not recognise in the next 12 months the arguments for a 20% cut in funding”.³⁶ He did acknowledge that the Comprehensive Spending Review for 2011–14 would be “more challenging than the CSR of previous years” but added:

There is a range of deployment issues and overtime and management issues that can still maintain the numbers even if we have not sufficient growth as we have had in the past in funding.³⁷

21. Previous witnesses had told us that police forces and authorities had struggled to plan ahead effectively because Government decisions about funding are taken so late.³⁸ The

30 Ev 56 [ACPO]

31 Ev 74

32 Ev 32

33 Ev 82–3

34 Q 19

35 Ev 74

36 Q 70

37 Q 85

38 Home Affairs Committee, Seventh Report of Session 2007–08, *Policing in the 21st Century*, HC 364, Q 138

Association of Chief Police Officers highlighted the benefits of Comprehensive Spending Reviews for police forces and authorities:

For a number of years police forces have benefited from a three-year Comprehensive Spending Review settlement. This is very welcomed by forces as it provides financial planning stability. However, the CSR for the next period has been postponed pending the general election, and its future is uncertain. A return to annual settlements would increase uncertainty and be detrimental to the progress seen in recent times. ACPO fully endorse maintaining the three-year CSR settlements.³⁹

22. On the basis of provisional financial information from the Government, some forces are planning to cut officer numbers in the next financial year, others are not, depending on their overall financial position. The position after 2011 is unclear as the Government has given no indication of funding settlements beyond that point; however, all forces believe they will be expected to make significant spending cuts.

23. There is a general commitment to protect frontline services across the police service, but there is a limit to the extent to which this will be possible. We see no reason to dispute the Association of Police Authorities' assertion that forces may be able to manage up to a 5% spending cut without affecting uniformed officer budgets, but would struggle to protect these budgets beyond this. Moreover, significant longer-term efficiencies require an element of up-front investment; it may therefore be counter-productive to impose spending cuts at this stage.

24. The police service has greatly appreciated the advent of three-year Comprehensive Spending Reviews, which have increased their ability to plan over the medium term. We endorse this approach to financial planning and recommend that a further Review is carried out as soon as possible.

3 Managing with less

25. In this chapter we briefly explore some of the methods by which forces are seeking to maximise their resources, namely efficiency savings, collaboration and voluntary mergers and private sector partnerships; and the financial barriers faced by some forces in the form of application of the police funding formula and council tax capping.

Efficiency savings

26. Efficiency savings targets for the police were introduced in the 1999/2000 financial year. Forces have used a number of methods to meet these targets, particularly in the areas of workforce modernisation, structural reorganisation and inter-force collaboration. In the Policing White Paper published in December 2009 the Government set out its intention for the service to save at least a further £70m per annum by 2013/14 through more effective deployment and more robust internal management of police overtime; and at least £75m per annum by 2013/14 by rationalising back-office support.⁴⁰

27. The police service argued that there is a limit to the extent to which forces, which have been focusing on efficiency for a decade, will be able to continue to make further savings. According to ACPO:

The majority of forces who have driven out efficiencies through workforce modernisation have reinvested the savings to the frontline. Self evidently this is a ‘one-off’ saving and consequently the search for further opportunities has been reduced.

The organisation further argues that there is a “myth” that back-office functions can simply be “deleted” to free up resources to the front line.⁴¹ Chief Constable Parker agreed it would be difficult:

In the last five years we have made £7 million worth of efficiency savings, approximately 75% of which have come out from the back-office functions. Whilst there is always room for improvement and further efficiencies, we have taken a substantial chunk out of ours.⁴²

28. This is particularly the case because of the high proportion of police resources spent on the workforce. The Association of Police Authorities provided a breakdown of police service costs which shows that around 71% of the police budget is spent on police salaries and 16% on pensions, meaning that in total almost 88% is spent on the workforce:

40 Home Office, *Protecting the Public: Supporting the Police to Succeed*, December 2009, p 10

41 Ev 58–9

42 Q 9

Table: Breakdown of police service costs, 2007/08⁴³

	Net costs after income/grants £m	%
Uniformed police officers	5441	46.7
PCSO/traffic wardens	395	3.4
Other staff	2485	21.3
Police pensions	1889	16.2
Other running costs	1311	11.2
Capital financing charges	138	1.2
	11659	100.0

Therefore limiting efficiency savings to non-workforce budgets can only have a limited impact on overall spending.

29. The Association of Police Authorities argues that calls to maintain “frontline” policing, require forces to “skew” budgets to accommodate a “simple, narrow conception of policing activity—visible, reactive patrolling”.⁴⁴ When asked how he would define frontline policing, the Minister of State responsible for crime and policing said:

I think first and foremost it is ... neighbourhood policing, and the local beat officers and the local beat managers who work in those communities. Equally, for me, it is also those officers who do some hidden work, but which are affecting frontline crime issues ... people who are involved in supporting domestic violence reduction, people who are involved in tracking down drug and serious organised crime issues, people who are involved in preventing terrorist offences.⁴⁵

The public value a visible police presence and this is a key factor in public confidence in the police. However, the service is keen to investigate if, and how, performance in this and other frontline areas could be achieved with fewer officers. According to ACPO:

Police officer numbers is still only part of the overall picture, as innovations with technology, processes, collaboration, partnership, outsourcing are constantly driving up productivity and performance allowing the same level of service (or even better levels of service) to be delivered with less police officers.⁴⁶

30. We are pleased that the police service has made a commitment to protect frontline policing, which incorporates not only the kind of visible policing activity so valued by members of the public but also a number of important business areas that are less immediately perceptible to them. However, there is a limit to the efficiency savings the police service can generate from rationalising back-office support or making cuts to other parts of their budgets. Given that almost 88% of police budgets are spent on the workforce, we agree with the Association of Chief Police Officers that the service should pursue innovative means of service delivery that can allow it to operate with a reduced workforce, if necessary, as a means of managing spending cuts.

43 Ev 82

44 Ev 74

45 Q 80

46 Ev 58

Collaboration and mergers

31. A number of police forces and authorities made reference to inter-force collaboration in explaining their approach to maximising resources, the East Midlands Special Operations Unit being one example.⁴⁷ Sharing back-office functions in particular can save substantial amounts of money. In our inquiry into *Policing in the 21st Century*, we noted some good examples of collaboration between forces but concluded that overall there had been a “lack of progress” in this area and that “the Home Secretary should now use her powers to mandate forces to share services”.⁴⁸ A review by Her Majesty’s Inspectorate of Constabulary earlier in 2009 found at least 720 joint ventures between police forces and authorities (an increase from previous years); a positive link between collaboration and performance; but that forces and police authorities supported the idea of collaboration in principle but often struggled in practice. The recent Policing White Paper states that “where it makes sense to do so, in the interest of efficiency and effectiveness, the Government will mandate collaborative action by police forces and police authorities”,⁴⁹ in line with our recommendation.

32. We also concluded that while we endorsed the Government’s decision to drop plans for enforced mergers between forces, because of local opposition to the specific proposals, “we are not opposed to voluntary mergers”.⁵⁰ The Association of Chief Police Officers supports voluntary mergers. Chief Constable Parker explained her personal view that it is the “right thing to do” because of the economies of scale, resilience and value for money that can be realised. However, “the tricky bit ... is which forces you put together and how you do it”.⁵¹

33. Bedfordshire Police Authority is considering a voluntary merger with Hertfordshire, but would proceed with this only if supported by the Chief Constables and following consultation with the communities and workforces affected.⁵² Chief Constable Parker explained that the forces are a good match because:

We are geographically close; there are some civic ties; some military ties; there is a road network; there is crossover of intelligence and operational needs; and most important of all, there is a willingness to make it happen.

Thus far, collaboration—joint units of more than 500 police officers and staff—has resulted in combined annual savings for Bedfordshire and Hertfordshire of £2.2m. The merger would cost £20 million to effect, but within three years the forces would be saving £14.6 million per annum. The chief officers and managers concerned consider that it would be impossible to close the estimated combined budget gap of £23m by 2013–14 without a measure of this significance.⁵³

47 Ev 34 [East Midlands Police Authorities]

48 Home Affairs Committee, Seventh Report of Session 2007–08, *Policing in the 21st Century*, HC 364, para 215

49 Home Office, *Protecting the Public: Supporting the Police to Succeed*, December 2009, para 4.48

50 Home Affairs Committee, Seventh Report of Session 2007–08, *Policing in the 21st Century*, HC 364, para 278

51 Qq 10, 28

52 Ev 86 [Bedfordshire Police Authority]

53 Q 23

34. The Minister of State responsible for crime and policing was “keen to support voluntary mergers”.⁵⁴ The Government’s position is to allow mergers provided they are voluntary on the part of all forces and authorities involved; self-funded; they increase the likelihood of achieving the minimum standards on protective services; and they have the support of the public. The Home Office recently has announced it will make available a voluntary merger exploration fund of £500,000 to which forces and Police Authorities may apply before April 2010. It is also considering mechanisms to help police authorities to manage the upfront costs of reorganisation and to equalise police precepts in areas that wish to merge.⁵⁵

35. **A recent review by Her Majesty’s Inspectorate of Constabulary drew a positive link between inter-force collaboration and performance but highlighted the fact that some forces struggle to implement collaborative schemes in practice. We are pleased the Government has accepted our recommendation to mandate collaborative action where appropriate, in the interest of efficiency and effectiveness.**

36. **It has become clear to us that voluntary mergers, in the right circumstances, can enable forces to make substantial savings. We are pleased that the Home Office is supporting voluntary mergers by announcing a new voluntary merger exploration fund of £500,000. This is a good first step, but is a drop in the ocean given the costs involved in setting up a merger—the potential merger between Bedfordshire and Hertfordshire would be likely to cost £20m, for example. We urge the Government to consider how forces and authorities can be assisted with managing the up-front costs of reorganisation. The long-term financial benefits should make this area of investment a priority.**

Working with the private sector

37. Some forces have begun to work with private sector partners as a means of generating efficiencies, particularly outsourcing delivery of some back-office functions. Cleveland Police, for example, has outsourced its Custody and Medical Services, allowing the force to release 36 police officers back to frontline duty in 2007/08.⁵⁶

38. We took evidence about the joint venture company between Avon and Somerset Police, Avon and Somerset Police Authority, Somerset County Council, Taunton Deane Borough Council and IBM, called SouthWest One, set up to deliver key corporate support functions for a ten-year period. SouthWest One currently delivers Human Resources, Finance, Payroll, Procurement, Estates, IT, Police Station Enquiry Offices, Administration, Facilities Management and Revenues and Benefits. It is the first instance of any police force in the UK forming a partnership with the private sector in a joint venture. It differs from an outsourcing arrangement in allowing the public sector partners to have control over the direction of the business.⁵⁷

54 Q 105

55 Home Office, *Protecting the Public: Supporting the Police to Succeed*, December 2009, paras 4.59–4.63

56 Ev 25 [Cleveland Police and Cleveland Police Authority]

57 Q 60 [Dr Hamlin]

39. The Chair of the Police Authority, Dr Moira Hamlin, explained that the two drivers behind SouthWest One were “funding” and “a desire to transform and modernise the services.” Avon and Somerset is the second worst affected force in the country in terms of the impact of the application of the funding formula, meaning that in 2009/10 the force potentially has to address a £5m funding gap: SouthWest One is intended to enable savings in the region of £35m over the next ten years, including £15 million in procurement savings and £18m from the unitary charge.⁵⁸

40. Mr Simon Humberstone, of IBM and the Director of SouthWest One Board, explained the benefits that private sector partners can offer to the police service, namely:

- Expertise in delivering back-office services;
- An experience in managing risk; and
- Available funds for investment which might not otherwise be available to the public sector, in particular being able to provide significant investment up-front.⁵⁹

As specific examples of these benefits, Dr Hamlin cited the purchase of the SAP enterprise resource planning system which has released the equivalent of 24 police officers per year and saves every staff member 15 minutes each week:

That system is used by large companies across the world that we could not afford. It is only by joining up with our other partners, the local authority partners and IBM’s expertise to help us implement it, that we were able to do that.⁶⁰

Chief Constable Port added that SouthWest One has allowed him to reallocate policing resources to long-term crime reduction initiatives.⁶¹

41. Chief Constable Port was unequivocal in his support for other police forces to investigate adopting a similar model to SouthWest One.⁶² Mr Humberstone advised that there had been a lot of interest from other forces although IBM have not yet entered into a contract with any of them.⁶³ Other witnesses were more cautious about such initiatives, but considered there could be a role for the private sector in supporting police activity, in the right circumstances. Chief Constable Parker said:

Sometimes, in some areas, using private industry is the right way forward. Whether it is the right thing overall for the police service and for the public is another matter altogether.⁶⁴

Deputy Commissioner Godwin noted some of the problems involved with previous approaches to contracting with the private sector:

58 Qq 45, 69

59 Q 58

60 Q 65 [Dr Hamlin]

61 Q 68

62 Q 50

63 Q 56

64 Q 40

I think one of the mistakes in previous times in terms of outsourcing was if you outsourced something where you had not driven those costs you are effectively offering money over to the private sector. The key for us as a police service is to drive out those costs first and then see what the private sector can do to actually drive those costs down still further.⁶⁵

The Chief Executive of the National Policing Improvement Agency, Chief Constable Peter Neyroud, added that other mistakes in the past included the use of very short-term contracts and not initiating proper partnerships.⁶⁶

42. Avon and Somerset emphasised the difficulties they had experienced in setting up the joint venture company, described by Chief Constable Port as “an enormously complicated, long process”, taking three years.⁶⁷ When asked if they had received support from the Home Office, Dr Hamlin replied:

I think the Home Office initially was sceptical ... about what we were trying to do until they really understood what it was that we were trying to bring about, and since then they have been very supportive ... We did not get any money, we had to fund that out of our own money. One of the things that we tried to get help for was the project costs ... £3 million over two years ... It would have really helped us to have been able to capitalise those project costs. We asked the Home Office for help and direct to CLG, who make that decision, and they would not allow us to capitalise the costs. That is a barrier that if removed could help other people in the future.⁶⁸

43. There have been media reports that the SouthWest One venture made significant losses in the last financial year,⁶⁹ so it is as yet impossible to judge the success of this experiment. However, there are many less ambitious forms of outsourcing and partnership. In terms of the Government’s current approach, Chief Constable Neyroud said that the focus was looking at how to achieve economies of scale by joining up different outsourcing initiatives:

There are significant benefits from having that particular, very defined service run by a company like Reliance or G4S. There would be greater benefits if we were able to do that more consistently nationally. It is currently the case that there are 11 forces who have got a private contractor delivering their custody. It is one of things we are proposing to examine, whether we could get better value for the public by doing that on a bigger scale.⁷⁰

44. In the right circumstances, the private sector can provide the police with expertise they may lack, value for money in service delivery and a source of up-front investment. In the past, private sector involvement in policing has tended to develop in a piecemeal fashion across the service This has not only made the contractual process difficult for

65 Q 42

66 Oral evidence taken before the Home Affairs Committee on 15 December 2009, HC 166 (2009–10), Q 12

67 Q 48

68 Q 55

69 See, for example, “SouthWest One boss stands down”, *BBC News Online*, 30 November 2009, <http://news.bbc.co.uk>

70 Oral evidence taken before the Home Affairs Committee on 15 December 2009, HC 166 (2009–10), Q 12

individual forces, it has meant that the service has lost opportunities to achieve economies of scale. The Home Office and the National Policing Improvement Agency should take a pro-active lead in determining appropriate forms of private sector involvement in police support services, and support a consistent approach to their application where this is deemed beneficial to individual police forces and the communities they serve.

Administration of police funding

45. The greater part of the amount of central grant paid to each police authority is calculated in accordance with the principal needs-based formula. The main determinant in the formula is the projected resident population but cost adjustments are built in for the socio-economic and other characteristics of police authority areas and for differences in the costs of provision between areas. However, the formula has never been fully applied. Application of the formula has been subjected to a damping mechanism to promote stability and planning by ensuring that each police authority receives a minimum percentage increase over the previous year. At the extreme ends, this meant that the West Midlands force received nearly 11%, or £48 million, less than the funding formula would have allocated in 2007/08 if applied correctly, whereas Northumbria Police received over 12%, or £29m, more.

46. In our Report on *Policing in the 21st Century*, based on the evidence we received we concluded that “we support Sir Ronnie Flanagan’s recommendation for full application of the police funding formula at the next Spending Review. The Home Office must work closely with forces that currently benefit from the damping arrangements to help them manage the transition”.⁷¹ However the evidence submitted to our current inquiry was more ambiguous.

47. Several police authorities again emphasised the extent to which they are disadvantaged by the current distribution. Bedfordshire Police Authority wrote that:

Bedfordshire is one of those Authorities that has been badly affected ... Since 2006/2007 Bedfordshire have had their grant, calculated through the funding formula, reduced by approximately £3.9m per annum.⁷²

Derbyshire currently lose out on funding of around £5m per annum, or 160 police officers.⁷³

48. However, ACPO argue that fuller application of the funding formula may not be an appropriate solution as the formula itself is not fully fit for purposes nor is it technically a measure of policing need:

Since its inception, this grant has never been distributed without a dampening mechanism, as to do so would cause significant funding issues for around a third of forces nationally ... It is clear that a dampening mechanism, while frustrating for

71 Home Affairs Committee, Seventh Report of Session 2007–08, *Policing in the 21st Century*, HC 364, para 73

72 Ev 85

73 Ev 33 [Derbyshire Police Authority and Derbyshire Constabulary]

some forces, is useful in ensuring the stability of police numbers across the whole of the country.⁷⁴

It is worth mentioning that over half of the forces which have made overall cuts to officer numbers over the past five years are actually those which benefit from the dampening mechanism. The Minister of State responsible for crime and policing advised that the Government had committed to looking at the funding formula before 2011.⁷⁵

49. One of the major barriers some forces face in maximising their resources is the current distribution of the police national grant, which means that just under half of them receive less than they are allocated under the funding formula. There is disagreement across the police service about Sir Ronnie Flanagan's recommendation that it should move to a fuller application of the formula. Understandably, those areas that are disadvantaged by the damping mechanism feel unfairly treated; and those who receive more money because of it fear the consequences of its removal. The Government is committed to reviewing this issue by 2011. It may be the case that, rather than tweaking its application, the entire means by which money is allocated to forces should be reviewed. If more forces move towards voluntary mergers, as we hope they will do, the Government will need to address the implications for both national and local funding streams.

Council tax capping

50. Forces who are financially disadvantaged because of the way in which the funding formula is currently distributed, or for historical reasons, argue that they are forced to make up the deficit through higher council tax revenues. ACPO wrote that:

- Council tax is now responsible for providing over 25% of all funding available to the 43 forces (with the proportion varying per force);
- Above inflationary increases in the council tax has played “a significant part” in recent service improvements: “the only funding available to improve service delivery and meet national and locally identified development has come from efficiencies and the council tax”.⁷⁶

51. Since the mid-1980s police authorities have been forced to limit the amount they raise through the council tax precept according to a cap stipulated by central government, administered in various forms. This is unpopular with the police service, partly because it limits the amount they can raise—for example public surveys show that Northamptonshire residents are prepared to pay 10%–30% more in council tax to fund more police officers, but the capping regime makes it impossible for the Police Authority to respond to this demand⁷⁷—and partly because of apparent inconsistencies in the Government's capping policy:

⁷⁴ Ev 56–7

⁷⁵ Q 89

⁷⁶ Ev 57–8

⁷⁷ Ev 46 [Northamptonshire Police and Northamptonshire Police Authority]

We know there is a capping policy but each year we try to guess where the line is going to be drawn ... what appear to be some odd anomalies come out of it. For example, I understand that Greater Manchester Police have a higher council tax increase than Surrey and Derbyshire, but the GMP were not capped.⁷⁸

52. ACPO argued that if the Government sets future caps at or below rises of 3%, this would “severely affect” force funding and subsequently impact on service delivery.⁷⁹ In response, the Minister of State assured us that the Government currently has no current plans to do this :

At the moment we have got two criteria for council tax capping issues. One is a 4% rise in budgets this year and the second is a limit of 5% on council tax rises this year. the moment we have only had five authorities out of 43 who have been anywhere near being capped or potentially being warned about capping for the future. The vast majority of authorities do work within that framework, and I think that is reasonable.⁸⁰

53. We recognise the importance of the council tax precept in allowing forces to raise funds for service delivery improvements, and its particular value to those forces who are disadvantaged by the current application of the funding formula. The Association of Chief Police Officers warned of a significant impact on service delivery should council tax rises be capped at below 3%. We are therefore pleased that the Government is setting the cap for this year at 5%. However, in our view, local police authorities should have the discretion to raise funds according to their needs, provided this is done in consultation with stakeholders including local residents and local authorities.

78 Q 30 [Chief Constable Parker]

79 Ev 58

80 Q 87

Conclusions and recommendations

1. Figures provided to us by forces in England and Wales show overall rises in both the number of police officers and the number of police staff employed across the service over the past five years. Overall rises of 4.8% and 15.9% respectively appear to indicate that reports of reduced service strength are unjustified. However, figures varied significantly between forces, with 13 reporting a reduction in officer levels over the same period. In the majority of these forces, reductions were linked to workforce modernisation initiatives and were therefore accompanied by large increases in staff levels. Only a small minority admitted that they were obliged to make cuts because of funding shortfalls, blamed in part on the current distribution of the police national grant. Witnesses also warned that the rise in officer numbers was largely the product of an increase in specific grant-funded posts, particularly in the area of counter-terrorism, which obscure the trends and could be withdrawn at any point. (Paragraph 13)
2. On the basis of provisional financial information from the Government, some forces are planning to cut officer numbers in the next financial year, others are not, depending on their overall financial position. The position after 2011 is unclear as the Government has given no indication of funding settlements beyond that point; however, all forces believe they will be expected to make significant spending cuts. (Paragraph 22)
3. There is a general commitment to protect frontline services across the police service, but there is a limit to the extent to which this will be possible. We see no reason to dispute the Association of Police Authorities' assertion that forces may be able to manage up to a 5% spending cut without affecting uniformed officer budgets, but would struggle to protect these budgets beyond this. Moreover, significant longer-term efficiencies require an element of up-front investment; it may therefore be counter-productive to impose spending cuts at this stage. (Paragraph 23)
4. The police service has greatly appreciated the advent of three-year Comprehensive Spending Reviews, which have increased their ability to plan over the medium term. We endorse this approach to financial planning and recommend that a further Review is carried out as soon as possible. (Paragraph 24)
5. We are pleased that the police service has made a commitment to protect frontline policing, which incorporates not only the kind of visible policing activity so valued by members of the public but also a number of important business areas that are less immediately perceptible to them. However, there is a limit to the efficiency savings the police service can generate from rationalising back-office support or making cuts to other parts of their budgets. Given that almost 88% of police budgets are spent on the workforce, we agree with the Association of Chief Police Officers that the service should pursue innovative means of service delivery that can allow it to operate with a reduced workforce, if necessary, as a means of managing spending cuts. (Paragraph 30)

6. A recent review by Her Majesty's Inspectorate of Constabulary drew a positive link between inter-force collaboration and performance but highlighted the fact that some forces struggle to implement collaborative schemes in practice. We are pleased the Government has accepted our recommendation to mandate collaborative action where appropriate, in the interest of efficiency and effectiveness. (Paragraph 35)
7. It has become clear to us that voluntary mergers, in the right circumstances, can enable forces to make substantial savings. We are pleased that the Home Office is supporting voluntary mergers by announcing a new voluntary merger exploration fund of £500,000. This is a good first step, but is a drop in the ocean given the costs involved in setting up a merger—the potential merger between Bedfordshire and Hertfordshire would be likely to cost £20m, for example. We urge the Government to consider how forces and authorities can be assisted with managing the up-front costs of reorganisation. The long-term financial benefits should make this area of investment a priority. (Paragraph 36)
8. In the right circumstances, the private sector can provide the police with expertise they may lack, value for money in service delivery and a source of up-front investment. In the past, private sector involvement in policing has tended to develop in a piecemeal fashion across the service. This has not only made the contractual process difficult for individual forces, it has meant that the service has lost opportunities to achieve economies of scale. The Home Office and the National Policing Improvement Agency should take a pro-active lead in determining appropriate forms of private sector involvement in police support services, and support a consistent approach to their application where this is deemed beneficial to individual police forces and the communities they serve. (Paragraph 44)
9. One of the major barriers some forces face in maximising their resources is the current distribution of the police national grant, which means that just under half of them receive less than they are allocated under the funding formula. There is disagreement across the police service about Sir Ronnie Flanagan's recommendation that it should move to a fuller application of the formula. Understandably, those areas that are disadvantaged by the damping mechanism feel unfairly treated; and those who receive more money because of it fear the consequences of its removal. The Government is committed to reviewing this issue by 2011. It may be the case that, rather than tweaking its application, the entire means by which money is allocated to forces should be reviewed. If more forces move towards voluntary mergers, as we hope they will do, the Government will need to address the implications for both national and local funding streams. (Paragraph 49)
10. We recognise the importance of the council tax precept in allowing forces to raise funds for service delivery improvements, and its particular value to those forces who are disadvantaged by the current application of the funding formula. The Association of Chief Police Officers warned of a significant impact on service delivery should council tax rises be capped at below 3%. We are therefore pleased that the Government is setting the cap for this year at 5%. However, in our view, local police authorities should have the discretion to raise funds according to their needs, provided this is done in consultation with stakeholders including local residents and local authorities. (Paragraph 53)

Formal Minutes

Tuesday 19 January 2010

Members present:

Rt Hon Keith Vaz, in the Chair

Tom Brake
Mr James Clappison
David T C Davies
Patrick Mercer

Gwyn Prosser
Bob Russell
Martin Salter
Mr David Winnick

Draft Report (Police Service Strength), proposed by the Chairman, brought up and read.

Ordered, That the Chairman's draft Report be read a second time, paragraph by paragraph.

Paragraphs 1 to 53 read and agreed to.

Resolved, That the Report be the Fifth Report of the Committee to the House.

Ordered, That the Chairman make the Report to the House.

Ordered, That embargoed copies of the Report be made available, in accordance with the provisions of Standing Order No. 134.

[Adjourned till Tuesday 26 January at 10.00 am]

Witnesses

Tuesday 24 November 2009

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Chief Constable Gillian Parker, Bedfordshire Police Ev 1

Dr Moira Hamlin, Chair, Avon and Somerset Police Authority, **Mr Simon Humberstone**, Executive, IBM Global Business Services and Director, Southwest One Board, and **Chief Constable Colin Port**, Avon and Somerset Police Ev 7

Rt Hon David Hanson MP, Minister of State, Home Office Ev 10

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List of Reports from the Committee during the current Parliament

The reference number of the Government's response to each Report is printed in brackets after the HC printing number.

Session 2009–10

First Report	The Detention of Children in the Immigration System	HC 73
Second Report	The work of the UK Border Agency	HC 105
Third Report	The E-Borders Programme	HC 170
Fourth Report	Work of the Committee in 2008–09	HC 265

Session 2008–09

First Report	Monitoring of the UK Border Agency	HC 77 (HC 381)
Second Report	The Police and the Media	HC 75
Third Report	The Work of the Committee 2007–08	HC 76
		HC 157
Fourth Report	Policing Process of Home Office Leaks Inquiry	(HC 1026)
Fifth Report	Borders, Immigration and Citizenship Bill [HL]	HC 425
Sixth Report	Human Trafficking	HC 23–I
Seventh Report	Knife Crime	HC 217
Eighth Report	Policing of the G20 Protests	HC 418
Ninth Report	Project CONTEST: The Government's Counter-Terrorism Strategy	HC 212
Tenth Report	The cost of policing football matches	HC 676
		HC 595
Eleventh Report	Bogus Colleges	(Cm 7766)
Twelfth Report	Macpherson Report—Ten Years On	HC 427
		HC 217
Thirteenth Report	Managing Migration: Points-Based System	(Cm 7767)
Fourteenth Report	The work of the Serious Organised Crime Agency	HC 730

Session 2007–08

First Report	The Government's Counter-Terrorism Proposals	HC 43
Second Report	Bulgarian and Romanian Accession to the EU: Twelve months on	HC 59
Third Report	Security Industry Authority	HC 144
Fourth Report	Work of the Committee in 2007	HC 226
Fifth Report	A Surveillance Society?	HC 58 (HC 1124)
Sixth Report	Domestic Violence, Forced Marriage and "Honour"-Based Violence	HC 263 (HC 1165)
Seventh Report	Policing in the 21 st Century	HC 364
Special Report	Unauthorised Disclosure of Draft Report	HC 196

Session 2006–07

First Report	Work of the Committee in 2005–06	HC 296
Second Report	Young Black People and the Criminal Justice System	HC 181 (Cm 7217)
Third Report	Justice and Home Affairs Issues at European Union Level	HC 76 (HC 1021)
Fourth Report	Police Funding	HC 553 (HC 1092)

Session 2005–06

First Report	Draft Corporate Manslaughter Bill (First Joint Report with Work and Pensions Committee)	HC 540 (Cm 6755)
Second Report	Draft Sentencing Guideline: Robbery	HC 947
Third Report	Draft Sentencing Guidelines— <i>Overarching Principles: Domestic Violence and Breach of a Protective Order</i>	HC 1231
Fourth Report	Terrorism Detention Powers	HC 910 (Cm 6906)
Fifth Report	Immigration Control	HC 947 (Cm 6910)
Sixth Report	Draft Sentencing Guideline: Sexual Offences Act 2003	HC 1582

Oral evidence

Taken before the Home Affairs Committee

on Tuesday 24 November 2009

Members present:

Keith Vaz, in the Chair

Ms Karen Buck
Mrs Ann Cryer
David TC Davies
Mrs Janet Dean
Patrick Mercer

Gwyn Prosser
Bob Russell
Martin Salter
Mr Gary Streeter
Mr David Winnick

Witnesses: **Deputy Commissioner Tim Godwin**, Metropolitan Police Commissioner, and **Chief Constable Gillian Parker**, Bedfordshire Police, gave evidence.

Q1 Chairman: This is a Home Office Select Committee inquiry into police service strength. We are very pleased to see our witnesses, Deputy Commissioner Godwin and Chief Constable Parker. Thank you very much for coming to give evidence and I am sorry that we are running a little late this morning. The Committee decided to hold this short inquiry following the claims and counter-claims from the Government and indeed from the Police Service about police numbers. We felt that the issue of police numbers was very much an issue of fact, as is the issue of budgets. You know how much money you have to spend—it is not a matter of speculation—and you go and spend it on whatever you find is appropriate—mostly, 80%, on staffing. We were concerned about these claims and we were worried about the claims of some chief constables—and I am not sure whether you are included in that category, Chief Constable Parker—that they were going to have to cut frontline services in order to meet the anticipated budget that the Home Office had in mind for the Police Service. As well as taking evidence from yourselves, we are going to take evidence from the Chief Constable of Avon and Somerset, who has a partnership with the private sector, and we will hear from the police minister in about an hour's time. I will start with a question to you both. The figures that this Committee have received from ACPO and the police authorities—because we wrote to all of them and asked them what they anticipated was going to be their strength of next year—are fairly neutral. There are not going to be the massive reductions in police numbers that some people have anticipated. Do you agree with that conclusion?

Chief Constable Parker: The figures hide a multitude of sins, if I might say so. They are very complex, because they are not just made up from police officers and police staff who are funded from local budgets, they are of course supported by grant-funded officers. For example, over the last five years in my own force those have increased by 30, from 136 to 167. On the face of it, the numbers in my own force look fairly constant, but were those grants to be removed then clearly there could be a substantial drop in the numbers. The other thing that has

happened over the years is the ability to manage our budgets through efficiency savings and, indeed, increases in council taxes. That has generally enabled us to manage the numbers so that on the face of it they do appear to be fairly stable.

Q2 Chairman: In the numbers which you gave the Committee between 2004 and 2009 you had a 5.44% increase in officers and 14.05% increase in staff.

Chief Constable Parker: Yes, that is correct. That has been mainly funded through grant officers and some increases in council tax. Whilst for next year most of us will be able to manage to some extent—potentially, though, I am looking at a loss of 30 officers in the next year and it is a changing picture all the time as we get more information about the budget, so I think there will be a cut overall next year if other forces are typical of mine and my colleague will speak for the Met in a second—thereafter, the picture does become much bleaker.

Q3 Chairman: You talk about a changing picture. It is obviously unsatisfactory to be in a position where you do not know how many police officers you are going to have next year. What would be a good date for you to have those figures by?

Chief Constable Parker: We anticipate having our figures around the government grant around 4 December. That is usually fairly predictable. Indeed, it has been very helpful over the last three years to have the Comprehensive Spending Review figure so that we know that we can plan, and I am sure it is going to be of interest to this Committee in terms of our views about what might happen in the longer term. The earlier the better is the best thing, because it is not easy to lose police officers, particularly in this climate, where officers are perhaps no longer retiring at 30 years but are staying on because there are perhaps not the opportunities in the private sector that they might have moved on to, and of course we cannot make police officers redundant.

Q4 Chairman: On the information you have at the moment, are you considering a cut in the number of frontline police officers?

Chief Constable Parker: Yes, I am.

Q5 Chairman: Of about how many?

Chief Constable Parker: Of about 30.

Q6 Chairman: Deputy Commissioner, the Metropolitan Police seems to be in a different position, or are you also considering the possibility of cuts in frontline services?

Deputy Commissioner Godwin: At the moment we are trying to protect frontline services. I know there is always a challenge about defining frontline services, but for us at the moment our concentration is on driving out costs from our support functions and some of our contracts that we have, to try to meet the gaps. At the moment we are in a similar position to Gillian, in the sense that our numbers appear quite stable in terms of our predictions based on the Mayor's envelope that we have for the next three years, but of course that is dependent on the Comprehensive Spending Review after May, but we still have £110 million to find as a budget gap for 2011–12. We seem fairly secure for 2010–11, but 2011–12 will be a challenge.

Q7 Chairman: You have done quite well, have you not? On your figures, you have gone up by 9.42% on police officers, and 12.14% on additional staff. Do you think you got too much money over the last five years? You recruited a lot of people, and now you are going to have to get rid of some of them. Has that been a problem?

Deputy Commissioner Godwin: No. Over that period of time we have had over 1,000 officers in relation to the counter-terrorism response and the direct counter-terrorism grant post 9/11, 7/7, et cetera. We have also had 1,900 officers that have been provided through the neighbourhood policing, including PCSO's direct grant. We also have arrangements with Transport for London, which has 2,000-plus officers and PCSOs, which are mutually beneficial to ourselves and Londoners, in particular, but in relation to the transport networks as well. There is a whole range of things that have come out that are being supported through the Mayors (previous and current) in terms of maintaining that funding. As a result we have grown. We have used it to good effect. We have had five years' worth of crime reduction and we tackle the priorities that are set for us through the police authority.

Q8 Chairman: As far as policing of the major events that occur in London (for example, the G20, or the London bombings, or, indeed, the protests outside Parliament) is that funded from your existing budget, or can you go to government and say, "These are exceptional events and we need additional funding to deal with them"?

Deputy Commissioner Godwin: We can always go to government and say these are exceptional events. Sometimes they agree with us and sometimes they do not. The challenges that do come from policing a capital city such as ours do mean that you have to have sufficient assets and reserves for those sorts of events, and so we do carry quite healthy reserves.

Q9 Bob Russell: In another police force in the East of England—in fact the one that Bedfordshire nearly merged with—the Chief Constable was talking about increasing police officers, not reducing them, by cutting back on what he calls the "back office". Is it because Bedfordshire is too small to do that?

Chief Constable Parker: That is part of the reason but, also, in the last five years we have made £7 million worth of efficiency savings, approximately 75% of which have come out from the back-office functions. Whilst there is always room for improvement and further efficiencies, we have taken a substantial chunk out of ours, and of course there is the other factor, which is that forces start from different baselines, and the force in question is a very well-off force. It has substantial capital assets. Many other forces, like my own, have sold the family silver in the past.

Q10 Martin Salter: There was some talk, was there not, of you merging with Thames Valley in the last round of discussions? But that was then shelved. Would some of your problems have been alleviated had that merger gone ahead, in that you would have benefited from economies of scale?

Chief Constable Parker: Bedfordshire's name has been linked with a number of forces. It is fair to say that I have always been a supporter of merger and amalgamation. Bedfordshire is a very small force. We are a force with rural funding but big city challenges. I have the fifth largest international airport, for which I get no funding other than for security purposes. We have some very interesting areas, and, of course, like most forces, I do have a mixture of rural and urban areas. For me, partly because of the back-office issue, because there are economies of scale, and for resilience and value for money, it is the right thing to do.

Martin Salter: As a Thames Valley MP, I would agree with you.

Chairman: Nobody wants to merge, you will find on this Committee.

Martin Salter: I do.

Chairman: Mr Salter does. We will be covering this later on in further questions.

Q11 Ms Buck: Going back to Met Police funding and looking at the breakdown, the balance of police officers and other staff, there have been some quite sharp ebbs and flows in terms of that balance. I wonder if you could just help me understand a bit about what has been happening and what you think is projected to happen. Looking at these figures: in 2008–09, as I understand it, there were an extra 1,145 police officers; there were an extra 775 in the current financial year and that falls by 189 projected in 2010–11; but in 2010–11 the number of police staff is projected to go up by 970. I was wondering if you could help me understand why it is that we get these really quite striking increases in resources and staff one year and then police officers in another, and then the situation is reversed in another year.

Deputy Commissioner Godwin: One of the benefits of being a force as large as the Met is that you can package initiatives together. Where you are losing in

24 November 2009 Deputy Commissioner Tim Godwin and Chief Constable Gillian Parker

one area, you can use that asset in another. For example, we receive an additionality in relation to counter-terrorism, we receive an additionality in relation to the Olympics, but at the same time we were using modernisation of the workforce to reduce the number of police officers within our customer environment by 650 and putting 750 police staff to replace them in terms of dedicated detention officers and nurses. Therefore, where you see the net reduction, it does not net off quite the same, because some of those 650 police will be taken up in the growth in the Olympics and counter-terrorism. These are big major projects that are rolling out. One of the other things is that at the moment we use two court files, in the sense that the CPS have a file and we have a file, and we are removing that and going to one file, so criminal justice units in London are being phased out, which is £15 million worth of police staff that will go.

Q12 Ms Buck: If I understand that correctly, if you look at 2010–11 you are predicting a 970 person increase in staff. You are implying that would be releasing police officers onto the frontline from some ways that you are managing the projects.

Deputy Commissioner Godwin: We will be taking away the 650 police officers and replacing them with 740 police staff in terms of the provision of custody, but, equally, we will have additional staff going into getting ready for the Olympics, as well as counter-terrorism.

Q13 Ms Buck: You have not got to the point yet of beginning to project what will happen to your staff and police officer proportions after the Olympics.

Deputy Commissioner Godwin: No. At the moment we are projecting up to the end of this year, the next CSR period. Post 2012 we have not projected yet. We are waiting to see what the CSR will deliver first.

Q14 Ms Buck: Are you able to give us an indication of the percentage turnover in both police staff and police officers in the Met, please?

Deputy Commissioner Godwin: We are losing 1,000 police officers out of 32,500 police officers. That would be about 3%. In terms of police staff, we are probably slightly lower than that at the moment due to difficulties in getting jobs elsewhere.

Q15 Ms Buck: Has that changed?

Deputy Commissioner Godwin: It has reduced. The wastage rate is reducing. We had a big period a few years ago where the 30-year police kicked in, the Edmund-Davies agreement, et cetera. That has now worked through, so we are now losing at 1,000. We anticipated losing at about 800, which of course, as Gillian was saying, makes life challenging in terms of using police numbers, in terms of balancing budget, because we have to go on natural wastage, so sometimes you cannot meet all your targets.

Q16 Ms Buck: What might that have been at the peak, do you think?

Deputy Commissioner Godwin: We were losing at one point about 1,400 per annum: another per cent or thereabouts.

Q17 Mrs Cryer: Mrs Parker, in the Bedfordshire force, between 2004 and 2008, you had decreases in the number of officers year-on-year and then, suddenly, in 2008–09 you had an increase of 6.14% officers. I wonder what led to this. Was it because you had more officers leaving for retirement than you expected, or was it cut-backs in cash flow or what?

Chief Constable Parker: It was a combination of factors. We were losing more officers than we anticipated, some of whom were going to the Metropolitan Police Service, but, yes, there was an element of balancing the books. Throughout that period our force establishment remained the same, and therefore the same amount of money in the budget was allocated to police officer numbers, but the number of police officers employed fluctuated more than we would have wished, until 2008–09 when we were able to increase the establishment by 24, primarily due to an increase in the council tax at that particular time. It was a combination of reasons.

Q18 Mrs Cryer: Did you have a hard time during those years? You would not say you were understaffed, would you—or would you?

Chief Constable Parker: Yes, and I think the impact came out in our performance. We had a particularly bad year a couple of years ago. That was undoubtedly due to the loss of police officer numbers coupled with other factors as well. As a small force with a huge variety of tasks, we need everybody we can get, but it comes down to what we can afford.

Q19 Mrs Cryer: So the funding had a direct impact on your performance.

Chief Constable Parker: I would say it has over the years. As a result of floors and ceilings on the funding formula, as a result of police authorities over the years—for very understandable reasons—keeping the council tax low (for example, I have the fourth lowest council tax in the country), you can only buy so many resources. It is the people who deliver the service, so there has to be a direct correlation between the numbers of staff—and I use the word “staff” deliberately—and the service that you are able to deliver.

Q20 Mr Streeter: I have two questions for Mrs Parker. First, can you clarify, looking ahead to 2010–11 and 2011 and beyond, that whichever party wins the next election, these are figures which are coming at you and it is not a question of judging one party against another. Is that right?

Chief Constable Parker: Yes.

Q21 Mr Streeter: This is coming down the track at you, whatever the outcome of the next election.

Chief Constable Parker: That is right. We are working on what we think is a reality.

Q22 Mr Streeter: I am sure that is right. I just wanted to clarify that for the record. I am interested in this issue of mergers. I understand there is a possibility that you might voluntarily merge with Hertfordshire Police Authority. My geography is not very strong. Do you join them?

Chief Constable Parker: Yes, we do.

Q23 Mr Streeter: I am sorry about that. I mention this because I got this totally wrong last time round—I was dead against it when Devon and Cornwall were being told to merge with Somerset, for example—and I think the savings can be quite dramatic. It is probably something that faces all non-metropolitan authorities these days. Has anyone put any numbers on this in terms of hard cash? If you were to merge, what might you be able to save?

Chief Constable Parker: We have certainly put the numbers on it. There are a number of things I would like to say, and I would like to caveat any of my remarks by saying that what might work for Bedfordshire and Hertfordshire is not necessarily replicable across the country. It works for Bedfordshire and Hertfordshire because we are geographically close; there are some civic ties, some military ties; there is a road network; there is crossover of intelligence and operational needs; and most important of all, there is a willingness to make it happen. Since 2006 the Chief Constable of Hertfordshire and myself have been working with our authorities on a collaboration programme. We have collaborated to the extent that we have joint units of more than 500 police officers and staff and that has saved us £2.2 million year-on-year. Our estimates—in fact they are more than estimates because we have worked very hard on the business case—are—first of all, the bad news—that it will cost us £20 million to make the merger happen, but within three years we would be gaining savings of £14.6 million per annum. To put that against the picture that we were working on in terms of budget gap, we estimate—this is an estimate obviously—that by 2013–14 combined forces would have a budget gap of over £23 million. Whatever we can do to reduce those gaps individually—and we are working individually to reduce the gaps—we have no way of completely filling those gaps without something . . . I was going to say fairly drastic, but certainly something very different from what we are doing at present.

Q24 Bob Russell: Before I go on to Mr Godwin, of course there is a world of difference between voluntary merger between two counties, as you rightly observe, with a long tradition of communities of interest, and the then government's proposal two or three years ago—an absolutely barking idea—of putting Bedfordshire with Essex, between which there is little, if any, community of interest. Would you agree that Bedfordshire and Essex did not sit comfortably side by side?

Chief Constable Parker: It was not a combination that I would have chosen. Getting back to Mr Salter's point earlier, at that time I was saying that my ideal world would have been Thames Valley, Bedfordshire and Hertfordshire, because, again, we already have

collaborative agreements with Thames Valley. That is the issue in terms of mergers, that it is very difficult to get the right combination of forces and authorities together.

Q25 Bob Russell: Essex is delighted that it has been left alone, and I will move on to Mr Godwin. You say you have managed to target efficiency savings from support services rather than frontline services. Realistically, how easy will it be to continue to meet further efficiency savings targets in this way?

Deputy Commissioner Godwin: It is going to be very challenging. As I answered to the Chairman's question at the beginning, we still have £110 million to find in 2011–12 in terms of our projections, but the reality is we have to do things significantly differently. The way we recruit has to change. One of the things we are looking at is recruiting directly from Special Constables, who will effectively have completed their training up to week 32. If we were to do that, it would free up somewhere in the region of £40 million. There are a number of issues we need to deal with to achieve that. Buildings at the moment are at about 22% occupancy. We have a lot of office space. We have 10,000 police staff in offices who predominantly work Monday to Friday 9.00 to 5.00. We are a 24/7 city. Can we change that? What is the net cost in that in increasing working time and reducing our estate? We need to reduce our fleet. How can we go around reducing the fleet? It is going to be a challenge. We have the Lean process that we are going through, a service improvement programme where we are trying to drive those costs out.

Q26 Bob Russell: If you continue to do that, do you think the public desire for high level, visible policing can be met with fewer officers?

Deputy Commissioner Godwin: At the moment we do not intend to go down the route of fewer officers. Our intention at the moment is to maximise the productivity that we get. One of the things we have in London, for example, which is piloting for the national picture, is things like virtual courts, first appearance courts, which means that a person from charge to first appearance will now take two hours, straight from a police station. That is running in Westminster and 15 of our charging centres. We have things like integrated prosecution teams, whereby we do not do criminal justice, the CPS do the criminal justice post charge, and that saves us £15 million. All the stuff that we are doing at the moment is to reduce that on-cost, that bureaucracy cost, as much as we can, to maximise on police officers. But of course there will be a finite limit that you go to and then you will be looking into what you will have to cut in frontline services. If we do have to cut frontline services we will be very transparent in explaining what they are and why.

Q27 Bob Russell: Mrs Parker, when do you think there may be a transparency in cutting services of police numbers in Bedfordshire?

Chief Constable Parker: Again it depends when we finalise the budget. Like Tim, we would want to do all we can to protect frontline services. I mentioned

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earlier the 30 officers. That is our worst-case scenario, and I really would not want to have to move to that, but that is the reality. We are going through a similar process of process re-engineering. The Quest Programme which potentially will throw up £5 million worth of efficiencies and a lot of that is time which we can reinvest in the visible frontline policing.

Q28 Martin Salter: Mrs Parker, to come back to the merger issue, as I remember the case put forward for the merger of Thames Valley and Bedfordshire was shared services, shared arrangements around policing the M1 and overseeing an economy of scale. Do you think the decision not to go ahead with the proposed mergers will have to be revisited in the longer term, given the parlous state of public finances and the need to find those economies of scale wherever we can if we are to avoid cuts in frontline services and numbers of officers?

Chief Constable Parker: It is both the ACPO position as well as my personal position that mergers are the right way forward. The tricky bit, as I said earlier, is which forces you put together and how you do it. Also, as I pointed out to an earlier question, there are some real challenges, including the costs. Just putting two relatively small forces together, £20 million. That is the sort of bullet that has to be bitten, but when you look at economies of scale it has to be the best use of public money, so it needs that longer-term investment and willingness ultimately to save the public purse. I should however also make one point that I had not made earlier, that of course it also needs political support because chief constables are only one part of this and all my comments earlier would have to be again caveated with the fact that this is not yet something as far as Bedfordshire and Hertfordshire are concerned that has been agreed by the police authorities. If there is not political support then it will not happen. It is not just about getting the Police Service support, it is obviously political support as well.

Q29 Martin Salter: Mr Godwin, could I move on to the ACPO position. It is summarised as: "Ways in which forces could seek to minimise the impact of reduced funding" and there is a whole list of suggestions: voluntary mergers, procurement opportunities, collaboration in shared services, et cetera. I have you quoted as saying, "We need to be clear with partners what will not be delivered if funding is withdrawn." Can you clarify that, because it seems to me that you are telling us that you are doing whatever you can to avoid an impact on frontline services, but there is also a statement on record that if £x is withdrawn, therefore £x would be sliced off the numbers of officers. There seems to be a bit of a disconnect there.

Deputy Commissioner Godwin: I do not see it as a disconnect. I see that at the moment our intention is to reduce: through all those routes, procurement, supplies, services, et cetera to drive through the budget reductions and the cost reductions that we have within the overall budget. The London Camera Safety Partnership, for example, normally funded with a direct grant to Transport for London that then

comes to us, funding for that has been cut from £6 million to £3 million. In terms of the priorities, in terms of neighbourhood policing or wherever, that £3 million we would not invest by taking it out of somewhere else and adding to our budget deficit, so we say, "We will provide £3 million worth of Camera Safety Partnerships." Our commercial vehicle unit is another one at the moment. But these are small matters that were direct funded from partners and all the rest of it, and we have said we cannot sustain it within our overall budget and we are coming up front and answering that. One of the others that I think needs looking at is the Proceeds of Crime Act. The amount of money that is collected under the Act could pay for more infrastructure and I think it should, but there are issues there in terms of how we negotiate that with the Home Office, the MOJ, et cetera. That is where it is, but we still have to find £110 million in 2011–12, we still have to find money for 2012–13, and if that means that we cannot take it out of it—and as Mr Russell was saying it is going to be a challenge—then we do have to say, "These are the options that we have in terms of cutting it." When Denis O'Connor and I did the National Police Reassurance Programme that led to neighbourhood policing, and the investment from government and local government for neighbourhood policing, that was at the point where below an optimum level we would have difficulty to sustain it, so we want to have that transparent debate as we go forward with partners.

Q30 Patrick Mercer: Chief Constable, what is your opinion of the Government's council tax capping policy and the current application of the police funding formula?

Chief Constable Parker: It is difficult to comment on the capping policy because we never quite know what it is until it has happened. We know there is a capping policy but each year we try to guess where the line is going to be drawn. As my authority was capped two years ago, I have some experience of it. We worked very hard to get a very good public mandate for what the authority wanted to do in terms of council tax. Talking to the minister, demonstrating our particular difficulties as far as the funding formula and our position as far as overall council tax was concerned, I am afraid fell on deaf ears. Given that at the time I was desperately trying to pull up performance as well, it was rather disappointing. Coming back to my first point, the issue is that we do not know what it is, we try to guess, and then what appear to be some quite odd anomalies come out of it. For example, I understand that Greater Manchester Police have a higher council tax increase than Surrey and Derbyshire, but the GMP were not capped.

Q31 Patrick Mercer: It is something I have to say that exercises the minds in Nottinghamshire. I am a Nottinghamshire Member of Parliament. The policing funding formula is something that I find extremely difficult to understand.

Chief Constable Parker: Yes. I think everybody finds the policing funding formula very difficult to understand.

Q32 Patrick Mercer: I am not alone.

Chief Constable Parker: No, not at all. We probably all understand why there are such things as floors and ceilings. The suggestion from Sir Ronnie Flanagan's report was that whilst Bedfordshire would be very much a gainer if floors and ceilings were removed, unfortunately it would have huge consequences across the country, so that is not a particular answer. There is some work going on on the funding formula to make it more fit for purpose in this day and age, but it is a complex business and you are never going to find something that is going to suit all areas, it is just finding a way of appropriately divvying up the cake.

Q33 Patrick Mercer: Because of the size of your force and the split urban/rural nature of the force, do you consider yourself to be particularly squeezed on these issues?

Chief Constable Parker: Yes, I do because within my policing area I have a proportionately large rural area where, quite rightly, the rural people are saying they do not get the policing they feel they deserve and I would want to give them given that I have Luton, which in performance terms is compared to a number of London boroughs, and Bedford, which is also a very diverse town but has a different diversity from Luton. Yes, we are squeezed from both ends.

Q34 Mr Winnick: I wanted to ask you particularly, Deputy Commissioner Godwin, about the DNA database. The point that has been made very much so today is that the police are keeping a record on the National Police Computer of people who have been arrested but not necessarily charged or convicted. What is your response to that?

Deputy Commissioner Godwin: It comes within the Criminal Justice Act in the sense that a person lawfully detained can have their DNA and fingerprints taken. Obviously there is a big debate about where the line is drawn in terms of security meets civil liberty and privacy. I know that there is movement from Government at the moment to bring forward the maximum that DNA can be retained on a database to six years. My view is that we comply with the law and Parliament sets down where those lines are drawn.

Q35 Mr Winnick: As far as the Metropolitan Police area is concerned, is it the practice that anyone who is simply arrested is automatically put on the database?

Deputy Commissioner Godwin: That is true within law at this time, that if a person is lawfully detained the DNA and fingerprints are taken at that point and then can be retained. As I say, it is a matter that is coming to Parliament. Parliament sets the law and we comply with the law.

Q36 Mr Winnick: So a person has their details on the database arising from being arrested and the fact that the arrest does not lead to a prosecution makes no difference at all, that person's information will remain on the database.

Deputy Commissioner Godwin: At the moment, and that is the law. There are circumstances where people can apply to have it removed but, again, that is a matter that is coming to Parliament and obviously the police will comply with the law.

Q37 Mr Winnick: Can you give any sort of indication of how many people in the Metropolitan Police area have their information on the database?

Deputy Commissioner Godwin: I cannot answer that here and now. I have come prepared for the budget debate and not for the DNA database debate. I am sure we can provide that information.

Q38 Chairman: Could you write to us with that information because the Committee knows there are 750,000 innocent people's details on the database and it would be helpful if you could tell us how many relate to the Metropolitan Police area.

Deputy Commissioner Godwin: I will endeavour to get that information.

Q39 Ms Buck: Supplementary to that, a few years ago the Committee did a report on young black people in the criminal justice system and looked at the issue of disproportionality at every level from stop right through to prosecution. Given the fact that the Equality and Human Rights Commission has today expressed a concern about the disproportionality of the DNA records of black Londoners and others being on the system, in that letter could you give us a breakdown on ethnicity grounds as well so that we can bear that in mind if we do a further inquiry.

Deputy Commissioner Godwin: We can certainly do that.

Q40 Chairman: It is outside your brief but because it is something that is in the public domain today and as you are here today there are three aspects that we would like some help on. We have decided today, and that is why we were a little late in starting, that the Committee is going to do an inquiry into the DNA database as a result of what we have seen published today. There are three aspects we are particularly concerned with: the numbers in the Metropolitan Police area; the issue that Karen Buck has raised; and, finally, the issue concerning the ability of people to get their names removed because at the moment, of course, it is only on an exceptional basis. It would be very helpful if you could address your concerns to those issues. Obviously it goes beyond what we are talking about today but it would be very helpful. Can I ask a final question on the issue of police numbers. We are next taking evidence from the Avon and Somerset area and the worry of this Committee is that more and more aspects of routine policing are now going to the private sector. The concern for us is why is it cheaper to do things in the private sector than it is in the public sector? We know that the Chief Constable of South Wales has, in effect, privatised her custody suite. I recently went to Carshalton where I saw that SmartWater were involved in taking people's DNA. Group 4 are also involved in other

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aspects. Does this worry you or is this something you feel you have to work with as far as future policing is concerned?

Chief Constable Parker: I think it comes back to the question that all chief constables and chief officers face of trying to balance the book and using public money in the best possible way to get value for money. Sometimes, in some areas, using private industry is the right way forward. Whether it is the right thing overall for the Police Service and for the public is another matter altogether.

Q41 Chairman: Bedfordshire has not got any arrangements with the private sector at the moment?

Chief Constable Parker: Only in terms of our medical provision for people in custody, we contract that out, whereas some forces have their own in-house facility. There are many, many different arrangements around the country.

Q42 Chairman: Deputy Commissioner, what about the Met?

Deputy Commissioner Godwin: Similar. Whatever gives value for money that is going to give us the best result is the thing that we would go for. The difference between the likes of the private sector and ourselves is the determination to drive down costs and on-costs, which is the piece that we are going into. I think one of the mistakes in previous times in terms of outsourcing was if you outsourced something where you had not driven those costs you were effectively offering money over to the private sector. The key for us as a Police Service is to drive out those costs first and then see what the private sector can do to actually drive those costs down still further. That is the exercise we are all going to have to go through and we should not be afraid of it.

Chairman: Thank you very much. Thank you for coming today to give evidence.

Witnesses: **Dr Moira Hamlin**, Chair, Avon and Somerset Police Authority, **Mr Simon Humberstone**, Executive, IBM Global Business Services and Director, Southwest One Board, and **Chief Constable Colin Port**, Avon and Somerset Police, gave evidence.

Q43 Chairman: Chief Constable, Dr Hamlin and Mr Humberstone, my apologies that we are running a little bit late today. Thank you very much for coming to give evidence. You have heard some of that evidence and you know that the Committee is looking into the issue of police numbers, the claims from some chief constables that they are going to have to cut police officers from the visibility of walking the streets of this country against the Government's assertion that they have given more money than at any other time before. We are very interested in what you are doing with Southwest One. What was the reason behind this collaboration? Why is Avon and Somerset involved in this private sector initiative?

Dr Hamlin: Can I set the context first of all, and I need to go back to 2002 when Avon and Somerset was not providing the service that the public needed. About a third of calls to the police were unanswered, our overall detection rate was 14.7% and we had very poor IT systems. Some of our systems were even based on paper. The force needed to improve and the authority needed to invest. Going back to 2003, it was our strategic vision to radically improve the quality of service to the public and to transform and modernise the business practices. Southwest One was part of that journey on the way to improving the services.

Q44 Chairman: So it was about improving services rather than any cuts in budget?

Dr Hamlin: Yes.

Q45 Chairman: We have had a look at the figures that you kindly provided to this Committee and you have had an overall increase of 9% as far as additional officers are concerned.

Dr Hamlin: Funding was an issue, and I can talk about our funding, but it was only one of the issues. There was also a desire to transform and modernise the services. The two went hand-in-hand.

Q46 Chairman: Are you saying it is cheaper, in effect, to go to the private sector?

Dr Hamlin: There are some benefits from Southwest One which I think Mr Port is going to cover.

Chairman: We will come on to that.

Q47 David Davies: I was going to firstly ask you what the savings were from using Southwest One and the private sector.

Chief Constable Port: Over the next ten years £35 million, somewhere in that region, based upon procurement savings which are assured of £15 million, £18 million from the unitary charge where we have mapped out what it would cost us, and it would be £180 million. We will now buy those services for 10% less.

Q48 David Davies: What was the tendering process? Did you advertise a tender somewhere and then look for inquiries? How did it all come about?

Chief Constable Port: It was an enormously complicated, long process. It took us three years. It was interrupted by the merger debate, which set us back for ten months. It went to EU and ITTs and ended up with three preferred bidders: Capita, British Telecom and IBM. Our colleagues within Somerset County Council and Taunton Deane chose IBM. We came along some months later and we also chose IBM, which was fortuitous.

Q49 David Davies: Had you approached them as providers who do this kind of work or did you put an advert somewhere?

Chief Constable Port: An advert.

Dr Hamlin: An advert under European procurement rules. Also, it is worth saying we spent a great deal of time and money getting in the best legal advice and

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the best professional advice. It was a very comprehensive and detailed process to end up with IBM providing that service.

Q50 Mr Streeter: Are you, therefore, advocates for a system like this? Given that we now have challenges both in terms of performance and funding looking forward in terms of police forces across the country, is this something that every police force should be looking at in your opinion?

Chief Constable Port: Absolutely, yes.

Q51 Mr Streeter: Where does it sit with the merger debate? Is it possible that you could still be facing that, or even desiring that voluntarily? Can you do both?

Chief Constable Port: In the merger debate, if I can wind it back, we were quite relaxed about mergers in Avon and Somerset, the problem was that nobody wanted to merge with Avon and Somerset.

Q52 Mr Streeter: I remember it well.

Chief Constable Port: So do I! It caused us enormous frustration because, as I said, it cost us ten months.

Q53 Mr Streeter: Was that because of your then performance, do you think?

Chief Constable Port: No, it was because of the City of Bristol and the performance challenges that people see there.

Dr Hamlin: We have always seen this as an opportunity to join in with other forces or other local authorities. Part of what we did was to set up a framework agreement which made it possible for other forces or other authorities to join in without the need for them to go through expensive procurement processes.

Q54 Bob Russell: Southwest One is a joint venture company. Presumably it has got shareholders. Who are the shareholders? Does it make a profit and, if so, how much and where does it go?

Chief Constable Port: It is a company where there are shareholders. The shareholders are Somerset County Council, Taunton Deane District Council, Avon and Somerset Police and IBM. As far as the police are concerned, which I presume is the issue that you are asking us about, we cannot make a profit, so what happens is the unitary charge comes down so the costs are reduced.

Q55 Martin Salter: What practical difficulties did you have setting up the venture in the first place? Did you get useful assistance from the Home Office—I am sure you got lots of letters—or even from the National Policing Improvement Agency?

Dr Hamlin: The National Policing Improvement Agency did not come into existence until April 2007, so that was too late to have an impact on us. I think the Home Office initially was sceptical, if I am honest, about what we were trying to do until they really understood what it was that we were trying to bring about, and since then they have been very supportive. There are two officers in particular, Amobi Modu, who was our regional liaison officer, and Robert

Arnott, who is head of the value for money unit, who were very supportive. We did not get any money, we had to fund that out of our own money. One of the things that we tried to get help for was the project costs because, as you can imagine, the legal costs, the advisor costs, cost us £3 million over two years to set this up. It would have really helped us to have been able to capitalise those project costs. We asked the Home Office for help and direct to CLG, who make that decision, and they would not allow us to capitalise the costs. That is a barrier if that were removed could help other people in the future.

Q56 Mrs Cryer: Could I ask Mr Humberstone, is IBM in talks with any other forces to repeat what you are already doing with Avon and Somerset?

Mr Humberstone: The answer to that is yes. As Moira has indicated, we do have a framework agreement within the southwest. That framework agreement allows other public authorities of any sort to come to us directly if that is what they want to do and to contract with us directly. We have had a number of conversations with forces within the southwest but, interestingly, there has been interest from across the whole of the UK. In fact, even outside of the UK there are a number of people looking at this as a potential model for public service provision globally. We have had a lot of interest from a lot of parties. At the present time we have not contracted with another police force, which we are obviously quite keen to do, but certainly it seems to be a very popular model.

Q57 Mrs Cryer: We are talking now about Southwest One, we are not talking about IBM separately, it is Southwest One who are taking in these suggestions?

Mr Humberstone: Yes, they are coming to Southwest One.

Q58 Mrs Cryer: How can Southwest One or, indirectly, IBM provide better facilities for police authorities than in-house provision?

Mr Humberstone: Primarily it is because, first of all, we have significant expertise in terms of delivering what are called back office services, so we do that on a global basis for a large number of organisations across a range of different sectors. We have got that expertise and we have the skills that go with that, along with capacity. In addition to that, we are able to introduce investment that might otherwise not be available to the public sector, and in particular we can sculpt that investment over the lifetime of the contract, so if there is an upfront investment that is required in order to put new systems in we can put that in and manage the payment profile such that the authority does not take the cost upfront. In addition to that, we are also very experienced in terms of managing risk and we take views and assessments on risk where, again, elsewhere in the public sector they may not take the same sort of view. Fundamentally, it is around having a performance culture. We have a very different style and way of working in terms of the experience that we have and that performance culture drives out additional benefits as well.

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Q59 Mrs Cryer: Given all that you have said, at the end of the day IBM has shareholders who will expect to get a profit from whatever you are doing.

Mr Humberstone: Yes.

Q60 Mrs Cryer: How can you guarantee that the desire of the shareholders will not be put before the desire of the council taxpayers and you may well be passing on profits to them that perhaps you should not be?

Dr Hamlin: It is important to understand that this is not an outsourcing arrangement, it is a joint venture company. One of the differences is that we have control over the direction of the business, so we have a whole range of reserve matters and the direction of the business we have the say and veto on.

Q61 Chairman: Do you have a majority of the shares in this company?

Dr Hamlin: No, IBM has the majority of the shares and the majority of the risk.

Q62 Chairman: What is this contract worth to IBM?

Mr Humberstone: The total value of the contract with the police is around £196 million.

Q63 Chairman: A year?

Mr Humberstone: No, in total.

Q64 Chairman: £196 million in total over how many years?

Mr Humberstone: That is over ten years. The total value of the contract with the authorities, because that should be added to this, is around £400 million.

Q65 Chairman: Some would argue, and I think Mrs Cryer may be arguing this, this is the privatisation of the local police force and because of the cuts in the budget you are being forced to do this. How would you answer that?

Dr Hamlin: There are benefits. Obviously IBM is a private sector company and expects to make a profit. We do not see a problem with that as long as the taxpayers of Avon and Somerset are also gaining. The Chief Constable has outlined the savings to us over a number of years. There are many other benefits. We have been able to buy a system called SAP which is an enterprise resource planning system which will link our HR and our payroll. That system is used by large companies across the world that we could not afford. It is only by joining up with our other partners, the local authority partners and IBM's expertise to help us implement it, that we were able to do that. That will release the equivalent of 24 police officers per year. We have calculated it is 15 minutes' time for every staff member that will be saved each week.

Q66 Chairman: You did this yourselves, nobody from the Home Office said, "This is a good idea"?

Dr Hamlin: No. In fact, they were saying the opposite to us to start with because it was new and innovative.

Q67 Chairman: They were saying, "Don't do it"?

Dr Hamlin: Yes.

Q68 Mrs Dean: You have said this is not outsourcing, this is a different arrangement, but when we have looked at outsourcing previously, such as the Forensic Science Service and custody suites, witnesses have expressed concern that the quality of service may suffer. How would you respond in your case?

Chief Constable Port: It is not outsourcing, and we have got to stress that. This is a partnership. It might be strange to some people to find that the private sector can relate to public sector bodies in a partnership arrangement, but this is a true partnership. We do not resort to legalities. We can, because we have a very strict contract, we negotiated very hard on it, but the bottom line is if someone or something is not performing we work as partners. It is not just IBM and the police, it is our other partners who are important players in this, a County Council and a District Council. If I can bring this to life and tell you what it allows me to do as the Chief Constable. We have about 1,000 problematic offenders within the City of Bristol and have set up an integrated offender management unit, which is managing 400 of those and will ultimately manage 1,000, within our existing resources, working with partners in health, in probation and in prison. The long-term strategy is to give these people their lives back so they are not problematic criminals, they are actually meaningful members of society. The only way we can do it is by freeing up resources from other areas of policing. What Southwest One has allowed me to do is actually fund that.

Q69 Chairman: Can I thank you very much for coming in to give evidence to us today. One final point: you will know on 4 December what your allocation is for next year. Does that give you sufficient time to prepare your budget?

Dr Hamlin: No. In fact, the one thing I would want to say about our budget and another driver for us is on funding. The way the funding formula is calculated on needs, ever since it has been implemented there has been a damping mechanism operating a floors and ceiling model. That means we are severely disadvantaged. We lose £12 million each year through damping. We are the second worst affected force in the country. That means we start off with a significant disadvantage and this year we are looking at up to a £5 million gap. It is only through Southwest One and many other initiatives that we can hope to bridge that gap because with us being subject to a capping regime, and 31% of our funding comes from our local council tax, we cannot keep squeezing that gap forever. I want to emphasise that.

Chairman: Dr Hamlin, Chief Constable and Mr Humberstone, thank you very much indeed for coming to give evidence to us today.

Witness: **Rt Hon David Hanson MP**, Minister of State, Home Office, gave evidence.

Q70 Chairman: Minister, thank you very much for coming to give evidence to us today. Welcome back. This is a very short inquiry into Police Service numbers. You heard what I said to the previous witnesses: we were concerned at claims by the police that they are going to have to cut officers from their payroll against the Government's assertion that it has given more money than any other government before to the Police Service. We have written to all the police authorities asking them for their figures. Sir Hugh Orde, the new President of ACPO, has said that police budgets will have to be cut by 20% because of the recession. Do you agree with his analysis?

Mr Hanson: I can only say what I can look at in relation to our funding proposals for the next 12 months and we have currently planned, which the police forces are aware of, around about a 2.7% increase next year, 2011, which has been committed for the past two years as part of our three year Comprehensive Spending Review. In each of those years we have seen a rise of around 2.5% to police forces and next year we will have 2.7% at a time when inflation will likely be considerably lower than that. With due respect to Sir Hugh, and I understand his concerns on this, I do not recognise in the next 12 months the arguments for a 20% cut in funding.

Q71 Chairman: We have heard from Chief Constables today. We have heard from the Chief Constable of Bedfordshire who says that she is going to have to cut 30 police officers from her payroll. This is a very large number for a small force like Bedfordshire. We have now heard from others that they are being forced into a form of privatisation because of the limitations on their budget. Is this acceptable from a Government that is supposed to have given more resources to the police than any other government in the past?

Mr Hanson: All I can say, Chairman, is the latter part of your sentence is indeed true, we have seen a 60% increase in police resources of some £3.7 billion.

Q72 Chairman: So where has all this money gone?

Mr Hanson: The money has gone on providing 142,151 police officers last year, which was an increase of nearly 1,000 over the previous year, and it has gone on providing 16,000 police community support officers that were not in place six years ago. It has gone on an overall increase in the number of police officers which has seen a result in falling crime of around 36% over the same period. I think it has had a cause and effect. We have got a significant increase in resources and next year for 2010–11 the figure will be likely to be around £259 million extra to policing, around 2.7% extra.

Q73 Chairman: Are they making this up?

Mr Hanson: There are a range of pressures on police forces, and I accept and understand those challenges, but in real terms we face, as do all public sector employees, the need to look at how we better use our resources, how we focus those in a much more productive way and how we take some of the waste and inefficiencies out of the service. I can only

say in real terms what that rise has been and next year police officers across England and Wales know what the rise is, have known for two years, and will see a rise of around 2.5% minimum to 2.7% average over the period of the next year.

Q74 Mr Streeter: Minister, there is no doubt that extra money has gone in over the last five years, and before that, and the number of police officers has risen by about 4.8% but, in fact, the number of civilian staff employed by police forces has risen by 15%. Do you know the reason behind those trends and how do we account for that?

Mr Hanson: It is a trend. If I look at the figures for, say, the last four years we have gone from around 70,000 civilian support staff to 81,000 civilian support staff. That is because in part the chief constables themselves have started to move some of the policing roles that were undertaken by police officers to civilian support staff to ensure that we maintain a presence on the frontline for police officers doing what I think the Committee would want police officers to do, which is to give reassurance, patrol the streets, detect crime and tackle some of the issues of frontline crime rather than some of the issues of backroom bureaucracy, which I think has been a common charge against police forces over many years.

Q75 Mr Streeter: Just on the Chairman's opening volley against you, is this basically negotiations going on from police forces which happens every year or is there something fresh going on? We know that most local authorities in this country, for example, are expecting a cut of between 15% and 20% over the next three years, police forces also, so it cannot be a great surprise to you. Why are they bringing it out in this very heavy way at the moment?

Mr Hanson: There is a real challenge for all of us in the post-2011 funding scenario. We have two big events between now and April 2011. One is the General Election, which will deliver a government of some sort, and the second is the next round of Comprehensive Spending Review. I cannot yet predict what the CSR will be for 2011–14, but I think everybody in this room will recognise that it will be more challenging than the CSR of previous years. There is a debate around whether we prioritise direct funding for police and how we undertake greater efficiencies in what we do with the manpower and person power of police forces, but also with procurement and delivery, of which Southwest One is one good example. All I can say, and I am repeating myself, is we have given a three year commitment over the past two years and we have given a commitment for next year of rises which in this CSR the police have been aware of and next year will deliver around £259 million more than this year.

Q76 David Davies: I think it is known that I am a serving Special Constable with the British Transport Police.

Mr Hanson: A very effective one too, if I may say so.
Chairman: Unpaid, I understand.

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Q77 David Davies: I wonder if you could clarify something for me. When the Government talk about real term increases in police budgets, those do not include the so-called efficiency savings, do they? Some people would say that an efficiency saving is effectively a cut in funding. If you are demanding efficiency savings of 1% or 2% but you say you are increasing the budget by 2.5%, you are only giving an increase in real terms of 0.5%, are you not?

Mr Hanson: We are trying to ensure that the efficiency savings that are made, and I will be making more announcements before—

Q78 David Davies: An efficiency saving is a reduction in funding, is it not? You say, “I demand 2% efficiency savings from you and I will assume you get it so I will just take 2% off your budget”.

Mr Hanson: These rises, the 60% increase and the 2.7% rise next year, are real rises. The efficiency savings that forces are making can be ploughed back into securing other forms of funding that they want to do in their own patches operationally to support deployment of other officers or—

Q79 David Davies: So they get to keep the efficiency savings?

Mr Hanson: They are keeping efficiency savings. What we are looking to do is to look at for the future, and I will be making announcements before Christmas as part of our White Paper on this, how we can drive forward the efficiency agenda.

David Davies: I have been told otherwise. I still feel I am missing something here, but I will get to the bottom of it one day.

Chairman: I am sure you will. If anyone can, Mr Davies, you are the man to get to the bottom of it.

Q80 Bob Russell: Minister, how do you define frontline policing?

Mr Hanson: I think first and foremost it is what we envisage as local constituency MPs, which is neighbourhood policing, and the local beat officers and the local beat managers who work in those communities. Equally, for me, it is also those officers who do some hidden work, but which are affecting frontline crime issues that affect my constituents and yours. So people who are involved in supporting domestic violence reduction, people who are involved in tracking down drug and serious organised crime issues, people who are involved in preventing terrorist offences, are less visible to the public at large but are actually doing a very good job in terms of crime reduction and confidence building. I would define frontline policing as predominantly neighbourhood policing visibly, but there is an awful lot more to it which we share an understanding with the police on which deals with many issues of serious organised crime.

Q81 Bob Russell: I am grateful for how you see it. The reason I ask that question is because I was somewhat puzzled by the Association of Police Authorities arguing that calls to maintain frontline

policing “regardless of funding available” jeopardises further productivity improvements and skews budgets to accommodate what they describe as a “simple, narrow conception of policing activity”. Do you agree with them?

Mr Hanson: I hope that my simple, narrow reflection of police activity includes that wide description of serious organised crime as well as neighbourhood policing. In my constituency, if there are drugs on the streets they have come from big cities 40 or 45 miles away in different police forces originally. It is important that we collaborate and work on those issues. If there is a terrorist threat in Manchester it might well be linked to terrorism activity in other parts of the United Kingdom. There are serious frontline officers who work in the backroom dealing with those issues. As far as I am concerned, that is frontline policing. The drive that we are trying to make is how do we collaborate better on procurement, on delivering those services, how do we take some of the inefficiencies out of 43 forces doing things separately at the same time as ensuring we give resources to maintain frontline policing in the traditional sense of neighbourhood policing and also support that wider activity which is equally important.

Q82 Bob Russell: Your concept of frontline policing, community policing, is my concept as well. I was just puzzled that the APA seemed to have a different interpretation of what frontline policing is if they could dismiss it in the manner that they apparently have.

Mr Hanson: There is a real Government focus on tackling neighbourhood policing issues, antisocial behaviour, frontline policing in that sense. That is a real Government drive and focus because that is what most of our constituents experience on a day-to-day basis. Equally, there is serious organised crime, terrorism, wider issues of domestic violence, fraud, Internet activity, all sorts of wider criminal issues which are less visible but which, in my view, are still frontline policing.

Q83 Bob Russell: Do you think that perhaps the APA should reflect on their terminology?

Mr Hanson: I get on very well with the APA and we have a shared understanding of what policing is about. Our response is to ensure that we resource neighbourhood policing, frontline policing, in the traditional sense but also look at how we can get better value out of forces collaborating on some of those wider strategic issues which impact upon a local area but have a regional or national locus.

Q84 Ms Buck: Do we not need a new definition? The problem is, as you have reflected, the public do absolutely perceive frontline policing as being beat policing, visible policing, and see it as sophistry when we then redefine it, however legitimately, as also involving other crime fighting services. Do we not need to have some independently verifiable

figure that actually talks about literally visible, frontline street policing?

Mr Hanson: The way in which we have tried to phrase this in Government terms is the confidence agenda in policing and we have set simply one target, which is police confidence. Confidence in local policing will be dealt with by a number of issues. It could be the visibility of local beat managers and beat officers, it could be antisocial behaviour, but it could be affected in Greater London by the perception of a terrorist threat, through the perception of wider drugs issues, through people trafficking or prostitution. In our terms, what we are saying is focus on what are the confidence issues for your constituency in Central London or my constituency in North Wales and deal with those issues in terms of frontline policing. There needs to be a wider understanding that an officer walking down Flint High Street in my constituency is frontline, but equally the officer working in central headquarters looking at Internet child pornography issues is frontline in terms of child safety.

Q85 Ms Buck: Is it possible ever to win public confidence that frontline policing is going to be maintained and strengthened if the numbers of actual serving police officers get reduced after 2011?

Mr Hanson: It depends on deployment, if I am honest. There is a range of deployment issues, overtime issues, which need to be looked at. There are issues to do with single patrolling and double patrolling. In some parts of London single patrolling might be able to become a norm and release officers to double the number of patrols. In other parts it might be an area where we need to maintain double patrolling because of potential officer safety. There is a range of deployment issues and overtime and management issues that can still maintain the numbers even if we have not sufficient growth as we have had in the past in funding.

Q86 Ms Buck: This is slightly off the subject in a sense. Does that not bring us straight back to issues like borough command and, indeed, outside London the actual structure of the police? You are right in saying that there are parts of London where single police could patrol but they almost certainly will not be in the same boroughs, you will need additional officers to maintain safe patrolling. How on earth are we going to get round that?

Mr Hanson: Post-2011 we still do not know in the Home Office yet what that resource settlement will be, so it is difficult for me to comment. All I can say is that our drive has been to ensure that we increase public confidence to 60% from our current 50%, and we do that by getting better engagement and confidence building at a local level. The funding for next year is designed to maintain that trajectory of increasing officer numbers and giving discretion to local forces to be able to meet that target in an effective way. The 2.7% increase next year I think is good value in the current circumstances and is real money, nearly £260 million next year additionally than we got this year at a time of challenging financial circumstances.

Q87 Mrs Cryer: Minister, ACPO are commenting that if future council tax caps are set at 3% or below it could severely affect policing across the country. Would you comment on that?

Mr Hanson: At the moment we have got two criteria for council tax capping issues. One is a 4% rise in budgets this year and the second is a limit of 5% on council tax rises this year. At the moment we have only had five authorities out of 43 who have been anywhere near being capped or potentially being warned about capping for the future. The vast majority of authorities do work within that framework, and I think that is reasonable. There is always a debate about capping and we have had that for as long as we have been in Parliament and before that in opposition and that will continue. I think a 5% rise maximum on a yearly basis is a reasonable rise in the current inflationary climate, and that is the criterion we have set.

Q88 Mrs Cryer: So you do not know why ACPO are talking about 3%?

Mr Hanson: We have used a target of 5% as the council tax capping criterion and within that we look at what are potential rises each year, but our 5% is what we are currently working on.

Q89 David Davies: What are your current plans regarding Sir Ronnie's recommendations on the end of flooring and the implementation of the new funding formula?

Mr Hanson: We have said, Mr Davies, in response to Sir Ronnie Flanagan's recommendations that we will look in the next 12 month period at the funding formula as a whole. The funding formula was fixed before my time as Minister and my commitment is simply to review it before the 2011 cycle commences. I know there are winners and losers, positives and negatives around that. What we have tried to do is to make sure every authority has a 2.5% rise and that we do not disadvantage certain authorities because of issues to do with rurality or crime levels. The funding formula does need looking at, we are committed to do it and before 2011 we will revise the funding formula accordingly.

Q90 Mr Winnick: Minister, in the most unlikely event that you would be arrested, would you be happy for your DNA sample to be taken?

Mr Hanson: Absolutely.

Q91 Mr Winnick: You would be quite happy with that?

Mr Hanson: Absolutely. I have absolutely no problem with that in the sense that on a personal basis and a political basis having a sample taken is a reasonable activity.

Q92 Mr Winnick: You would be perfectly satisfied?

Mr Hanson: I would be perfectly content.

Q93 Mr Winnick: If having been arrested it was decided not to proceed with any prosecution working on the basis the police had come to the conclusion that you were innocent and you were

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released without charge, would you be satisfied that your DNA information could be retained by the police?

Mr Hanson: On a personal basis, again, I really do have no problem with that because I know ultimately, I would hope, that I would not be committing any crime that would result in my conviction as a result of the DNA database. The legislation that we proposed and published last week will try to meet the legal requirements that we have and we have tried to frame the legislation for the new Crime Bill around putting a limit on that. We have tried to frame it in an effective way and personally I have no problems with that because I would not be committing a crime and would not fear being convicted.

Q94 Mr Winnick: One of my constituents does not take that view, and I would imagine it is the view of quite a number of people. My constituent, Minister, to summarise very quickly, although obviously it is a matter for the West Midlands Police, was arrested and released with no further action. She has written to the chief constable requesting the removal of her DNA, photographs and fingerprints. You have said that you would be quite satisfied that though arrested without any further action the police would keep your DNA, but do you understand the feeling of my constituent?

Mr Hanson: Of course I do, Mr Winnick, and I understand why people would take that view. What we are trying to do and what we will be doing in the next Crime Bill, which I hope will have a second reading before Christmas, will be to put a legal framework around that so that those who are arrested, having samples taken from them, those who are convicted, there will be a legal framework around that. Those will be matters that we will be debating in the next few weeks and months in Parliament.

Q95 Mr Winnick: Why is it necessary to keep the DNA of someone who has been arrested and had no further action taken? It must be assumed that they are innocent otherwise they would be prosecuted. Why should the DNA information be kept by the police? As you know, the Chair of the Advisory Committee on the Development of Human Genetics has been very critical and, in my view, understandably so.

Mr Hanson: I accept those criticisms and understand why they are made; I simply do not share them. I wish to place on record that we will be debating these matters in the Commons and we want to put a framework around it.

Q96 Mr Winnick: When you say a “framework”, what does that mean?

Mr Hanson: Can I refer to the Bill that has been published?

Q97 Chairman: We do not want to have a discussion about the Bill today, that is for another day because the Committee has decided to hold an inquiry into

the DNA database and you are the Minister responsible. If I could ask one further question on this. The allegations in the newspapers today, in particular *The Times*, are not just that innocent people’s DNA is being kept on the database but that the police are deliberately arresting people in order to keep their DNA on the database, which of course has no time limit unlike the Bill you have put forward which is going to be six years. Therefore, 75% of young black men have their DNA on the database. That must cause you concern if there are allegations that they are being arrested simply because they are to be kept on the database. It is a different issue, is it not? Does that cause you concern, that 75% of young black men have their DNA on the database even though they have not committed an offence?

Mr Hanson: Certainly that would cause me concern and I will be looking into those issues from today.

Q98 Chairman: Excellent.

Mr Hanson: The question from my perspective is we do not have evidence necessarily that that is the case that the police are operating in that way. We are looking at those issues and the allegations that have surfaced today and will reflect upon them and investigate.

Q99 Chairman: The second practical point, which we will return to, is that when people write in and say, “Please will you take my DNA off the database because I have not committed any offence”, they are not getting a satisfactory reply. That is not an issue of legislation, is it, it is a question of due courtesy for constituents of Mr Winnick and others.

Mr Hanson: I would expect all individual forces to reply to particular individuals who raise matters with the chief constable or the force. What we are trying to do in the legislation that will be before the House shortly is to put a framework around that so that individuals know what their rights are and the House will determine those matters, I hope, before the election.

Chairman: That is very helpful.

Q100 Bob Russell: Has there not been a court ruling in recent times which indicated that the behaviour which you seem to be enthusiastically supporting should not be happening?

Mr Hanson: There has indeed, Mr Russell, and that is the reason why we are having legislation in the Crime Bill very shortly. The Bill was published last week and does include several clauses and sections which in the light of the judgment are regulating the issues before the Committee today.

Q101 Ms Buck: This is to pick up on the Chairman’s point. The concern expressed to me by parents of young black people is they point out that given the disproportionality in arrests of innocent black people and, therefore, the retention of their DNA, a crime committed by a young white person and a

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young black person together is disproportionately likely to lead to the conviction of the young black person whose DNA is on the database, but not the white person. Is this something that you are going to seek to address as we move towards the Bill?

Mr Hanson: We are examining throughout the whole of the next few weeks and months with the legislation and the operation of the DNA database how this operates in practice. I want to look at some of the allegations that have been made today which need to be investigated, which I do not believe are based on a common perception of what is happening in forces. We need to look at the legislation and look at how we set a framework for the use of DNA so that we do what we are trying to do generally, which is reduce crime and ensure that the right people are convicted.

Q102 David Davies: I find myself agreeing with much of what the Minister has said and I wonder whether in all seriousness he would look at the numbers of young Bulgarian or Romanian males who are on that database, who are of exactly the same ethnic group as I am, and I suspect will feature in there quite prominently as well proportionately.

Mr Hanson: If I can focus the Committee on what the purpose of the database is.

Q103 Chairman: But not for a long time because we will come to revisit this whole issue.

Mr Hanson: We do have a legal judgment which we have to reflect in legislation. The clauses are before the House in the published Bill, they will be debated and we will reflect on these types of points as the Bill goes through the Commons shortly.

Q104 Mrs Dean: Minister, we heard earlier from Southwest One. Could you tell us if the Home Office is working to help forces to pursue such innovative reforms? What views are you taking on what has been done?

Mr Hanson: Personally, I am very supportive of any forms of collaboration on issues to do with procurement. That means the Southwest One example, where the police force is not just working as a police force but also with local government to take out cost, in my view is very productive and we are encouraging of that. Again, very shortly we will be producing a White Paper which I hope will come before the House before Christmas which will be setting out some of the discussions around those very issues as to how we take them forward. For me, the police should be focusing on the issues of expertise that they have and some of the back office support mechanisms and if we can do them more effectively and efficiently in collaboration with other forces or, indeed, other local authority organisations we should do so.

Q105 Mrs Dean: Is that an alternative to police forces joining with other police forces so that we end up with less police forces and larger forces?

Mr Hanson: The merger issue is one that we have been through over the last few years and, again,

there will be matters in the White Paper about these issues. I am very keen to support voluntary mergers and there are some forces looking at that now. What we are really looking at doing is how we can take out cost and inefficiency in relation to maintaining forces so, for example, in the northwest collaboration can take place between Manchester, Cheshire, Merseyside and Lancashire on several issues which helps increase resources for frontline policing and save resources on some of the things that they are duplicating.

Q106 Chairman: Let us just be very clear what you have said to this Committee today. You do not believe that it is necessary for any chief constable to reduce the number of police officers on the streets as a result of any settlement that you are going to give them?

Mr Hanson: The financial settlement will allow chief officers to make operational judgments. Some of those judgments may well be that they remove police officers from the streets, but they will be operational judgments that have been made. The resource element for next year gives a real terms increase and gives significant resources in a time of reduced inflation for officers to manage their resources accordingly.

Q107 Chairman: As far as any collaboration with the private sector is concerned, you say to police authorities if they wish to collaborate with the private sector, even if it is in a joint venture company that is controlled by the private sector, if it results in savings and no diminution of services to the public, you are quite happy with that?

Mr Hanson: I am quite relaxed about that. Obviously there are issues that we want to look at in relation to existing staff who work within forces, but if local authorities and police authorities wish to involve themselves in ventures to save money then they have our blessing to do so.

Q108 Chairman: Sitting there as Police Minister, across your desk you must have many examples of police authorities that wish to cut expenditure and cut out waste. Whose role is it to write to these chief constables to advise them about good practice? Is it your role, is it Denis O'Connor's role or is it the role of the NPJA? It is clearly happening but people do not know about it.

Mr Hanson: Ultimately, we each have a shared responsibility and one of the issues we want to clarify in our forthcoming White Paper is the responsibilities that each of those agencies have. My role, and this will be clearer in the White Paper later this year, will be to drive some of those changes in relation to collaboration, in relation to backroom facilities and to suggest some national things that we can do to take out costs and improve efficiency.

Q109 Chairman: I think it would be the view of this Committee that you do not have to wait for White Papers. For example, last year I visited Staffordshire

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with Mrs Dean and we saw a very good example of how Staffordshire Police have cut down on paperwork, reducing a form that I think was 24 pages to one page. We wrote to the Home Secretary, the predecessor of Mr Johnson, and said, "This is a great idea, can you write and tell everyone to do this?" and to this day nobody has done this we understand. Why are we waiting for a White Paper if there are savings you can actually tell people about? Why are we not just getting on with it?

Mr Hanson: We are getting on with it, Chairman. There are things that we are doing now on a daily basis that help support that direction of travel. I want to see waste taken out by forces collaborating, forces working together and reducing their costs. We are doing that on a daily basis with the support of Denis O'Connor, with the NPJA, and in the White

Paper we will be suggesting a number of areas where we can progress this agenda in active terms with clear examples in the next 12 months.

Q110 Chairman: You will take good practice forward, will you?

Mr Hanson: We will also be producing the report from Jan Berry on bureaucracy very shortly. In both those instances I will be setting out clear examples of what we are doing in the next 12 months to reduce bureaucracy, to take out costs and to encourage the collaboration that the Committee has heard about today.

Chairman: Minister, thank you. We will see you again on Thursday at our knife crime seminar. We will not be asking you questions then! Thank you very much.

Written evidence

Memorandum submitted by North Yorkshire Police

Following receipt of your request searches were conducted within North Yorkshire Police to locate information relevant to your request. I can confirm that the information you have requested is held by North Yorkshire Police.

EXTENT OF SEARCHES TO LOCATE INFORMATION

To locate the information relevant to your request searches were conducted at the Finance Department and the Human Resource Department.

RESULT OF SEARCHES

The searches located records relevant to your request.

DECISION

The following numbers show the amount of police officers and the amount of support staff as at 30 October each year:

	<i>Police Officers</i>	<i>Police Staff</i>
2009	1,483	1,405
2008	1,522	1,325
2007	1,620	1,358
2006	1,660	1,267
2005	1,612	1,113
2004	1,555	1,045

Information to answer questions 2, 3 and 4 can be located on the North Yorkshire Police Authority website. Therefore, I have decided to exempt this information pursuant to the provisions of section 21 of the Freedom of Information 2000 (the Act). Section 21 Information Reasonably Accessible by Other Means, an absolute, class-based exemption.

Please go to <http://www.nypa.org.uk/index.aspx?articleid=2441>

Policy and Planning Board, 21 September 2009, meeting papers item 2.

November 2009

Memorandum submitted by Hampshire Police Authority

Hampshire Constabulary and Hampshire Police Authority share the concerns expressed by Sir Hugh Orde (and others) regarding the impact that the financial climate will have on police funding and hence on the communities that we serve in Hampshire and the Isle of Wight.

To set the scene for you Hampshire Constabulary serves a population of estimated at 1.8 million across the counties of Hampshire and the Isle of Wight. This is a diverse area ranging, from the two major cities of Southampton and Portsmouth to other areas such as the New Forest and the Isle of Wight where the seasonal demands on policing as a result of a large influx of visitors present very different policing challenges.

The net revenue budget for the current year is £305 million of which 68% is funded by Government Formula Grant leaving 32% to be met by local council tax payers.

At £142.11 p.a. for a band D property the police council tax is 7th lowest of all police authorities in England and Wales. This represents a 4.8% increase over the previous year. Total revenue reserves projected for the end of the current year are £7 million. The Audit Commission recently gave a score of “3” under its use of resources assessment. In the last year crime has reduced by 7% overall.

In order to address the Chairman of the Committee’s questions I will cover the following points:

- Staffing
- Formula grant
- Council Tax and capping
- Budget pressures

- Reserves
- Buildings
- Efficiency

As he suggests there are historical factors worthy of mention and I shall cover these, where relevant, under each of the headings:

STAFFING

The numbers (establishment) requested are as follows:

	<i>At Oct 2009</i>	<i>At Oct 2004</i>
Police officers	3,748	3,719
Police Staff	2,489	1,876
PCSOs	337	—
Total	6,574	5,595

Over this period police staff numbers have increased as a result of a civilianisation programme. Efficiency has improved whereby subject to value for money being demonstrated, suitably skilled police staff have been employed in roles previously undertaken by police officers. This has allowed more police officers to be available for operational duties.

However with tightening financial constraints this year's budget required a reduction of 100 police staff posts and a similar reduction in budgeted police officer numbers. In the main this was achieved by vacancy management and by removing police officers from headquarters functions. Our concern for the future is that budgetary constraints will lead to further reductions that this time will reduce operational capacity.

Furthermore the need to maintain police officer numbers if at all possible to protect operational resilience may lead to "reverse civilianisation" whereby the value for money gains made in previous years are lost by having to deploy police officers in roles that are currently performed by police staff.

Police Community Support Officers (PCSOs) present a specific issue worthy of mention. Hampshire was one of the last police authorities to apply for funding for PCSOs. The reason for this was not to do with any doubts over their value, but a concern that if the specific funding was ever withdrawn by the Government then either the PCSOs would have to be made redundant or the lost grant would have to be made up by cutting policing services elsewhere and/or the council tax police precept increased.

Four years on and our 337 PCSOs now are integrated into the "policing family" in Hampshire and the Isle of Wight. They are well regarded by the public, an integral part of safer neighbourhood teams and they make a significant contribution to tackling anti social behaviour—a priority for our communities. Therefore should the £7 million of PCSO grant be removed—directly or indirectly by absorbing it in the general grant and then reducing this—the consequences would be severe. Either a highly valued part of the policing service would be at risk or subject to capping a 7% increase in the police precept would be needed.

FORMULA GRANT

For many years Hampshire Police Authority has made representations that this does not address fairly the policing needs of the two counties. For example housing prices in the North of Hampshire make it difficult to recruit and retain officers who are attracted by the allowances that are paid by neighbouring constabularies. Contrary to the perception of many the two counties contain some areas of severe deprivation. In the two big cities in particular the numbers in the population for whom English is not their first language presents demands on the budget with for example the spend on interpreters having risen from £579,000 in 2006–07 to £677,000 projected for this year. High profile ports and airports, the seasonal influx of visitors and a concentration of military establishments add to pressures on police finance.

It therefore remains profoundly disappointing that, due to the operation of "floors and ceilings" the Authority does not even receive its full share of funding as determined by the formula. The shortfall amounts to £1.5 million which equates to 33 police officers.

As the economy recovers the pressures placed on policing locally by new housing and commercial development will return. The Authority has argued for policing to receive contributions from developers and would wish to receive the same treatment as other local service providers in this respect. The demands made by the so called night time economy by large licensed premises or concentrations of smaller premises are self evident throughout the area.

COUNCIL TAX AND CAPPING

Hampshire Police Authority and Hampshire Constabulary are sensitive to the impact that Council Tax has on those who have a low or fixed income, particularly in the current economic climate. However independent research that has been commissioned by the Authority has shown that once they understand that the police element of their council tax amounts to less than £12 per month (at Band D) then most people

would be content to see a modest increase in excess of the capping level for either an increase in policing or to avoid a reduction in policing services. The Authority has made representations previously to Government that capping, as currently applied is not appropriate for police authorities.

A quick examination of the council tax amounts set by police authorities this year, which range from £199–£128, cannot be explained by differences in efficiency, and illustrates the part that history, grant formulae, floors and ceilings, and capping have played.

BUDGET PRESSURES

For next year, on the assumption that the police council tax can increase by 3.5% we estimate that budget reductions of £1.6 million will be needed. If the tax increase were to be only 2.5% the gap rises to £2.6 million.

In addition there are a number of largely unavoidable budget pressures ranging from £1.3 million to replace body armour to £51,000 for replacement of CBRN equipment. Although the latter is a relatively small amount it is a good example of how a new priority is initially funded by Government but how it then falls on local budgets to finance its regular replacement and maintenance. The full list of budget pressures totalling in excess of £5 million is attached.

RESERVES

Hampshire's reserves represent just 2.3% of net annual revenue expenditure. To put it more graphically this level of reserve would fund the Constabulary for just over only eight days. Just a 1% overspend would reduce the reserve by nearly half.

Historically the Authority has taken the view that good budgetary control allows it to operate at this level of reserves and it therefore is not in the best interests of the local taxpayer to add to reserves. However on occasions demands on the policing budget are unpredictable with, for example recently the policing of one local industrial dispute alone costing in excess of £300,000.

BUILDINGS

Hampshire Police Authority owns 63 main operational and support sites. Of these only 11 are less than 20 years old. 10 are more than 60 years old. Policing requires a flexible working environment yet most of these properties are exactly the opposite. The Constabulary and Police Authority face a constant dilemma of whether to divert scarce funds from annual operational budgets into maintaining buildings or to take the longer view and invest in modern facilities. Technological developments eg in accommodating IT and sustainability issues add to this dilemma.

Two examples of how historical decisions are having to be addressed follow:

The main Southampton Police station transferred to the Authority under a previous reorganisation is part of the City Council's Civic Centre. The building is listed, minor changes require permission, and there is insufficient space, poor facilities, no flexibility and above all a custody suite that falls far short of modern standards. As a result the Authority has approved a £38 million project to build a new police station and custody centre due for completion in early 2011.

The Constabulary's HQ is a 1960's tower block in a historic city constrained by planning requirements and with little scope for expansion. The building is no longer fit for purpose and requires extensive refurbishment for which planning permission has not been forthcoming. So the Authority has acquired a site on an industrial park and is about to consider plans for a new HQ to be provided there.

Both schemes, effectively will dominate the capital programme for the next few years and their financing adds to the challenges facing the revenue budget. It is difficult to see, despite the effort that the Constabulary is putting into alternative means of provision eg inside supermarkets, selling surplus assets and exploring alternative means of financing through partnerships, how the Authority will be able to address other high priority improvements needed to the police estate particularly in relation to custody provision and large police stations still in inappropriate premises such as converted residential properties.

Whilst acknowledging the difficulty we are concerned that with the spotlight that the economic climate inevitably puts on current operational expenditure, the longer term, infrastructure need is not overlooked. If it is, then those who follow us will face even greater legacy issues in relation to police estate than those now facing the Authority.

EFFICIENCY

The Constabulary and Authority, notwithstanding the concerns expressed above, have been and remain committed to improving productivity and efficiency. In the seven years ending in 2008–09 £60 million in independently verified efficiency gains was achieved. To balance the current year's budget, reductions of a further £9 million were made including the 200 officer/staff reductions referred to earlier, a £2m (%) reduction on the overtime budget, and slimming down of HQ.

A number of strategic approaches and tactics are in use:

- A small central team, reporting to the Deputy Chief Constable oversees a programme of reviews using LEAN methodology where appropriate and a network of efficiency liaison officers operate locally to promote efficiency. This strategy is reviewed regularly by a committee of the Authority.
- A three year programme whereby a third of the budget is reviewed annually by chief officers and Police Authority members is entering its final stage.
- All contracts due for review are scrutinised to challenge the need for the expenditure and explore alternative sources of supply or means of provision.
- A programme of financial training for non financial managers is well underway.
- The management of resources, efficiency and productivity feature in annual appraisals and promotion decisions.
- A Gold Group is meeting to find more immediate budget reductions. This includes Authority members, Chief Officers, other managers and staff side representatives. Benchmarking data produced within the Constabulary, with other SE region constabularies and by the HMIC all are being reviewed to establish those (few) areas where Hampshire appears to be a relatively high spender. These budgets then are examined in more detail with a view to making savings. Data quality and therefore comparability are concerns so the production of a common chart of accounts is being considered with some other SE region forces.
- A comprehensive programme of collaboration exists under the leadership of the chiefs and chairs in the region. Early successes should include, on the operational side Witness Protection and from a support service perspective the creation with Thames Valley Police of a joint ICT department.
- For some years an Income Generation and Sponsorship Board (comprising of a cross section of officers and staff and a member of the Authority) supported by a dedicated member of staff have sought to increase activity in these areas, within an ethical framework. Successes included the partnership referred to earlier with a supermarket chain and a large number of lower level, but nevertheless worthwhile individual sponsorships of equipment etc. The creation of a charitable trust with other partnership organisations also, is being developed. Inevitably the economic climate is making it more difficult to secure support under this heading.
- External consultants have been employed to undertake a zero based budget review of all non-pay budgets. It is not a foregone conclusion that this will reveal potential budget savings. There is a possibility that it will reveal that at a local level, several years of constrained budgets will have forced managers to use savings from holding vacancies to fund unavoidable expenditure on eg utility costs, arguably an unsustainable situation.

In conclusion this Constabulary and Police Authority have a long and positive record in delivering value for money. Notwithstanding our concerns expressed earlier regarding formula grant, capping and budget pressures the fact that performance is good, public confidence high yet council tax is relatively low must support the proposition that efficiency has been and continues to be pursued. Whilst we will continue to strive for even more improvement there are now serious concerns regarding the financial climate and one can foresee further job cuts being necessary. It is not possible to quantify these at this stage. Whilst we will aim to protect front line policing the scale of cuts being mentioned by some commentators, that also may impact on our partners within and outside of the Criminal Justice System, would put current standards of frontline policing under threat particularly if this impacted on PCSOs and hence Safer Neighbourhood Teams. All this at a time when the economic situation itself may increase the demand for policing service and with the build up to 2012 adding to the pressures.

I trust that you will find our response helpful and thank you for giving us the opportunity to comment. You may be aware that ACPO has decided that chief constables should contribute to a single joint response. However I can advise you that the Chief Constable of Hampshire is in agreement with this letter and his response submitted through ACPO will follow very similar lines. I will await the conclusions of the Home Affairs Committee with interest; in the meantime if I can be of any further assistance please do not hesitate to contact me.

November 2009

APPENDIX **REVENUE BUDGET PRESSURES AND GROWTH SUMMARY 2010–11 ONWARDS**

<i>OCU/Dept</i>	<i>Title</i>	<i>Ref</i>	<i>Time</i>	<i>Detail—Including any savings</i>	<i>2010–11</i>	<i>2011–12</i>	<i>2012–13</i>	<i>2013–14</i>
Business & Property Services	Body Armour Replacement Programme	BAPS 2	One Off	Replace body armour for all officers	1,319,900			
Criminal Justice Dept	Digital Interviewing & Transcription	CJD 1	One Off	The analogue system currently in use is now obsolete and needs upgrading to a digital system.	329,000			
Criminal Justice Dept	Translators	CJD 2	Ongoing	The current contract ends this financial year and it is anticipated that costs could increase by as much as 50%.	150,000	150,000	150,000	150,000
Crime	Scientific Services, Digital Forensics Strategy	CRIME 1	2010 to 2012	To seek funding to complete the five year strategy which commenced in 2007–08	163,650	115,000	– 114,000	
Crime	New Special Branch application connection	CRIME 3.1	One Off	To seek funding for the IT Infrastructure requirements for two new sites.	59,500			
Crime	Economic Crime Unit	CRIME 3.2 CRIME 11	Ongoing Ongoing	Annual BT line rental charge To create an Economic Crime Unit to improve fraud detection and asset recovery.	22,000 599,000	22,000 599,000	22,000 599,000	22,000 599,000
Crime	Police National Computer Bureau (PNCB)/Force Intelligence Management Unit(FIMU) Staffing Levels	CRIME 12	Ongoing	To ensure that the FIMU is adequately staffed for the increasing workload and that there is an appropriate supervisory structure within the FIMU/PNCB.	376,300	376,300	376,300	376,300
Crime	Extraction of HOLMES Data into the i2 Analysis Platform	CRIME 13	One Off	To provide the ability to search and extract intelligence data from the HOLMES database—potential savings of £300k when in place.	100,300	4,100	4,100	4,100
Crime	Disclosure Pilot Coordinator	CRIME 15	Ongoing	To continue the post of Disclosure Coordinator when Home Office funding ceases in April 2010—Scale 5.	27,400	27,400	27,400	27,400
Crime	Public Protection Unit Det Sgt. Specialist Investigations	CRIME 16	Ongoing	To establish the post of Public Protection DS when Home Office funding for the Disclosure Pilot ceases	50,000	50,000	50,000	50,000
Crime	Regional Asset Recovery Team	CRIME 17	Ongoing	Details to be confirmed				
HR	HR Modernisation	HR 1	Ongoing	Replace the HR system with one that can provide information which is accurate and user friendly.	80,000	80,000	80,000	80,000

OCU/Dept	Title	Ref	Time	Detail—Including any savings	2010–11	2011–12	2012–13	2013–14
IT & Comms	Additional funding required for IT support of Airwave and AVLS/INCA and ANPR	IT 1.2	Ongoing	Auto Number Plate Recognition (ANPR)	359,400	461,900	404,100	249,600
		IT 1.3	Ongoing	Overt Airwave	35,200	35,200	35,200	35,200
		IT 1.4	Ongoing	Covert Airwave	72,400	52,000	657,500	52,000
		IT 1.5	Ongoing	Auto Vehicle Location System (AVLS)/INCA car use data	15,000	15,000	507,000	51,000
		IT 2	On-Going	E-Borders implementation and ongoing maintenance	87,000	12,500	12,500	12,500
IT & Comms	New Force Computer Data Centre	IT 3.1	One-Off	Additional costs of relocating data centre			200,000	
IT & Comms	IT Security	IT 3.2	Ongoing	Additional on-going costs of relocated data centre				100,000
		IT 5	One Off	Implement Identity & Access Management to National Standards	250,000			
IT & Comms	Image Storage System	IT 6	One Off	Enable storage of large volumes of electronic data to allow capacity for required digital images		273,000		
IT & Comms	IT Protective Monitoring	IT 7	One Off	Introduce proactive monitoring to identify intrusions to the Force IT Systems.	250,000			
Operations	Proposed Counter Terrorism Exercise 2011	OPS 2	One Off	Counter Terrorism exercise during late 2011 to be shared with Thames Valley.	173,200	173,200		
				Grant from the Home Office for £300k maybe available. Will be a requirement for a full-time planning team for the event as well as “live” players. Estimate based on cost of planning team but there will be other expenditure which cannot be quantified at this time.				
Operations	2012 Olympic Games	OPS 3	One Off	Olympics 2012—Team GB will have their training camp at Aldershot with a potential 20+ further venues. Exact funding is unknown but likely to need a full time planning team. Thames Valley currently (June ‘09) have five full time staff.		382,000	382,000	
Operations	Covert Technical Equipment Upgrade	OPS 6	One Off	Updating the Covert technical surveillance kit within aircraft to the latest version.	50,000			

<i>OCU/Dept</i>	<i>Title</i>	<i>Ref</i>	<i>Time</i>	<i>Detail—Including any savings</i>	<i>2010–11</i>	<i>2011–12</i>	<i>2012–13</i>	<i>2013–14</i>
Operations	Chemical, Biological, Radiological and Nuclear (CBRN) Annual Running Costs	OPS 9	One Off	Whilst the CBRN kit is initially funded by the Home Office but any replacement of worn out kit must be funded by ourselves. £41.9k allowance for 10% turnover and £10k allowance for kit and equipment maintenance.	51,900	51,900	51,900	51,900
Operations	Aircraft Hangar	OPS 10a	One Off	Provision of hangar for aircraft. Build our own hangar. Home office funding of up to 40% may be available if we build a new hangar. Has been bid for since budget applications for 2007–08.	150,000			
		OPS 10b	One Off	Provision of hangar for aircraft. Move existing hangar. Has been bid for since budget applications for 2007–08.	50,000			
		OPS 10c	Ongoing	Provision of hangar for aircraft. Lease a bay with MCA hangar. £30–40k dependent on negotiations. Has been bid for since budget applications for 2007–08.	40,000	40,000	40,000	40,000
Service Delivery Dept	Local confidence surveys: increase for quarterly CDRP level data.	SDD 2.1 SDD 2.2	Ongoing Ongoing	Extend the existing survey contract. Additional administrative support officer—Scale 4	141,700 24,600	141,700 23,500	141,700 23,500	141,700 23,500
Total					5,027,450	3,085,700	3,650,200	2,066,200

Memorandum submitted by Hertfordshire Police Authority

The figures on current police officer numbers and staff compared to the last five years are as follows: The figures on current police officer numbers and staff compared to the last five years are as follows:

	2005–06	2006–07	2007–08	2008–09	2009–10
Police Officers	2,167	2,171	2,166	2,148	2,120
Police Staff	1,697	1,825	1,899	1,959	1,973
Total Staff	3,864	3,996	4,065	4,107	4,093

There was a significant increase in the overall staffing establishment in the first half of this period, followed by a plateauing of staff numbers and then a reduction in the last year. This reduction is set to accelerate in the next few years.

The Authority believes that the committee should focus on operational staff numbers not simply police officer numbers. In this period our PCSO numbers have increased four-fold to a current strength of around 260. PCSOs are an essential part of effective neighbourhood policing without them visibility of and confidence in the police would be significantly reduced. There is also a role for continuing to explore civilianisation. We do not believe that police officer numbers are the only measure of a force's capability. In Hertfordshire, many roles previously undertaken by officers are now filled by specialist civilian staff, that are not only cheaper to employ but also, in some cases, offer a level of skill above that of a generalist police officer.

Whilst our resources have increased over the last five years, we have made significant cashable efficiencies, approximately 10% of our budget, of which half has been reinvested in driving forward performance in key areas such as our Major Crime Task Force, Investigative capacity and Neighbourhood Policing teams. The other half of these savings were used to balance our budget, thereby minimising the impact on the council tax.

Hertfordshire has continually exceeded government efficiency targets over the last few years and have been awarded the highest rating for value for money by the Audit Commission over the last three years.

Besides the pressures likely to be faced by the policing service in general over the next few years, stemming from the impact of recession, a number of factors further adversely impact on Hertfordshire.

1. We currently have £3.7 million of our government grant withheld because of the “floors and ceilings” mechanism. (7th highest in the country)
2. We have the eighth lowest band D council tax level for non-metropolitan forces. 12% or £7.5 million below the average.
3. As a medium size force with limited economies of scale, we face higher back-office cost in comparison to the larger forces in our Most Similar Family, who have a budget some 47% greater than ours. The Constabulary estimate that forces of this size can allocate some £15 million or 5% more resources into frontline policing, by virtue of greater economies of scale.
4. We face high labour and supply costs as a force than borders London and operates in the most competitive labour market in the country. This translates into higher salary, allowance, recruitment and training costs.

Our projections for the period beyond the current Comprehensive Spending Review period are that overall funding may drop by 8% to 13% over the next four years. This will mean the loss of 350–650 posts, including a significant number of police officers. Based on these figures by 2011–12 Hertfordshire police officer strength will have fall below 2000, for the first time since the boundary change in April 2000.

The Authority and the Constabulary continue to strive for further efficiencies. Our 2010 programme will reduce our three basic command unit structure to a single territorial policing command. This will make savings of between £4 million–£5 million.

The Authority and Constabulary have driven collaboration more than any other force in the country, and by 2010–11 will have achieved annual cashable efficiencies of £2.0 million per annum for Hertfordshire (and a further £1 million per year for Bedfordshire). Bedfordshire Police is our preferred partner and we already operate joint units for major crime, scientific services, professional standards, dogs, firearms and civil contingency. Beyond Bedfordshire we collaborate on fleet, air support and are currently leading the effort within Eastern Region for better collaboration to address serious and organised crime.

In the next financial year, the Chief Constable will be bringing a business case for the merger of Hertfordshire Constabulary with Bedfordshire Police. The early work suggests that such a merger could produce annual savings of £15 million per annum, across the two forces. The Chief believes that merger will allow most of these savings to be made in corporate infrastructure and back office, allowing a rise in the percentage of resources spent on frontline, operational staffing. He argues that savings of this level would allow Hertfordshire to maintain operational policing resources in the face of the very challenging financial environment.

The Authority has not yet come to a view on the merits of merger and will await the business case and expect to undertake a full public consultation but we under no illusion that choices that face us are stark. Our options are to:

- undertake a significant change such as a voluntary merger;
- allow significant reductions in operational staff, including Police Officer numbers with the obvious impact on police performance; and
- significantly increase the police precept, taking into account withheld funding due to the operation of grant funding floors and ceilings mechanism.

The Authority would be happy to come and explain the pressures that we face. We feel that this could be instructive to the committee as we are an average size force delivering good performance. Please do let us know if you would like us to present further evidence in writing or in person.

November 2009

Memorandum submitted by Metropolitan Police Service

THE NUMBER OF POLICE OFFICERS AND STAFF CURRENTLY EMPLOYED BY THE FORCE

Details of the current workforce numbers are included in the table below (highlighted in grey).

	<i>Police Officers</i>	<i>Change</i>	<i>Police Staff</i>	<i>Change</i>	<i>PCSOs</i>	<i>Change</i>	<i>Traffic Wardens</i>	<i>Change</i>	<i>Total</i>
2004–05	31,175		13,451		2,144		426		47,196
2005–06	30,871	– 304	13,769	318	2,308	164	400	– 26	47,348
2006–07	31,074	203	13,980	211	3,683	1,375	311	– 89	49,048
2007–08	31,398	324	14,070	90	4,226	543	294	– 17	49,988
2008–09	32,543	1,145	14,217	147	4,567	341	273	– 21	51,600
2009–10	33,318	775	14,226	9	4,685	118	262	– 11	52,491
2010–11	33,129	– 189	15,196	970	4,716	31	219	– 43	53,260

Note:

2004–05 to 2008–09 represents actual strength

2009–10 represents forecast strength as at Period 6

2010–11 represents proposed budgeted strength per the draft Policing London Business Plan 2010–13

HOW THIS FIGURE HAS CHANGED OVER THE PAST FIVE YEARS (INCLUDING DETAILS OF BUSINESS AREAS WHERE REDUCTIONS OR INCREASE HAVE OCCURRED IF POSSIBLE)

The table above details the workforce numbers for 2004/05 to 2010/11 for Police Officers, Police Staff, PCSOs and Traffic Wardens.

The main increases in Police Officer posts over this period are due to additional funding received for Safer Neighbourhood Teams (SNT), Counter Terrorism (CT), Dedicated Security Posts (DSP), Olympics, Royal Parks and the Integrated Borough Operations. These increases are partially offset by reduced Police Officer numbers [resulting in increased staff numbers ie nurses] due to Operation Herald, a change to the way custody services are delivered.

ANY COMMENTS ON THE RELATIONSHIP BETWEEN THESE TRENDS, THE MOST RECENT CSR FUNDING SETTLEMENT, EFFICIENCY SAVINGS TARGETS, THE FORCE'S OVERALL FINANCIAL POSITION AND ANY OTHER FACTORS

- Targeting of savings from support services rather than frontline services.
- Achievement of the challenging targets included in the Mayor's Budget Guidance of a balanced budget within the prescribed and reducing financial envelope.
- Achievement of savings to balance the budget. These savings will form part of the MPS' three year efficiency plan for 2008–11.
- CT grant funding has increased over the CSR period although this is not expected to continue over the next CSR period.

AN INDICATION OF LIKELY CHANGES TO THE WORKFORCE DURING THE REMAINDER OF 2009–10 AND 2010–11

The table shows the projected budgeted workforce numbers for 2010–11 based on identified growth and savings. The change from 2009–10 to 2010–11 is primarily due to reductions due to the rollout of Operation Herald and reductions in the projected number of Olympics posts partially offset by other growth.

Given the apparent inevitability of public spending cuts, which will undoubtedly impact on the policing service, what plans the force is putting in place to deal with reduced funding.

- Introduction of the Service Improvement Plan (SIP) that aims to identify areas of capability/capacity and productivity/efficiency. The SIP has been classified in to four themes—shared services and joint planning eg criminal justice, lean management, supplies & services and compliance.
- Main budget principle to protect frontline services.
- Maximise income streams including charging for Policing outside football grounds and City Airport policing through supporting legislative changes.
- Focusing on service priorities and core business and being transparent on what are efficiency savings versus service reduction proposals as well as being clear with partners what will not be delivered if funding is withdrawn.

November 2009

Joint memorandum submitted by Cleveland Police & Cleveland Police Authority
1. THE NUMBER OF POLICE OFFICERS AND STAFF CURRENTLY EMPLOYED BY THE FORCE

As at the end of October 2009:

Police Officers:	1,736 FTE
PCSOs:	188 FTE
Police Staff:	716 FTE

2. HOW THIS FIGURE HAS CHANGED OVER THE LAST FIVE YEARS (INCLUDING DETAILS OF BUSINESS AREAS WHERE REDUCTIONS OR INCREASES HAVE OCCURRED IF POSSIBLE)

	<i>FTEs employed by Cleveland Police as at:</i>						<i>%age change across the period</i>
	<i>March 2005</i>	<i>March 2006</i>	<i>March 2007</i>	<i>March 2008</i>	<i>March 2009</i>	<i>October 2009</i>	
Police Officers	1,685	1,711	1,726	1,699	1,757	1,736	3.0%
PCSOs	92	101	116	175	198	188	104.3%
Police Staff	728	715	711	707	723	716	– 1.6%
Total	2,505	2,527	2,553	2,581	2,678	2,640	5.4%

Police Officers:

The Force has worked to a stable Establishment of Police Officer numbers over the above period with this growing from 1,704 to 1,727 FTEs in 2006–07. This increase in establishment provided the Force with increased capacity to address the Protective Services needs of the Force. While the above figures show a fair range of movement on Police Officer numbers this should be viewed in the light of varying recruitment dates and the fact that the Force is mindful that when it does recruit Probationers that they will be undertaking training for about 40 weeks. We therefore went beyond our Establishment last year with this in mind.

In 2007–08 Cleveland Police worked with a private sector partner to outsource our Custody and Medical Services. This allowed the Force to release 36 Police Officers back to front line duty.

PCSOs

The appointment of PCSOs is one of the cornerstones of neighbourhood policing in Cleveland. Since 2007–08 we have been provided with part funding from the Home Office for the employment of 166 PCSOs. Our current level of PCSOs is both supported and part funded by our partners which enables us to work to an Establishment of 197 PCSOs.

Police Staff

Cleveland Police work from a relatively low base of Police Staff in comparison to those within our MSG. This is in part due to the outsourcing of Custody as referenced above. This allowed for the transfer of 40 members of staff to our Partner. This partner has then increased the staff working within our Custody Service to 81 as it replaced the Police Officers that went back to front line duties.

The reason that there has been no significant fall in the number of Police Staff employed, given the outsourcing, is that as the Force has worked hard to provide greater financial control it has been able to recruit to those posts that were previously vacant which has led to an improved service.

3. ANY COMMENTS ON THE RELATIONSHIP BETWEEN THESE TARGETS, THE MOST RECENT CSR FUNDING SETTLEMENT, EFFICIENCY SAVINGS TARGETS, THE FORCES OVERALL FINANCIAL POSITION AND ANY OTHER FACTORS;

The Police Authority and Force believe that the current record number of police officers and PCSOs is a significant factor in reassuring the public and Cleveland being consistently in the top three forces for public confidence.

Consequently, it is a stated Authority and Force policy to maintain police officer and PCSO numbers at their current level. However, it is intended to continue the already significant workforce modernisation that has enabled a movement of officers out of back office functions to front line operations through a programme of civilianisation.

4. AN INDICATION OF LIKELY CHANGES TO THE WORKFORCE DURING THE REMAINDER OF 2009–10 AND IN 2010–11

We have a recruitment plan in place for Police Officers that aims to ensure that those officers that retire or leave between now and the end of the current financial year are replaced and that we stay as close to our full establishment as possible.

In 2010–11 we are not looking to make any changes to the number of Police Officers we employ but we are looking at further possibilities for civilianisation that will allow the release of Police Officers back to front line operations.

In terms of PCSOs we will recruit back to full Establishment by the end of the current financial year and we will be working with our partners to ensure that we can afford to maintain these levels throughout 2010–11.

We are currently reviewing proposals to outsource both our ICT and some of our Control Room functions. There are currently circa 170 Police Staff employed within these units. If proceeded with, we would expect to be able to release some Police Officers who currently work within our Control Room into front line positions.

5. GIVEN THE APPARENT INEVITABILITY OF PUBLIC SPENDING CUTS, WHICH WILL UNDOUBTEDLY IMPACT ON THE POLICE SERVICE, WHAT PLANS THE FORCE IS PUTTING IN PLACE TO DEAL WITH REDUCED FUNDING

As the above alludes to we are currently under going a procurement process that will potential lead to the appointment of a Strategic Partner who will work with the Force to deliver improved services within our ICT and Control Room functions, this will be at a reduce cost to the Force whilst also releasing Police Officers to the front line.

The expertise that we will then be able to access through the outsourcing of ICT is then expected to act as a change agent for the Force to enable significant improvements to back office functions that should significantly reduce bureaucracy and also enable the force to protect and improve current service levels but at a reduced cost.

The expectation is then that we will be able to maintain and improve the front line focus of the force to protect and improve on the levels of crime within Cleveland and also the level of public confidence that we currently have.

In addition, we are actively exploring collaboration opportunities with other forces in our region.

Memorandum submitted by Lincolnshire Police Authority

CURRENT STAFF NUMBERS

The numbers of police officers employed by the force are subject to fluctuations, primarily as a consequence of recruiting in large batches. The core establishment posts represent a more accurate picture of the underlying trends for police officer and staff numbers and are given in table 1 below. These figures include temporary posts and those funded by partner agencies but exclude staff on secondments to other authorities.

Table 1
ESTABLISHED POSTS AS
AT 30 SEPTEMBER 2009

	<i>FTEs</i>
Police Officers	1,195.00
Police Staff	994.47
PCSOs	149.00
Total	2,338.47

CHANGES TO STAFF NUMBERS, 2005–06 TO 2009–10

The numbers of approved established posts in previous years are given in table 2 below.

Table 2
ESTABLISHED POSTS, MARCH 2005 TO MARCH 2009

	<i>31 Mar 2005 FTEs</i>	<i>31 Mar 2006 FTEs</i>	<i>31 Mar 2007 FTEs</i>	<i>31 Mar 2008 FTEs</i>	<i>31 Mar 2009 FTEs</i>
Police Officers	1,231.0	1,231.0	1,28.0	1,178.0	1,196.0
Police Staff	731.5	758.7	783.8	890.6	932.8
PCSOs	81.0	102.0	149.0	149.0	149.0
Total	2,043.5	2,091.7	2,160.8	2,209.6	2,277.8

The most obvious change during this period was the civilianisation of 62 police officer posts during 2007–08. A number of roles such as custodian duties were transferred to police staff enabling the force to release officers for front line patrol. The force has been able to release money for reinvestment in high priority areas and as a result there are more officers patrolling the streets of Lincolnshire today than ever before.

RELATIONSHIPS AND TRENDS: FUNDING, EFFICIENCY, AND OVERALL FINANCIAL POSITION

2005–06

The Authority faced a difficult budget, with pressure from the increasing cost of Police Pensions taking up the majority of the increase in available funding. The Authority implemented a series of expenditure cuts across the Force in order to balance the budget. These included reductions in employee costs as well as overhead budgets. The Force had undertaken considerable work during the year to identify operational demands, with additional investment of £2.3 million being identified following a process of critical review and prioritisation. In the event the poor funding position meant that none of these cases were progressed.

The Force received the lowest amount of overall government grant per head of population. Council tax capping in the year prevented the Authority from raising additional funding, with a 6.5% increase in tax being finally set. In any event the Authority needed to utilise reserves of £2.6 million to balance the budget.

The efficiency plan for the year consisted of the cash releasing savings identified to balance the budget.

2006–07

The Force baseline assessment for 2005–06 stated that Lincolnshire “faces serious financial difficulties and in terms of financial viability is in one of the worst situations of any Authority/Force within the service”. The budget for 2006–07 was again prepared against a backdrop of a low funding settlement and council tax capping. In order to provide for a balanced budget a review of all expenditure was undertaken resulting in savings of £2.5 million being identified. These savings together with a use of reserves of £1.7 million enabled a balanced budget to be set with a council tax increase at the capping limit of 5%.

The County Council in conjunction with the District Council and in support of Neighbourhood Policing provided funding to enable the recruitment of 59 additional Police Community Support Officers, together with nine other Police Staff posts in support of the initiative. These posts are still funded in this manner, albeit that monies now only come from the County Council. Withdrawal of such support in the near future is a real and continuing risk to the Force.

The efficiency plan for the year again consisted of the cash releasing savings identified to balance the budget.

2007–08

The budget setting process for 2007–08 brought to a head the difficulties facing the Authority in setting a balanced budget for the year. This resulted in a special grant of £3.4 million being awarded to the Authority as one off support by the Home Office. A recovery plan was produced as a requirement of the grant; this report detailed the difficulties which consecutive years of budget cuts and use of reserves had generated. The report highlighted that a large increase in council tax would be required to enable the Authority to set a balanced budget that also addressed some of the gaps in service provision, which had been left unaddressed by previous budgets.

During the year the Force commenced a workforce modernisation project, which resulted in the civilianisation of 62 police officer posts. Additionally, in the light of the Bichard Report a project was established to implement improvements in the Management of Police Information resulting in the appointment of 23 police staff posts in this important area of service provision.

The efficiency plan for the year related to the cash savings generated from the workforce modernisation programme together with other efficiencies across the Force.

2008–09

The budget for 2008–09 was set against a detailed and far reaching case for additional funding which the Authority and Force had been working and consulting on throughout 2007–08. The case detailed the extent to which Lincolnshire was under funded and the impact this was having on the delivery of policing to Lincolnshire.

As a result at its meeting on 27 February 2008 the Police Authority approved an increase in council tax of 78.9% and an increase in budget requirement of £26.6 million or 29%. The Government announced its reserve capping powers on 27 March 2008, when it designated the Authority at the capping limit.

The Authority exercised its right to challenge this proposed maximum budget, making a detailed written submission in support of the case. The Authority was required to set a new council tax at an increase of 26% and a new budget requirement at a maximum of £100.6 million (an increase of 11.3%). The Authority was also required to request the District Councils to re-bill council taxpayers, with all of the associated costs being met by the Police Authority.

As a result of this increase in council tax the Force commenced work to ensure that wherever possible resources were released to meet the identified gaps in service provision. As a first step during the year the Force was able to release funds to appoint on a fixed term basis police staff roles in important areas of public protection.

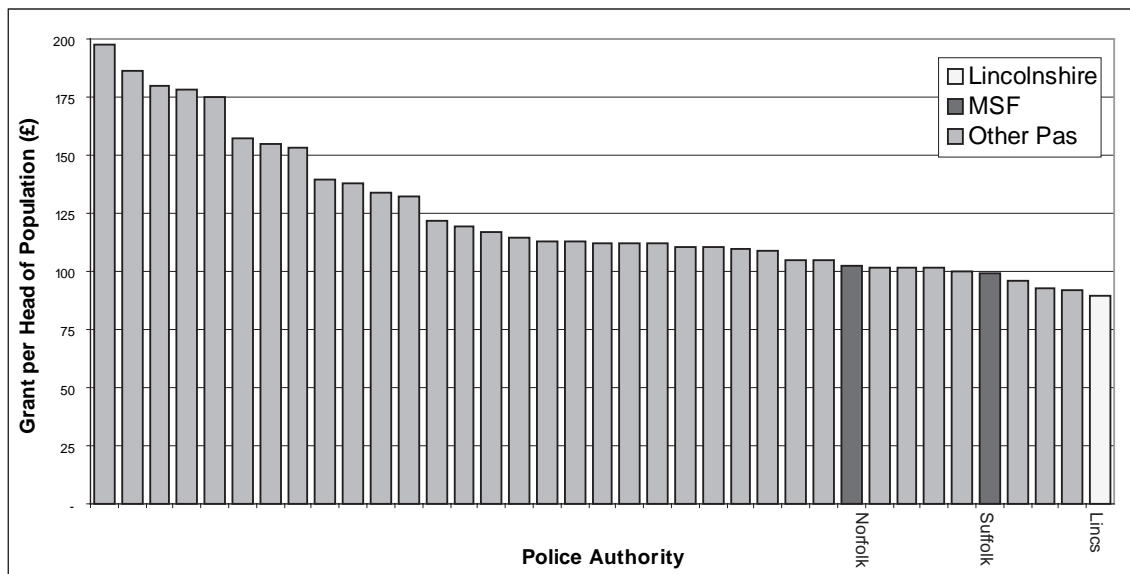
2009–10

The capping decision in the previous year had provided for some stability in the overall budget but still left two main issues:

- (1) the growing demand to meet gaps in service provision particularly in public protection; and
- (2) the low level of grant received when compared to other Forces.

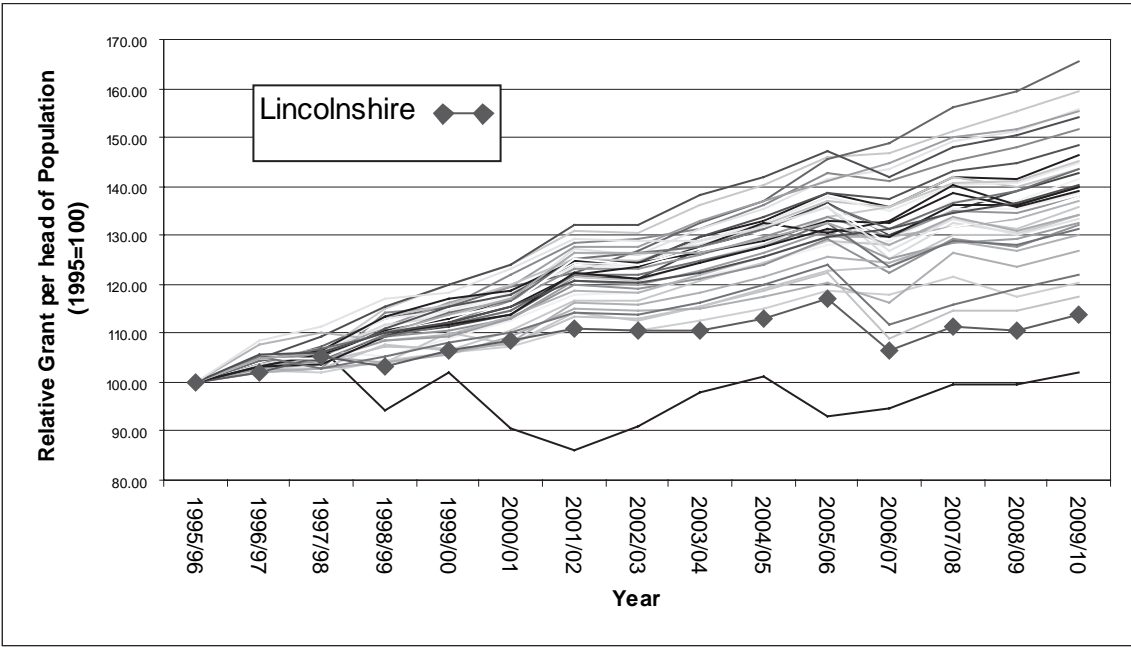
During the past 18 months the Authority has made significant changes within the Chief Officer team, appointing a new chief constable, deputy chief constable and two new assistant chief constables. The Authority and force have adopted a radical and energetic approach to rebalancing Lincolnshire Police to meet the changing and challenging needs of the year ahead.

The Force re-examined its budget to identify areas that could be reprioritised on a risk-based approach. This released £1.3 million of funding and enabled the Authority as part of setting a balanced budget to provide for the appointment of an additional nine police officers, 18 permanent police staff and 17 further fixed term appointments. All of these posts are in operational policing roles, or in direct support of them.



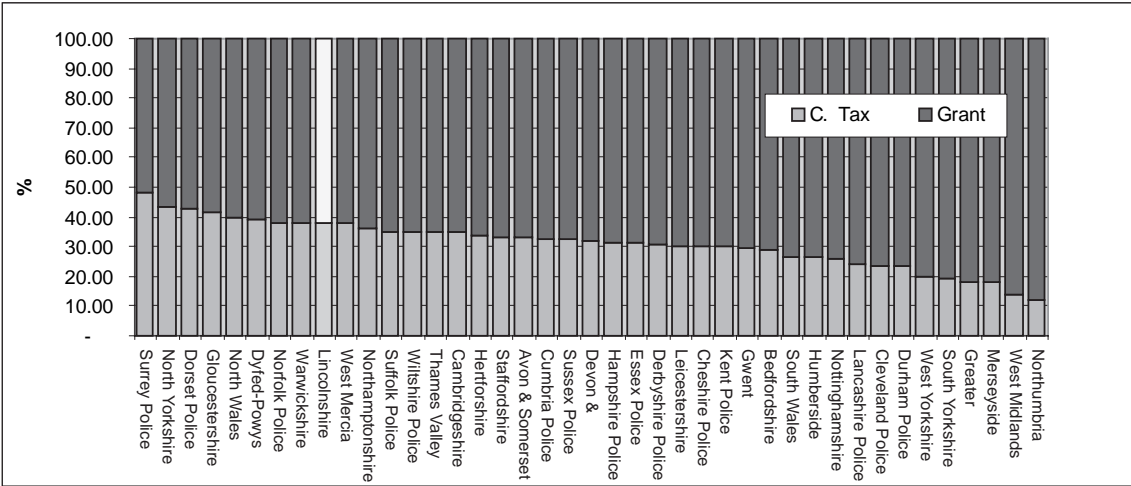
The following graph shows how the trend in relative grant per head of population has varied since the inception of Police Authorities. Each Authority is represented by a line on the chart with Lincolnshire being shown with blocks. It can be seen that since 1995–96, only one Force, Surrey, has had a lower increase in Grant per Head than Lincolnshire.

Figure 2
TREND IN RELATIVE GRANT PER HEAD OF POPULATION



It is important to note that whilst Lincolnshire spends the least per head of population of all Police Authorities this is not as a result of a proportionately lower Police Precept contribution. As Figure 3 demonstrates the proportion of overall spend funded by the Police Precept varies from 46.1% for Surrey to 12.2% for Northumbria with an average of 31% for 2008–09. In comparison Lincolnshire, at 38.1%, is 9th out of 41 Authorities ie it is above average in terms of the contribution that Council Tax Payers make to overall spending.

Figure 3
PROPORTION OF POLICE PRECEPT AND GRANT



Since 2001–02 the Authority has received specific support along with other Rural Forces through the Rural Funding Grant. This commenced at £1,979k in that year and in 2009–10 (although encompassed as part of additional grant rule 2) stood at £2,189k. This represents an increase over the eight year period of only 3.94%. If the grant had been increased at the same level as the Police General Grant this would have resulted in an additional £600k per annum in funding to the Authority.

November 2009

Memorandum submitted by Gwent Police Authority

I would respond to the bulleted points as follows:

POINTS 1 AND 2

The following table provides details of the number of police officers and police staff employed by the force as at 30 September 2009, together with comparative information for each of the last five years ending 31 March 2009.

INFORMATION AS AT 31 MARCH FOR EACH YEAR

	<i>Total Officers</i>		<i>Total Staff</i>	
	<i>FTE</i>	<i>Headcount</i>	<i>FTE</i>	<i>Headcount</i>
2005	1,438.14	1,453	786.03	836
2006	1,467.76	1,484	848.54	906
2007	1,493.02	1,512	933.83	1,000
2008	1,486.54	1,505	1,014.99	1,080
2009	1,436.87	1,457	1,012.77	1,080
30/09/2009	1,430.67	1,450	981.29	1,044

Police Officer numbers increased each year between 2004–05 and 2006–07 and remained steady in 2007–08 falling back to 2004–05 levels by 31 March 2009. Police staff numbers increased each year between 2004–05 and 2007–08 and remained steady in 2008–09 but fell back in the first six months of 2009–10.

The Force moved from a territorially based BCU structure to a functional single BCU structure on 30 March 2009, so any further detailed analysis of business areas where reductions or increases have occurred prior to that date would not be helpful or relevant.

POINTS 3, 4 AND 5

In May 2008 the force froze police officer and police staff recruitment to assist in closing a serious funding gap being projected for 2009–10, 2010–11 and 2011–12 as a result of the CSR funding settlement, efficiency savings targets and the force's overall financial position. The recruitment freeze formed part of the force's Staying Ahead Programme geared to addressing the projected funding gap and maintaining service levels by streamlining and restructuring force operations and back office services.

The new Chief Constable and his Chief Officer team reviewed the recruitment freeze 18 months in and as a result of feedback on its confidence measure decided to refocus its vision to deliver policing services and to close the protective services gap. The revised vision is geared to optimising resources and maintaining and increasing front line policing numbers and moving officers from the back office, placing more emphasis on front line policing services.

The force is seeking to reduce on-costs providing a balanced budget for 2010–11 whilst further reducing costs. During 2010–11 plans will be put in place to create an efficient, effective and sustainable future.

As a result of the re-focused vision and a re-assessment and appraisal of its financial projections, the force is seeking to increase its police officer establishment back to the levels seen in 2006–07 and to achieve a figure of 1,498 by 31 December 2010. This level may reduce slightly if there is a Workforce Modernisation of particular posts eg Training Sergeant replaced by a Police Staff member or Police Officer CSI replaced by Police Staff. The estimated WFM posts are expected to be in the region of up to 50 during this period and if achieved will produce a corresponding increase in the police staff establishment.

Gwent Police is one of very few forces in England and Wales which is currently recruiting police officers. The most recent intake of new probationer constables was on 28 September 2009 and further intakes are planned for 2010–11 as well as transferee recruitment for detectives and specialist posts.

The police staff numbers include Police Community Support Officers which currently stand at 156. These are provided mainly by Government funding and partly by external funding and both sources of funding will need to continue for these levels to be maintained. Police staff numbers will also be affected by the ongoing Staying Ahead service reviews, with further reductions expected up to 31 December 2010 and beyond.

Current staffing plans are related to known and projected levels of funding. However, if there are further unexpected cuts in government spending plans this will inevitably result in reductions in front line policing numbers and neighbourhood policing in particular.

I understand that the Chief Constable has responded to your request for information via the ACPO response.

November 2009

Joint memorandum submitted by Derbyshire Police Authority & Derbyshire Constabulary

Derbyshire Police faces particular problems due to the way funding is distributed. Currently we lose out on funding of some £5m per annum, due to the cost of providing floor protection within the funding formula. This means that we lose out on funding for some 160 police officers. In addition Derbyshire Police Authority has the lowest level of PCSO funding nationally (per head of population) and was adversely affected by the Government's decision to halt the final tranche of PCSO funding.

Over recent years, there has been little change in our Police Officer numbers. (2,100 fte in September 2009, compared to 2,071 fte in September 2004). Our Police Staff numbers have increased during this period (1,205 fte in September 2004 to 1,615 fte in September 2009). This increase in police staff has mainly been due to funding for PCSOs and the civilianisation of custody detention officers.

As one of the lowest spending forces nationally, we have had to find innovative ways to save money and redirect our resources towards new policing risks. Our Closing the Risk Gap Project is a good example. The Chief Constable has reorganised the Section Structure and changed the make up of Safer Neighbourhood Teams to release Police Officers for Public Protection (eg Domestic Violence, Child Protection & Dangerous Persons Management).

We have already made effective use of our resources and delivered substantial efficiency savings of over £40 million.

In 2009, the Secretary of State called in the budget set by our Authority, when the Authority decided it had no option but to increase its spending by some 4.99%. The Secretary of State decided not to cap Derbyshire and on appeal decided to relax the restrictions placed on our future spending plans. Nevertheless, Derbyshire still faces tighter spending restrictions than most other forces next year. We have already introduced a tight system of vacancy control and are holding a number of police staff posts vacant. Nevertheless we may well be forced to implement further job losses to balance our budget in 2010.

We know that the position will be even more challenging in 2011. At the same time the Authority and Chief Constable are committed to delivering a quality policing service. A Moving Forward Project has started to identify further savings and look at new ways of working that will release police officers to meet new policing risks. Our current funding position, as a result of Government decisions around floor protection, means that we will undoubtedly need to make further reductions in the number of police staff that we employ and may have little option but to reduce our police officer numbers.

November 2009

APPENDIX

POLICE OFFICER AND STAFF NUMBERS

The number of police officers and staff currently employed by the Force are shown in table 1. Table 2 shows the comparison to five years previously.

Table 1—As at 30 September 2009

POLICE OFFICERS

<i>Headcount</i>	<i>FTE</i>
2,136	2,100

POLICE STAFF

<i>Type of Staff</i>	<i>Headcount</i>	<i>FTE</i>
Designated Investigative Officer	86	81
Detention Officer	58	57.2
PCSO	195	193.8
Police Staff	1,461	1,283
Traffic Warden	0	0
Total	1,800	1,615

Figures taken from half year PP01 data return for Home Office—October 2009

Table 2—As at 30 September 2004

POLICE OFFICERS

<i>Headcount</i>	<i>FTE</i>
2,093	2,071

POLICE STAFF

<i>Type of Staff</i>	<i>Headcount</i>	<i>FTE</i>
Designated Investigative Officer	0	0
Detention Officer	0	0
PCSO	0	0
Police Staff	1,323	1,163.3
Traffic Warden	43	42.04
Total	1,366	1,205.3

Figures taken from quarter 2 PP01 data return for Home Office—October 2004

In general police growth has occurred in the areas of Crime Support and Regional Units ie East Midlands Special Operational Unit (EMSOU) and the East Midlands CTIU, Derbyshire acts as the lead force for the latter. This has been partly due to the risks identified in the HMIC “Closing the Gap” report and partly due to the increasing regional collaboration in the fight against terrorism.

Police Staff increases can be seen in the table above. Specific areas for the increase include the introduction to the force of PCSOs, Detention Officers and Designated Investigative Offices which did not exist five years ago. Further increases have occurred within the departments of crime support and regional units for the reasons identified above. In addition the area of Professional Standards has seen an increase in police staff due to the growth of CRB checks, Mope and Freedom of Information. In addition there is now a Confidence and Equality Unit which did not exist five years ago employing seven members of staff.

Police Staff reductions have occurred with the movement of Traffic Wardens to local authorities.

IMPLICATIONS OF FUNDING SETTLEMENT

Derbyshire Police continues to lose out on funding of some £5 million per annum during the current three-year CSR settlement. This is due to the operation of grant floors which protect a number of Authorities at the expense of Derbyshire Police. This loss of funding has been equivalent to some 160 Police Officers or over 200 PCSOs which would have been available to Derbyshire to address the significant Policing Risks that the Force and Authority have identified.

The implications for Derbyshire, along with other forces within the East Midlands Region, are shown in the attached paper, which was produced for the East Midlands Regional Select Committee on Public Sector Funding.

Despite this under-funding, Derbyshire Police implemented a major project in 2008 to “Close the Risk Gap” within protective services. This project provided an extra 100 police officers/staff to address key public protection risks around Domestic Violence, Dangerous Persons Management and Child Protection. The force achieved this through a combination of reorganising and refocusing the work of some 50 officers as a result of changes to section structures and increasing the use of PCSOs within Safer Neighbourhood Teams. At the same time the Police Authority, through sound financial management, provided funding for a further 50 Police Officers/Staff.

CURRENT POSITION 2009–10 & 2010–11

This year, the Secretary of State chose to call in the budget for Derbyshire Police. Although he did not decide to cap the Authority he has set tight spending limits for next year 2010–11, which were subsequently increased on appeal.

This has meant that the Authority has already had to plan to deliver savings for next year and projects a budget gap of some £3 million for 2009–10. As a result, the Authority has implemented a system of vacancy control, which means the force is currently holding some xx police staff posts vacant. We do not expect to be able to fill these posts in the short or medium term.

The Authority is currently reviewing savings proposals to meet its £3 million savings target, although it is already clear that these cannot be delivered without a further loss of Police Staff posts.

LONGER TERMS PLANS

Derbyshire Police realises that our Financial Position will become even more challenging in 2011. We have commenced a wider “Moving Forward” project aimed at delivering savings for next year and looking at more fundamental changes to service delivery.

At this stage the Derbyshire is identifying a programme of work to both look at how we can reshape the way we deliver our service and achieve the more substantial savings that we predict we need to make in the future.

Although the Authority will do all it can to protect “front-line” services, there is absolutely no guarantee that it will be able to maintain the current police officer establishment. Indeed if our funding shortfall is more than predicted then Derbyshire Police will be forced to cut police officer recruitment to close any immediate budget gap.

This will be a tough challenge for our Authority, one of the lowest spending Police Authorities nationally and one that continues to lose out on funding through the funding formula.

Memorandum submitted by the East Midlands Police Authorities

The East Midlands has been identified as an area, which faces high risk in terms of counter terrorism, major crime, serious and organised crime, critical incidents (eg firearms), civil contingencies, strategic roads policing and public order. Unfortunately, funding for the East Midlands Region does not reflect this level of risk.

The five police authorities in the East Midlands Leicestershire, Lincolnshire, Derbyshire, Nottinghamshire and Northamptonshire have established the East Midlands Police Authorities Joint Committee, which provides a focus for joint working to enhance effective policing across the region.

Successful collaboration to date includes:

- Establishing the East Midlands Special Operations Unit which is now the main resource for dealing with serious and organised crime across the region. This Unit is also seen as a national model for such work.
- Setting up the East Midlands Counter Terrorism Intelligence Unit.
- Regional collaboration on procurement.
- Introducing regional crime training.
- Mobile data, where we are making over 4,500 mobile data devices available to police officers and front line staff.

All of the five East Midlands Police Forces are disadvantaged by the operation of current funding arrangements. They are concerned that the financial situation will impact on further collaborative work and the delivery of effective policing across the region.

SUMMARY

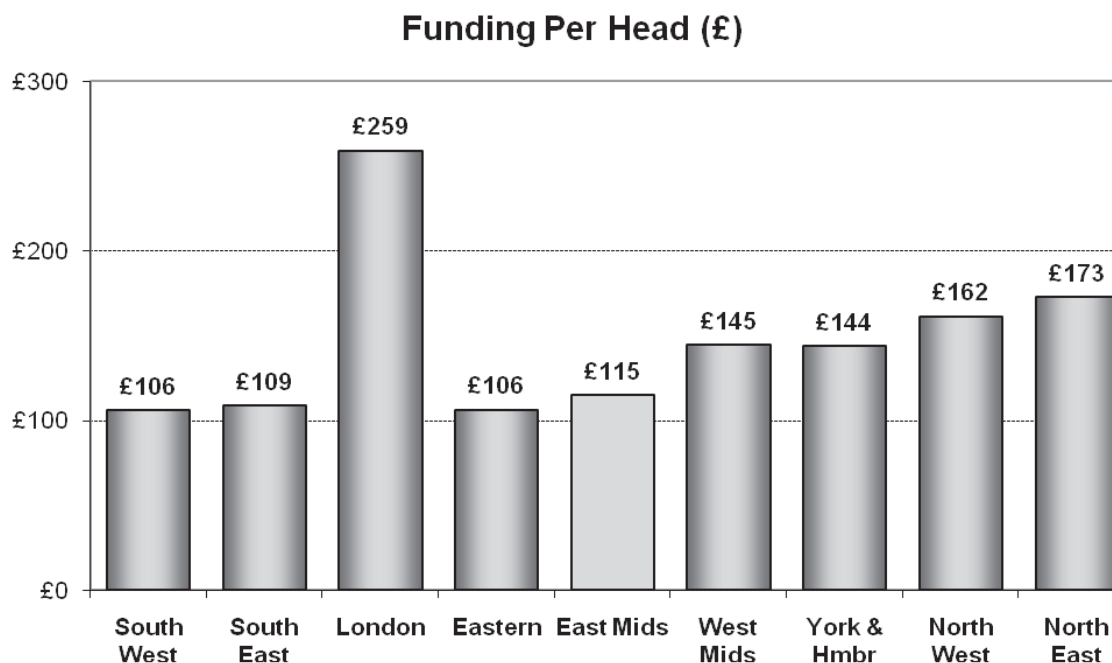
- The East Midlands is not a well funded region. Our region receives the 4th lowest level of Government funding for policing out of the nine English regions.
- A full implementation of the Police Grant funding formula would deliver £19 million for policing in the East Midlands.
- The tax-base for East Midlands' forces is much lower than for other shire forces as shown by the tax-base per head of population.
- The East Midlands receives less support than other regions from specific Home Office grants such as the Neighbourhood Policing Grant and the Crime Fighting Fund.
- The East Midlands is the fastest growing region in the UK. Funding formula changes are slow to reflect population growth meaning funding hasn't kept pace with demand caused by a rising population.
- The East Midlands has the third highest level of crime per 1,000 population of the nine government regions but has the fourth lowest spending per head across the 9 government regions.
- East Midlands Authorities ask that the Funding Formula is now implemented in full.
- Rather than a full and time consuming reform of the funding formula, swift action is needed to ensure that funding keeps pace with population changes and future investment needs.
- The East Midlands Special Operations Unit is an example of effective regional collaboration and identified nationally as a template for other regions. The success of the unit has been underpinned by Home Office funding committed until 2010–11. The withdrawal of funding risks the future of collaborative working in this area.

1. THE CURRENT FUNDING SITUATION

1.1 *The East Midlands is not a well funded region*

The East Midlands receives the 4th lowest level of general Government funding for the Police and the 4th lowest level of grant funding per head across the 9 UK Government regions.

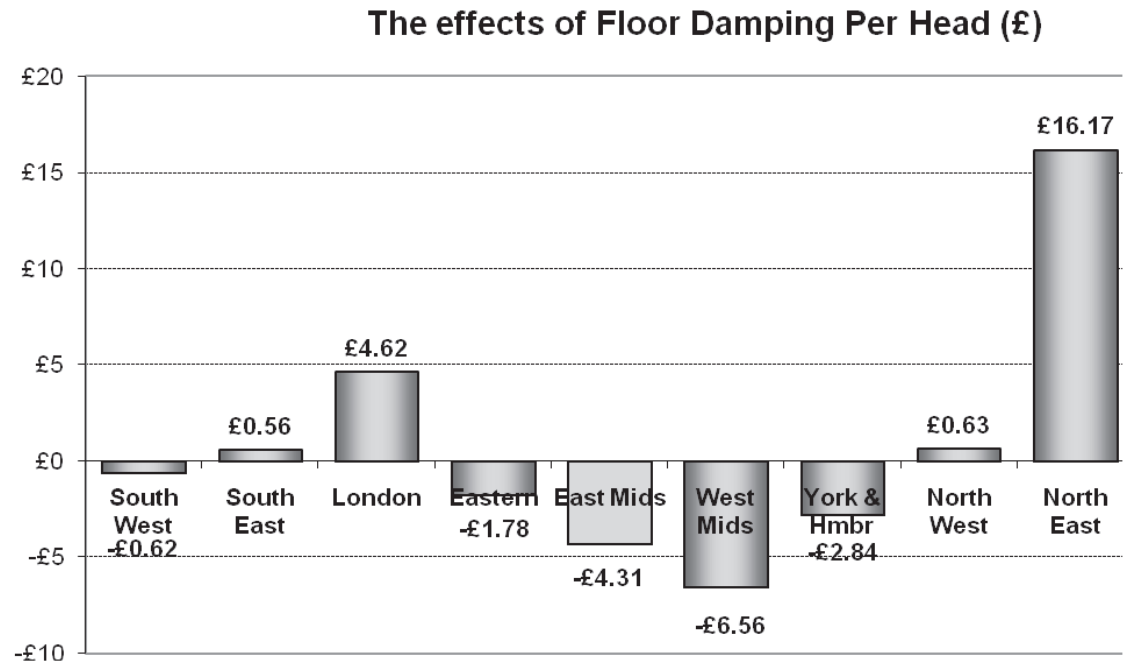
- Lincolnshire Police Authority receives the lowest level of grant per head of any force nationally.



1.2 *The East Midlands is subsidising other regions*

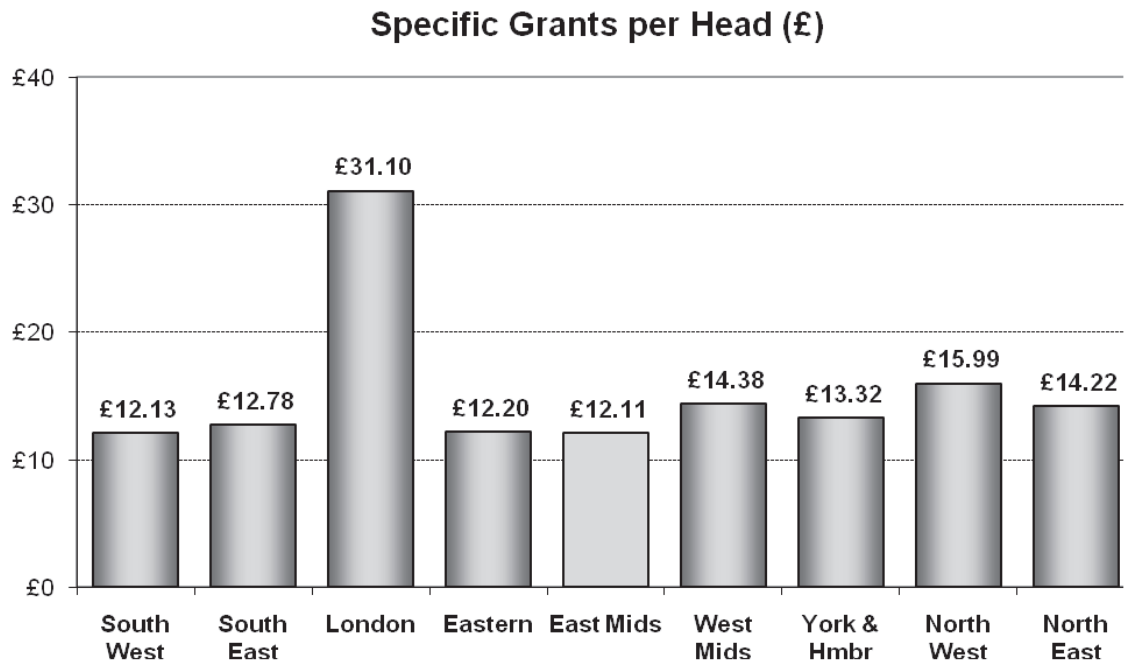
The Government decision to phase in the new funding formula means that each year forces in the East Midlands Region subsidise taxpayers in other regions. On average, each East Midlands resident loses out on £4.31 of police funding. This totals some £19 million annually across our region. This is the second biggest regional loss of grant nationally.

— Nottinghamshire & Derbyshire suffer the 4th and 5th biggest loss of grant nationally.



1.3 *The East Midlands receives the lowest level of specific grants*

The Government provides these specific grants in addition to the general grant to promote new government initiatives eg Neighbourhood Policing. The general grant formula is not used to distribute this grant. Instead different criteria or indeed a bidding process will be used to distribute these grants.



Grants for specific policing activity include:

The Crime Fighting Fund: which was introduced in 2000 to fund additional police officers. The East Midlands receives the 4th lowest funding per head of population. This translates into fewer additional police officers.

— Lincolnshire has the lowest level of funding nationally per head of population from this fund.

Crime Fighting Fund Grant per Head (£)



The Neighbourhood Policing Fund: was introduced in 2004 to fund additional Police Community Support officers to enhance community policing and focus on anti-social behaviour. These officers play an important role in helping forces build confidence in local communities. The East Midlands has the 2nd lowest level of funding per head of population from the Neighbourhood Policing Fund. This translates into fewer additional police community support officers to tackle anti-social behaviour.

— Derbyshire has the lowest level of funding per head of population nationally from this fund.

Neighbourhood Policing Fund Grant per Head (£)



Capital Grants: fund major building projects and maintain authorities' property estates. These grants also help forces to invest in new buildings and technology to generate savings for the future. These grants have failed to keep pace with inflation. The East Midlands receives the 3rd lowest level of capital grant per head of population nationally. This impacts on the ability of the East Midlands to invest in essential infrastructure and to generate efficiency savings.

Capital Grant per Head (£m)

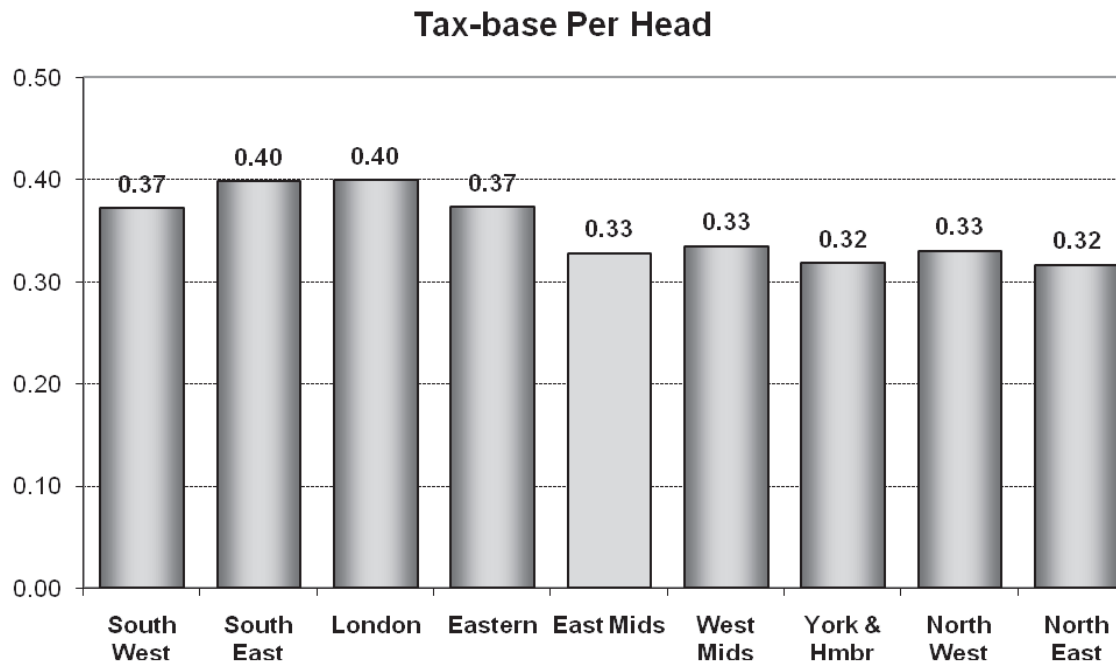


1.4 *The Council Tax Yield for the East Midlands is low*

The tax-base for East Midlands' forces is much lower than for shire forces in other Government regions. The East Midlands has a greater proportion of properties in the lower council tax bands (A, B & C) than most other regions. This can be measured by the tax-base per head of population.

Effectively this means that East Midlands' forces are in a worse position than most other regions to generate council tax income at a time when government grants are more and more restricted. Put simply an extra pound on the council tax bill for each household in the East Midlands will raise much less than a pound on the council tax bill for each household in the South East or South West or indeed the West Midlands.

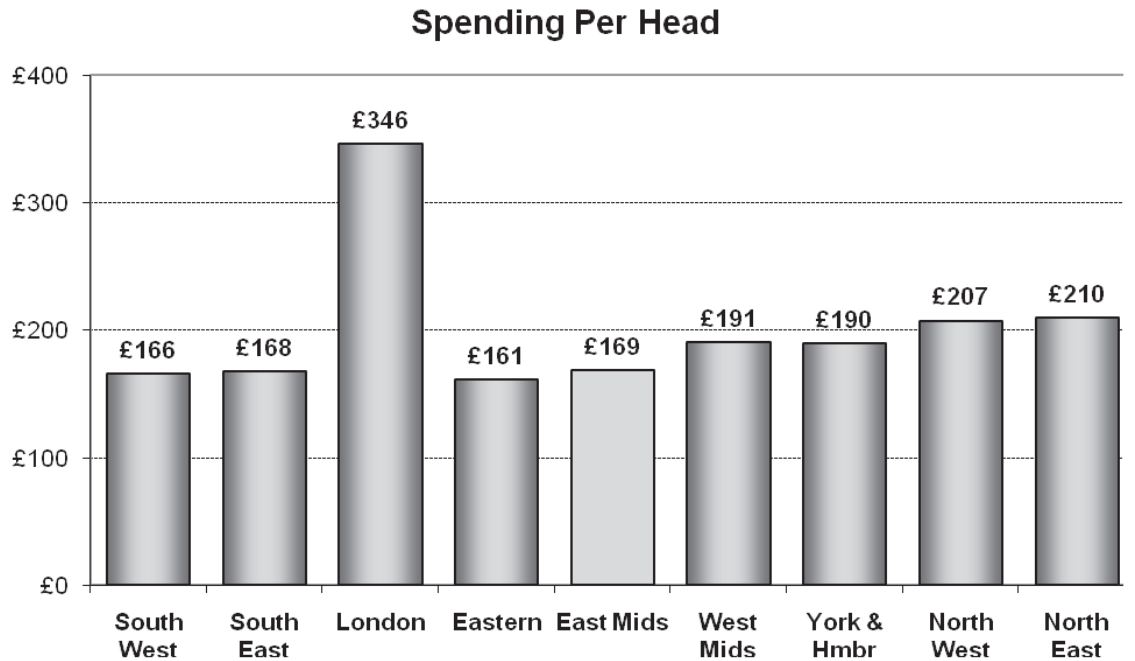
- Nottinghamshire has one of the lowest council tax yields of any shire force nationally.
- Leicestershire, Derbyshire & Lincolnshire are also in the bottom quartile for council tax yields in shire forces.



1.5 The East Midlands has less to spend on Policing than most other Government Regions

Relatively low government grants coupled with lower than average council tax income means that overall funding for policing across the East Midlands is low. The East Midlands has the fourth lowest available spending per head across the nine government regions.

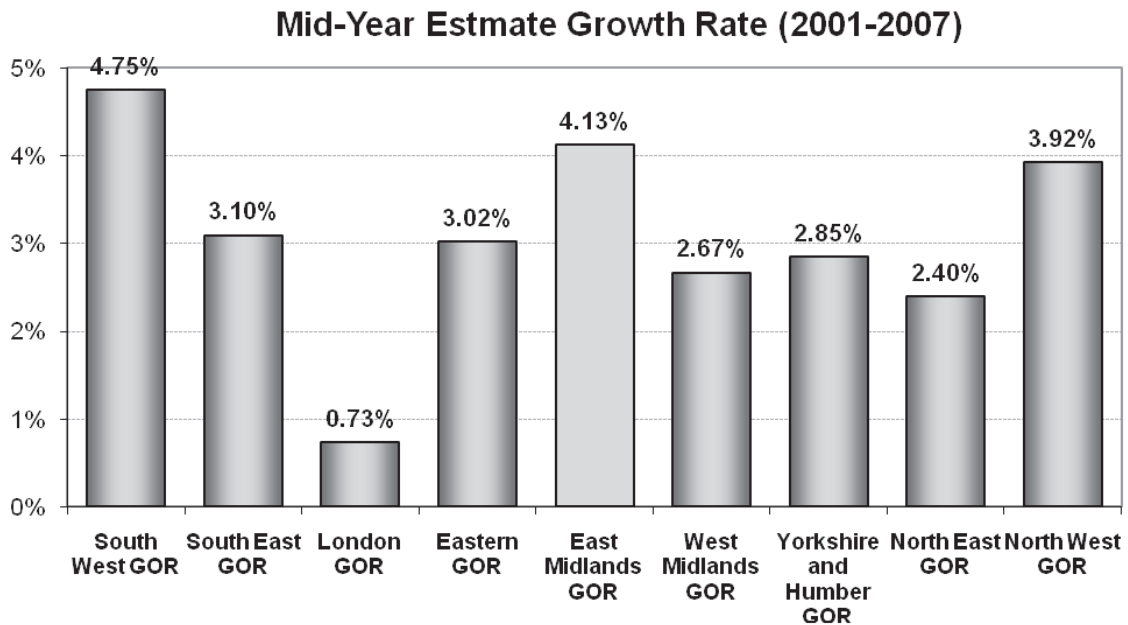
- Lincolnshire has the lowest spending per head of any force nationally.
- In the last five years Northamptonshire, Leicestershire, Lincolnshire and Derbyshire have all been subject to Government imposed capping limits.



1.6 *Population Growth presents another funding challenge*

The East Midlands is the fastest growing region nationally. The regional population is estimated to grow by 11% by 2016. This growth in population is 33% faster than the national average. The East Midlands has already had the second fastest population growth between 2001–07. This places even greater pressure on policing services in the region, particularly as this population growth is slow to feed into increases in grant funding.

- A study by the University of Sheffield in 2008 showed Northamptonshire and Lincolnshire had the second and third highest population change between 1981 and 2006 of anywhere in the country.



1.7 *Regional Funding Gap*

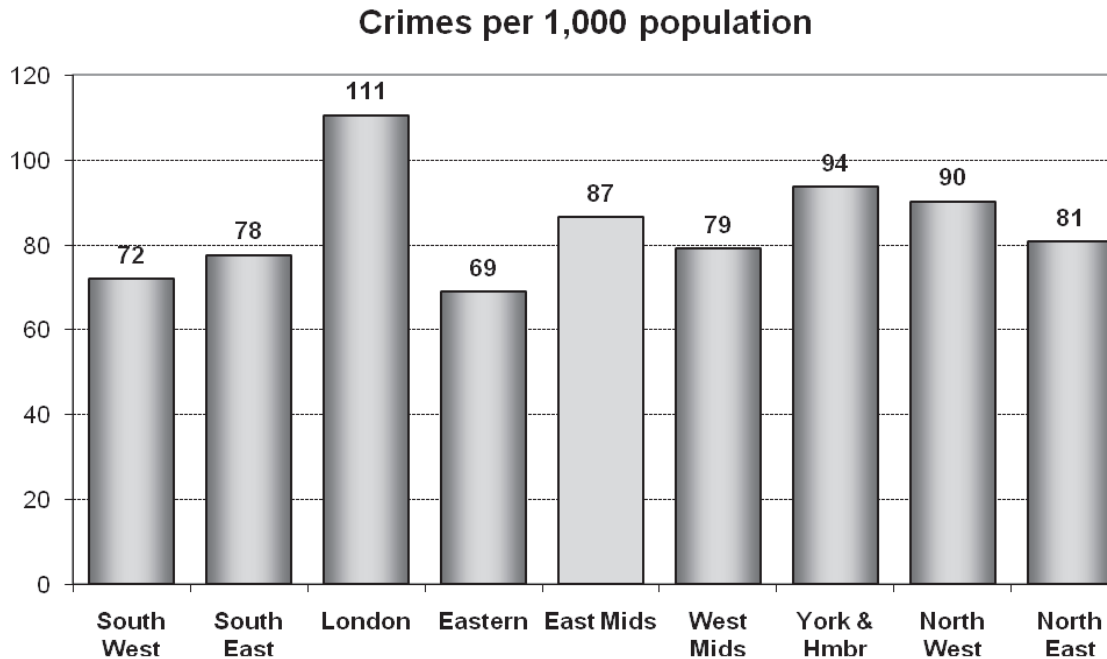
Police Authorities across the region estimate that they will face a funding gap of some £17 million in total next year, just to maintain the level of service they provide currently. Many forces plan to use reserves to help close a significant share of this funding gap. This is at best a short term strategy as these reserves will soon run out.

2. THE POLICING RISK IN THE REGION

2.1 *The region faces a higher level of policing risk*

Most forces across the East Midlands face average or indeed above average policing risk. While crime levels in the East Midlands have fallen substantially over recent years, the region still faces substantial policing risks compared to most other regions.

The simplest measure of policing risk is the level of crime per 1,000 population. The East Midlands has the fourth highest level of crime per 1,000 population of the nine government regions.



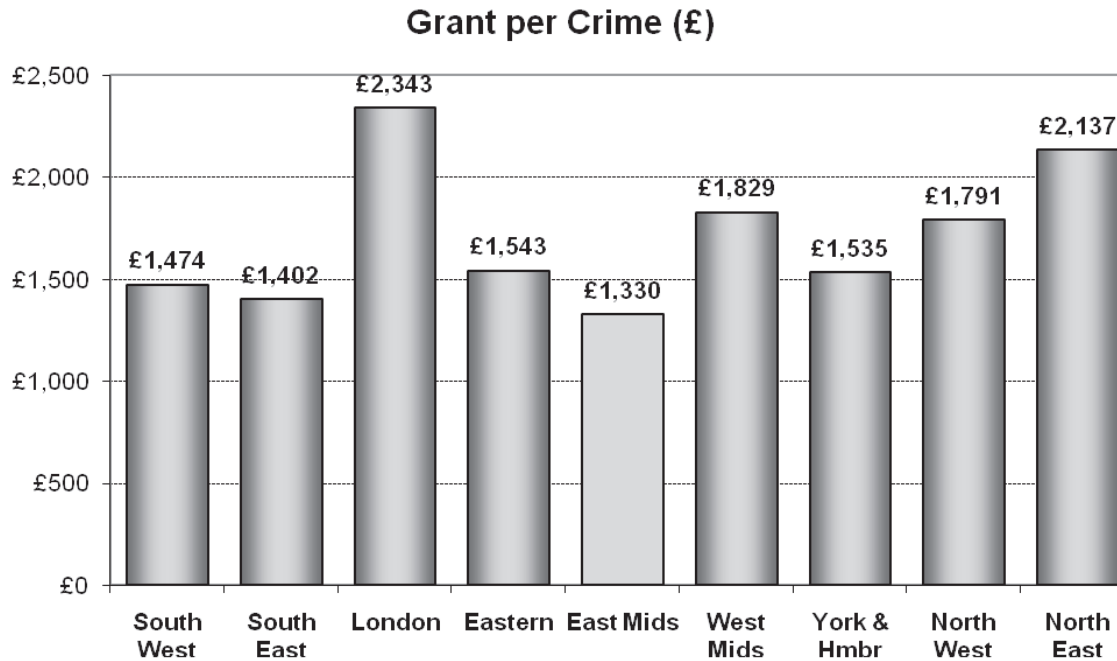
- The HMIC study on Force’s capability to deal with Serious and Organised crime “Closing the Risk Gap” identified the East Midlands as the most at risk region in the Country.
- HMIC Force Threat Ranking for Serious and Organised crime, across 43 English and Welsh forces, ranked two East Midlands forces in the top 50% of forces nationally—Nottinghamshire (16th) and Derbyshire (19th).
- The same threat ranking showed the other three East Midlands forces still faced significant policing risk—Leicestershire (24th), Northamptonshire (26th) and Lincolnshire (32nd).

More specifically:

- Counter Terrorism continues to place heavy demands on the East Midlands. A number of national counter terrorism incidents have originated in the East Midlands. This means that our region is heavily involved in key counter terrorism operations aimed at reducing the national counter terrorism threat.
- Despite significant reductions, Nottinghamshire faces one of the highest levels of crime per 1,000 population.

2.2 Funding does not match Policing Risk

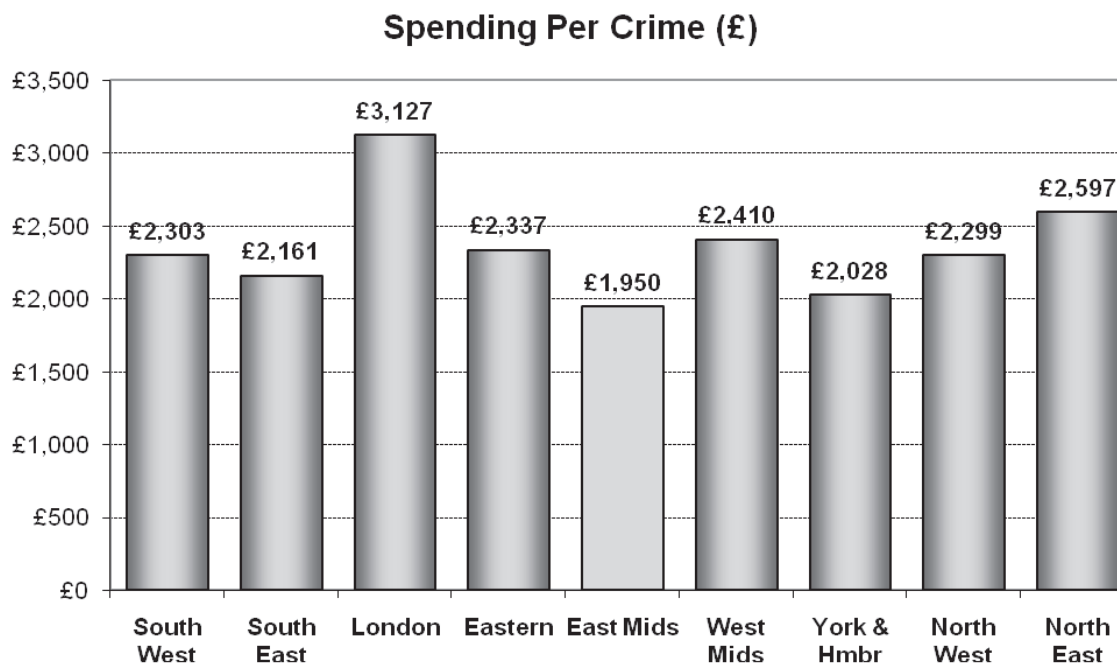
The above average policing risk faced by the East Midlands region is not matched by above average funding. The East Midlands Region has the lowest level of grant nationally relative to the level of crime in the East Midlands Region. Current it receives some £1,330 to deal with every crime committed in the East Midlands Region, compared to the North East Region which receives some £800 more in grant to deal with every crime in their region.



2.3 The East Midlands has the lowest per-capita spending per crime

Based on current 2009–10 budgets and the latest 2008–09 annual crime figures, East Midlands forces spend £1,950 for every crime in their region. This is the lowest level of spending nationally.

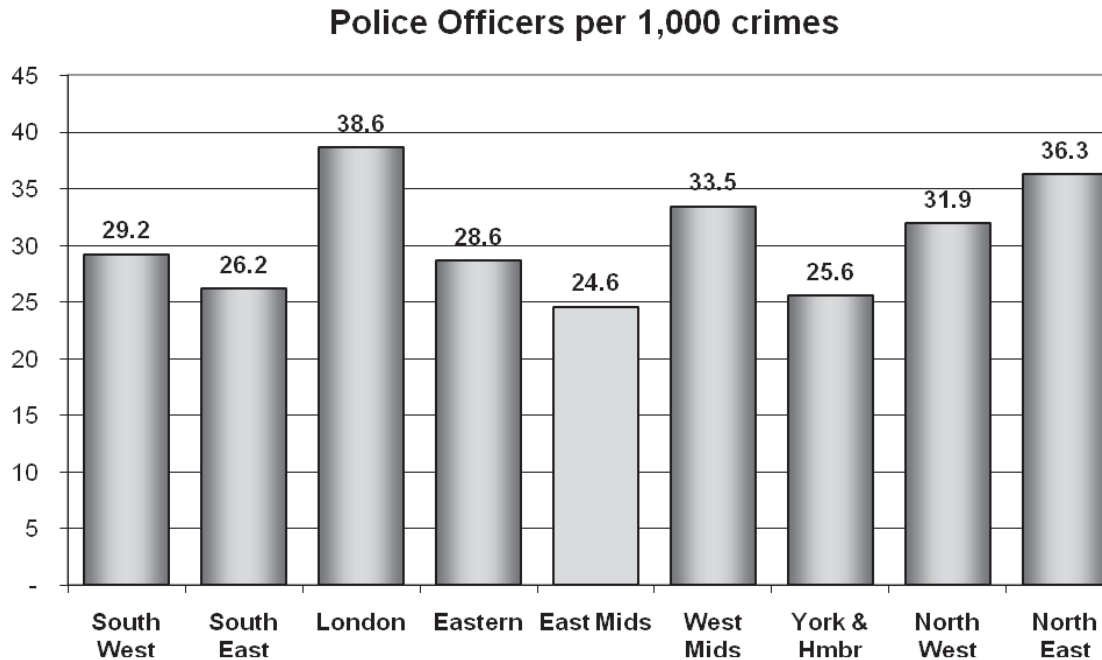
For comparison the Met has £3,127 to spend for every crime while forces in the North East Region have £2,597 to spend for every crime in their region. Put another way North Eastern forces have nearly £650 extra to spend on dealing with every crime committed in their region.



2.4 Funding shortfalls mean fewer police officers in the Region

The low level of funding relative to crime levels means that the East Midlands has relatively fewer police officer to tackle each crime committed in the East Midlands.

Forces across the region have 24.6 officers to deal with every 1,000 crimes committed in our region. This is the lowest number of officers relative to crime numbers across the nine regions. In the North East region forces have some 36.3 officers to deal with every 1,000 crimes committed in their region.



3. STRIKING A FAIRER BALANCE

3.1 *The existing formula would deliver equitable funding if fully implemented*

We believe that the existing Police Grant funding formula recognises the risks faced by the East Midlands region and the relative needs of its five Police Forces. The formula has however not been fully implemented. The use of damping arrangements over the past six years has protected funding for other regions, but means that the East Midlands doesn't receive funding to match its policing need. If the formula were implemented entirely, it would deliver an extra £19 million of Government funding to police the East Midlands, which is very close to the extra £22 million which the five East Midlands Police Authorities estimate they need to spend on to address the immediate policing risks that they face.

East Midlands' Police Authorities have worked together with their MPs to lobby for a fairer grant settlement and the full implementation of the funding formula.

3.2 *The Police Grant Funding Formula should be implemented in full*

Police forces in the East Midlands are disappointed that the opportunity wasn't taken to phase in the new grant arrangements over the current three year funding settlement, which would enable forces who stood to lose grant, time to plan for this.

It is frustrating that the Government has chosen to adopt this approach for most other classes of authorities (education, fire and district authorities) but has not done this for the Police.

3.3 *Police authorities are concerned that tighter funding settlements will make reform more difficult in the future*

With far tighter funding settlements in the future, the East Midlands region is concerned that there will be even less opportunity to redress the imbalance in funding between the East Midlands and other regions. This doesn't just create a greater risk across the East Midlands but also nationally. Effectively it means that resources on a national level are not being targeted at those areas of greatest policing risk, which undoubtedly will impact on national crime levels.

4. FUTURE FORMULA CHANGES

4.1 *The Current Funding Formula provides a reasonable assessment of policing need*

The Department for Communities & Local Government and the Home Office have recently embarked on yet another review of the funding formula. Police authorities realise that no funding formula can provide the “perfect” distribution of resources. The current formula has been developed and refined over many years to offer a relatively objective grant distribution system and provides a good assessment of the needs faced by all Police Authorities.

Changes to the fundamentals to the system will simply risk making funding disparities much worse. Specific reforms to the current system would be much more effective in ensuring funding equality.

4.2 *Population Growth presents a challenge within the formula*

The main flaw with the current funding formula is the way it deals with population and the time lags inherent in the formula, which fail to recognise the pace of population growth. The emphasis on historic capital spending to distribute capital resources rather than future investment need is also questionable.

4.3 *Any changes to the formula would be ineffective unless fully implemented*

Another revision of the funding formula is worthless if there is no commitment to ensure its implementation. While damping arrangements remain in their current form, the funding formula has little impact on the grant received by individual authorities.

4.4 *Specific Policing Grants need to keep pace with inflation*

Specific grants (eg Neighbourhood Policing Fund, Crime Fighting Fund) have failed to keep pace with inflation. This means that the value of these grants continues to be eroded over time.

Similarly the Capital Grant that authorities receive has also failed to keep pace with inflation. This puts in jeopardy the important new projects that the Government is seeking to encourage and equally makes it harder for East Midlands Authorities to invest in projects that will generate longer term savings, for example IT investment to link up systems and deliver effective shared services across a number of authorities.

5. INVESTING TO SAVE

5.1 *Collaboration has provided more cost effective Policing in the East Midlands*

Current funding levels have already placed East Midlands forces under great pressure to deliver efficiency savings and look at new and innovative ways to be more efficient.

Police Authorities within the East Midlands are at the heart of collaboration with a Joint Committee and Regional Collaboration Team established to look at ways that East Midlands forces can work together to improve the service they provide and save money at the same time.

The East Midlands Special Operations Unit (EMSOU) is perhaps the best example of this. EMSOU brings together specialist officers and police staff from across the region to tackle serious and organised crime affecting the whole region. The unit has already been identified nationally (by the Policing Minister Office, Cabinet Office, HM Inspectorate of Constabulary) as an example of good practice. It is identified in the Green Paper as a model for other regions to follow.

5.2 *Maintaining Home office funding is important for the future of collaboration*

Authorities and forces in the East Midlands have lobbied hard maintain Home Office support for the unit up until 2010–11. Clearly it is of real concern to forces in the region that this successful unit may be placed in jeopardy with the withdrawal of government funding at a time when all five contributing forces are faced with considerable budget pressures.

5.3 *Collaboration often requires significant initial investment*

Further collaboration will require some initial investment. The current level of capital funding means that the East Midlands forces are not as well placed as many regions nationally to invest in these collaborative opportunities and generate savings for the future.

Where the region is able to invest we do this to good effect. The five East Midlands police forces submitted a joint bid for government funding for mobile data. The region received 17% of the government funding available and will deliver 46% of the national target number of mobile data devices.

6. CONCLUSION

6.1 *Under-funding is harming policing in the East Midlands*

The East Midlands is not a well funded region and funding doesn't match the policing risk. The East Midlands region has the fourth lowest level of funding to deal with the 3rd highest level of crime per thousand population nationally. This funding impacts directly on the officer resources and indeed other resources that forces across the East Midlands have to deal with crimes in their area.

6.2 *The most effective way to deal with the funding inequality faced by the region is through the full implementation of the Police Grant funding formula*

It has taken too long to implement the Funding Formula in full, despite the finding of the Flanagan Review. East Midlands Authorities have few major concerns with the formula, apart from the way it deals with population growth. They re-iterate their position that the funding formula is implemented in full.

November 2009

Memorandum submitted by Northamptonshire Police and Northamptonshire Police Authority

Please find below the joint response of Northamptonshire Police and Northamptonshire Police Authority to your request:

1. *The number of Police Officers*

As of 31 October 2009 we had 1,335 FTE Police Officers, 1,184 FTE Police Staff (excluding PCSOs) and 171 FTE Police Community Support Officers.

2. *How this figure has changed over the past five years (including details of business areas where reductions or increases have occurred)*

As of 31 October 2004 we had 1,280 Full Time Equivalent Police Officers, 960 FTE Police Staff (excluding PCSOs) and 23 Police Community Support Officers.

There has therefore been a 4.3% rise in officer numbers, a 23.3% rise in police staff and a 643% rise in PCSOs. The key growth areas during this time have been around our Protective Services, Neighbourhood Policing and Professional Development Units, which support the local delivery of training to Student Officers (previously delivered by Centrex).

3. *Any comments on the relationship between these trends, the most recent CSR funding settlement, efficiency savings targets, the Force's overall financial position and any other factors*

The recent funding settlements, combined with scaling factors that have removed £1.8 million grant from our settlement, mean that we have been unable to grow officer numbers as much as growth in Northamptonshire demands. Consequently our officer to population ratios are significantly less than most forces.

However, we have undertaken workforce modernisation, which has been efficient and effective. This is seen in the increase in staff numbers.

PCSOs have increased as a direct result of NPF grant and partnership funding. Without this funding it would not be possible to employ these numbers within core budgets.

In our overall financial position, council tax capping has proved a significant problem—public surveys regularly show that Northamptonshire residents are prepared to pay 10% to 30% more in council tax to achieve more officers, but we are unable to respond to this demand under the capping regime.

The efficiency targets do not influence policing numbers per se; rather efficiency is part of our core business and becomes the means by which we can create any growth, whether in ICT systems, people or infrastructure.

Efficiency targets set by government become a factor when settlement grant is reduced because of government assumptions.

4. *An indication of likely changes to the workforce during the remainder of 2009–10 and 2010–11*

The Force/Authority were intending to increase police officer numbers in both 2010–11 and 2011–12 in response to the housing and population growth agenda in Northamptonshire. However, in the light of the current financial climate, this is now unlikely to be delivered.

We will endeavour to deliver some increase in police officers through efficiencies and use of technology; however, significant reductions in police staff numbers are anticipated.

There is a high risk of reduction in our PCSO numbers in future years if partners withdraw direct funding of these posts.

5. *Given the apparent inevitability of public spending cuts, which will undoubtedly impact on the police service, what plans is the Force putting in place to deal with reduced funding*

We are modelling a number of financial scenarios based on varying assumptions regarding grant, council tax capping, pay awards and interest rates. We would welcome announcements on likely grant settlements as soon as feasible and either a lifting of capping, or firm announcements on the level to give more certainty to our forecasts. The annual capping guessing game which currently takes place amongst Police Authorities is not helpful.

We are undertaking significant re-evaluation of our business processes to drive out further efficiencies and we are collaborating regionally or locally where possible. We are prepared to invest to save in our processes and are reviewing our capital programme with the aim of reduction.

Since around 80% of the budget is employee costs, we anticipate significant reductions in staff numbers depending on the level of public spending cuts imposed. Finally, we are planning a targeted draw-down from reserves to assist shrinkage over the medium term.

November 2009

Joint memorandum submitted by Warwickshire Police Authority and Warwickshire Police

I have attached a joint response from Warwickshire Police Authority and Warwickshire Police prepared following liaison with the Chief Constable on the information you requested, and comprised of an overview and answers to your specific questions.

The request is timely and important to the future of policing at the level and high standard it currently enjoys, in order to provide an effective, efficient and responsive service to local communities.

From our response, I hope you will be able to appreciate the considerable work that has already been undertaken over recent years in Warwickshire in the areas you are interested in exploring. As a governing and scrutiny body on behalf of the public, we take our role seriously and have developed a very effective model of embedded governance which eradicates duplication of effort and time, but enables Members to engage strategically and appropriately in a range of structures and processes with the Force in relation to financial planning, workforce planning and sustainability.

OVERVIEW

The Force will focus on delivering the maximum protection from harm from the resources available and seek every opportunity to improve the level of protection even in times when resources are reducing. We will aim to do this through different and more efficient ways of working and doing business.

The force completed a comprehensive strategic review in 2007 under the banner, *150Forward*. This established the current force approach in terms of focussing all resources across the force on the fundamental objective of protecting people from harm. The *150Forward* review programme also substantially restructured the force removing Basic Command Units and developing a directorate based command structure for the force, delivering considerable improvements to overall force performance and required financial efficiencies. Integral to the development of the force was a workforce development approach recognising that posts can be filled in many cases by not just officers but support staff at a lesser cost.

On the back of *150Forward* the force has developed a Medium Term Financial Plan which, based on assumed levels of future funding in respect of CSR, Council tax and Grant developed before the full extent of the economic climate became known, identified an overall funding gap of some £6.4 million per year. In response to this a sustainability strategy has been developed aimed at delivering £4.5 million of the cashable savings required over a three year period (£1.5 million in each of the years 2009–10, 2010–11 and 2011–12). It should be emphasised that the £6.4 million gap is based on the current assumptions around the funding availability and budget requirements and is reviewed regularly in light of the updated financial position.

The Police Authority have agreed the Sustainability Strategy, built around the needs of the Force to protect people from harm and enable the delivery of the overall direction resulting from *150Forward*, but substantially aimed at delivering the further reductions in cost base identified as being necessary in the Medium Term Financial Plan. The Sustainability Strategy is kept under constant review against the emerging financial position, through the governance structures set out below, and will be adapted to meet any changing needs.

The sustainability strategy has two key elements:

- (i) embedding behavioral and cultural change through leadership, targets, performance objectives as well as marketing and communication; and
- (ii) delivering the actions that enable us to work smarter and drive out waste, including investing in Challenge & Innovation on an invest-to-save basis to help “kick-start” the savings process, driving through “quick wins”, the service review programme, reviewing the capital/corporate programme, exploring opportunities for outsourcing and collaboration, etc.

The current focus of the sustainability strategy is the identification and reduction of waste and the delivery of on-going workforce development, which will each deliver a proportion of the cashable savings required. However, it is also recognised that other significant initiatives in terms of review of organisational structure and service delivery approaches incorporating fundamental service review will also be required to deliver all of the cashable savings required. A range of such service reviews is currently underway and will start to deliver cashable savings over coming months.

Potential benefits that may be accrued through wider collaboration initiatives and working more extensively with partnerships are currently not factored into our planning assumptions. However, the Force is continuing to explore this route as a way of delivering greater protection and as contribution to the need to identify significant cashable savings.

The Governance of the drive to sustainability through the Sustainability Strategy is delivered by the below structures and processes:

- (i) The Force Executive Board (FEB), which includes Police Authority embedded governance, has agreed the Strategy and sets the service review programme.
- (ii) The Business Improvement Board (BIB), which likewise has Police Authority embedded governance, tracks progress against the savings target, receives the findings of service reviews and agrees recommendations.
- (iii) The Efficiency and Productivity Management Group (EPMG) is responsible for driving forward service review recommendations and achievement of the savings target.
- (iv) The Police Authority Resource Assurance Group (RAG) further scrutinises and has oversight of the progress against the savings target and the force efficiency & productivity target.
- (v) The RAG will adapt the existing strategy against emerging financial information, providing the strategic direction for the Authority and force as we move forward. The experience the force gained through the 150Forward review programme is valuable in this context.

On a final note, it should also be appreciated that the force has also had its maximum budget determined for 2009–10 and 2010–11 as part of the capping legislation.

ANSWERS TO SPECIFIC QUESTIONS

Number of Police officers and staff currently employed by the force

As at 3 November 2009 Police Officer and Police Staff establishment is as follows:

Police Officer	987.27
Police Staff	897.32

How this figure has changed over the past five years (including details of business areas where reductions or increases have occurred if possible)

The table below shows how numbers have changed over the past five years:

	2004–05	2005–06	2006–07	2007–08	2008–09	03/11/2009
Police Officers	1,011.67	1,039.89	1,060.7	1,035.56	993.52	987.27
Police Staff	650.05	677.8	753.95	762.05	831.78	897.32

Over the past two years, police officer numbers have decreased and police staff numbers increased. This is due to the workforce development (wfd) programme which commenced in 2007 following a full review of the workforce mix and skills required for an acceptable, affordable and sustainable police service. This resulted in the identification of a number of police officer posts, which no longer required police powers and thus could be carried out by police staff.

Comparing the workforce composition since 2004–05 to date, the biggest changes are highlighted below:

Police Staff

- Increase in the number of PCSOs.
- Increase in the number in the CID, Complaints, Intelligence, Traffic, Training, HOLMES, Criminal Justice (Judicial Services), Child/Sex/ Domestic (PVP).
- Reductions in the number in Finance, HR, Property Services.

Police Officers

- Increased numbers in Child/Sex/Domestic (PVP), Control Room, (PHD, Force Duty Inspectors etc), Criminal Justice (Judicial Services—Prisoner Processing Team).
- Decrease in CID, Complaints, Firearms—Tactical (Firearms now part of Taskforce and classified as Response), Training, Intelligence.

Any comments on the relationship between these trends, the most recent CSR funding settlement, efficiency savings targets, the force's overall financial position and any other factors

Warwickshire Police's Medium Term Financial Plan (MTFP) provides the detail of the current drive of the Sustainability Strategy.

Attached are documents that have been prepared between August and October 2009 for the Police Authority Treasurers Society (PATS). These provide the detail of the current view about the overall force financial position. The most significant paper is the Police Resourcing Paper B which sets out details of our impact assessment and planned approach for narrowing the funding gap identified within our Medium Term Financial Plan.

An indication of likely changes to the workforce during the remainder of 2009–10 and in 2010–11

Warwickshire Police holds a monthly Workforce Management Group which tracks our police officer numbers within our budgetary and operational parameters against our actual establishment and strength.

This is carried out by the use of a predictive modeling report, taking into account retirements, average monthly leavers and also the workforce development of police officer posts. This prediction thus enables the Force to plan in transferee and student officer intakes. It is therefore predicted that our police officer numbers will change as follows:

31/03/10	Establishment	958.83
	Actual strength	977.45

The above figures have included the intention within our Sustainability Strategy that 15 police officer posts be subject to workforce development before 31 March 2010, this will thus result in our police staff establishment increasing accordingly.

31/03/11	Establishment	929.83
	Actual strength	940.45

Within 2010–11 our Sustainability Strategy includes the intention that a further 33 police officer posts will be subject of workforce development thus resulting in an increase to our police staff establishment.

The numbers of Transferee and Student Officer intakes will be reviewed regularly to ensure police officer numbers and operational requirements are managed accordingly.

Clearly, these changes are required and included in our current Sustainability Strategy, which is driven from our MTFP. As set out below if the assumptions within our MTFP need to be adjusted to reflect lower levels of available funding then we will need to revisit planning assumptions regarding number of staff across the force, including the balance between police officers and police staff numbers.

Given the apparent inevitability of public spending cuts, which will undoubtedly impact on the police service, what plans the force is putting in place to deal with reduced funding

This point has largely been addressed within the overview provided earlier in this response. The following points should also be noted.

It should be noted that the force is already facing the requirement to identify £6.4 million of cashable savings in order to meet reduce its current funding gap.

It is recognised, that the changing economic climate is likely to cause the assumptions made within the MTFP to be revised (current modeling assumes 2% increase year on year in government grant and 5% increase in council tax year on year). If these assumptions are required to be revised, resulting in a reduction in the funding envisaged through our MTFP, then given that our current financial position already requires the force to deliver cashable savings of the £6.4 million in order to achieve a balanced budget, such could only be achieved through more fundamental structural change or failing that a reduction in the range and/or level of services provided by the force.

It is noted that each 1% in council tax equates to £330,000 and 1% of central government grant equates to £540,000.

November 2009

Memorandum submitted by City of London Police and the City of London Police Authority

1. The City of London's particular demographics, with a small resident population but well over 300,000 people arriving at work each day in the financial institutions, give rise to particular challenges for the City of London Police. A different style of policing is therefore required to that which is found outside of much of central London. Given the concentration of businesses in the Square Mile, a major focus of the City Force is the protection of the reputation of London as an international financial centre and the institutions that

form part of it. Businesses in the City experience the best of traditional British policing style, together with a technological advantage in counter-terrorist measures, and lead status in relation to financial investigations. Although contained within a small geographic area, the Force reaches across regional, national and international borders as a leader in policing the international business environment.

CITY OF LONDON POLICE STRENGTH

2. Table 1 below sets out the City of London Police's strength for the past five years and the projection for 2010. The Force's permanent complement has decreased by 7% over the past five years as a result of a number of initiatives aimed at delivering efficiency savings through reorganisation, workforce modernisation, and improved operational processes (Operation QUEST). The Force has worked hard over the past five years to achieve significant efficiency gains through reductions in staff complement. In order to meet medium term funding constraints, further savings have been made by maintaining a number of unfilled vacancies.

3. Although the current Dedicated Security Posts (DSP) grant is £11.3 million, and currently funds 133 police and 22 civilian posts in the City Force, DSP funding is assumed at £10 million per year for the period 2010–13. Any funding withdrawn from 2010–11 will have to be compensated for by utilising the Force's Reserves or reducing the Force complement, thereby potentially affecting the quality of services provided.

POLICE SETTLEMENT

4. The three year funding settlement for Police announced in December 2007 was intended to allow authorities to plan on a more confident, longer term basis. At the time, the then Home Secretary stated that there would be an increase of at least 2.5% for every police authority in England and Wales but the vagaries of the grant system means that this is not the case for the City of London. For the City the minimum grant increase (ie the "floor") was only 2.0% in 2008–09, 1.75% in 2009–10 and will be 1.5% in 2010–11.

5. The settlement therefore represents an extremely unfavourable position for the City in that the increase is below the minimum level applying to policing activities. This is understandably of serious concern and the City has argued that at the very least, the City's Police funding should be in line with the minimum increase applicable to other Police authorities. The City's police responsibilities are considerable and this is reflected in the fact that the City of London Police's status as lead force on Fraud in addition to the work already undertaken in the Square Mile.

6. In the short term, the Force's efficiency savings and income generation initiatives have compensated for the poor settlement but any further future reduction will have a direct impact on services on an already tight Force budget and restructured workforce.

EFFICIENCY SAVINGS

7. The City Police has performed well against efficiency targets set by the Home Office over the last five years and figures are set out in Table 2 below. In some years, the City has greatly exceeded the targets on account of the need for the Force to deliver a balanced budget. Non-Cashable savings have been utilised to enhance front line policing and achieve performance improvements year on year for the past seven years. Cashable savings have been utilised and set aside to mitigate a potential substantial funding gap identified in the Force's Medium Term Financial Plan.

November 2009

Table 1

	<i>Police Officers</i>			<i>Police Staff</i>			<i>Annual Vacancy Factor</i>
	<i>Possible Maximum Complement</i>	<i>Actual Strength</i>	<i>Temporary Police Officer Posts</i>	<i>Possible Maximum Complement</i>	<i>Actual Strength</i>	<i>Temporary Police Staff Posts</i>	
2005	880	881	7	357	309	28	47
2006	880	869	8	391	324	18	78
2007	885	858	3	428	355	15	100
2008	853	819	4	428	342	12	120
2009	840	808	¹ 85	457	345	¹ 34	144
2010	858	813	¹ 103	415	342	¹ 43	118

Current permanent police and staff numbers include 133 police and 22 civilian DSPs which could be at threat as a result of the new bidding process introduced by ACPO Terrorism and Allied Matters (TAM) for 2010–11.

¹ The increase in temporary posts in 2009–10 is due to the national lead status awarded to the Force in Economic Crime.

Table 2

	<i>Non-Cashable</i>	<i>Cashable</i>	<i>Non-Cashable</i>	<i>Cashable</i>	<i>Non-Cashable</i>	<i>Cashable</i>	<i>Non-Cashable</i>	<i>Cashable</i>	<i>Non-Cashable</i>	<i>Cashable</i>	<i>Total Non-Cashable</i>	<i>Total Cashable</i>
	<i>2005</i>		<i>2006</i>		<i>2007</i>		<i>2008</i>		<i>2009</i>		<i>2005–09</i>	
Home Office Target “£000”	1.46	0	1.135	1.135	0.92	0.92	0.92	0.92	0.92	0.92	5.355	3.895
Actual Savings “£000”	1.711	0.144	2.844	1.209	8.146	2.915	0.741	3.829	0	4.851	13.442	12.948
Surplus Savings	0.251	0.144	1.709	0.074	7.226	1.995	–0.179	2.909	–0.92	3.931	8.087	9.053

Memorandum submitted by Norfolk Police Authority

Whilst we understand that ACPO has agreed to given a consolidated response on behalf of Chief Constables in England and Wales, my Authority wanted to make a submission to you direct. My apologies for its late dispatch. A hard copy is also in the post.

We appreciate the opportunity to contribute towards what is potentially an emotive issue. As you will see, the Norfolk experience may well buck the trend in that we have through appropriate but sustained increases in council tax, shrewd financial investment, hard won financial savings, and income generation initiatives continued to invest in the front line delivery to the people of Norfolk.

Your letter posed five questions:

(1) “The number of police officers & staff currently employed by the Norfolk Constabulary”

This figure currently stands at 1,665.98 Police Officers and 1,414.89 Police Staff (including 280 PCSOs and other front-line staff). These figures are based upon our most accurate data set as of 30 September 2009.

(2) “How this figure has changed over the past five years (including details of business areas where reductions or increases have occurred if possible)”

The following illustrates the change to these numbers since 2004. All figures are based upon 30 September of the relevant year to provide an accurate snap-shot. It must of course be borne in mind that the police staff figures and their increase do include a commitment to increase the number of PCSOs, whose number have risen to 280 by year-end 2009.

	<i>Police Officers</i>	<i>% Change on previous year</i>	<i>% Change from 2004</i>
2009	1,665.98	2.04%	7.88%
2008	1,632.69	4.80%	5.72%
2007	1,557.98	–0.63%	0.89%
2006	1,567.84	–0.45%	1.53%
2005	1,574.96	1.99%	1.99%
2004	1,544.28		

	<i>Police Staff</i>	<i>% Change on previous year</i>	<i>% Change from 2004</i>
2009	1,414.89	0.95%	30.92%
2008	1,401.60	2.62%	29.69%
2007	1,365.81	10.92%	26.37%
2006	1,231.33	4.37%	13.93%
2005	1,179.72	9.16%	9.16%
2004	1,080.76		

(3) “Any comments on the relationship between these trends, the most recent CSR funding settlement, efficiency savings targets, the forces’ overall financial position and any other factors.”

To enable the force to buck the trend affecting other forces of cutting police numbers to balance financial targets, the Norfolk Constabulary has been both visionary and progressive in taking forward the Norfolk Policing Model (NPM). The implementation of the NPM has enabled the maximisation of resources and increases the opportunity for enhanced community engagement, management and leadership.

We faced the challenge of reduced funding from the CSR, but were determined to maintain and in fact increase investment in the front line resources that would deliver enhanced confidence & satisfaction to the communities we serve. We have striven to drive home cashable & efficiency savings that have enabled this investment in the front line. We have made tough decisions, but have achieved remarkable success in terms of savings, whilst at the same time reinforcing our front line services.

To date we have achieved some £14M in cashable & efficiency savings over the FYs 2007–08, 2008–09 and 2009–10, equating to some 10% of the force budget for that three year period. In addition we are on track to achieve further savings over the next three FYs. For 2010–11, we have already identified some £6 million of planned savings, and a further £9 million, which we are confident of achieving over the following two FYs.

Whilst making these significant savings, we have recruited an additional 140 Police Officers to the establishment, giving us the highest number of police officers in the history of the Constabulary. Of that establishment, we have posted an additional 132 police officers to Safer Neighbourhood Teams and recruited additional PCSOs despite Home Office funding being stopped for additional numbers in 2007–08: upped from 197 to 280. These activities have led to significant increases in our performance in terms of confidence and satisfaction as well as crime reduction.

In part the question raises the issue of the forces overall financial position. Norfolk Constabulary and Police Authority have a proven and sound financial record. The Home Office efficiency target was exceeded in FY 2007–08 and the current target of achieving 10.3% of gross revenue expenditure reduction over the three years to 31 March 2011 (some £13 million) has been adopted as the Norfolk Police Authority target. We are well on course as shown above to rise to the challenges set.

We would argue that the significant support of the Norfolk Police Authority has been vital in the constabulary's success, both in terms of striving to maintain a higher than anticipated precept, whilst being mindful of the ever present threat of government capping. Also, for its support in enabling the constabulary to place assets where they need to be—where they are visible to the community.

(4) *“An indication of likely changes to the workforce during the remainder of 2009–10 and in 2010–11”.*

We are under no illusion whatsoever that the financial constraints upon us will cut deep across the public sector. We have striven to ensure that we are in a position of strength, to enable us to tackle all that is in store. We maintain our position that policing services will continue to deliver the required budgetary savings, but wherever possible we will strive to ensure that this will not be at the expense of front line services. There is an acceptance that as the recession continues and efficiency targets become more challenging to achieve, it would be foolhardy to say that our officer numbers could be maintained indefinitely. However this would be resisted if at all possible, and at this moment in time there is no plan to follow the path to such reductions.

(5) *“Given the apparent inevitability of public spending cuts, which will undoubtedly impact on the police service, what plans the force is putting in place to deal with reduced funding.”*

The culture of this force has changed, with all staff now focussing on efficiency and savings. Through Straight Talking events, Focus Groups, and Team Briefings, everybody knows the part they need to play in achieving savings. The following is indicative of the journey so far, and continued work in progress:

- Reduction in police officer & staff overtime, savings £1.1 million to date.
- Reduction in police staff posts, savings of £1.4 million to date.
- Restructure of corporate support, ICT, & HR Depts, £0.7 million to date.
- Restructure of volume crime, and intelligence units, savings of £0.5 million to date.
- Reduction in ill health retirements, £0.4 million to date.

There are also considerable savings planned through collaborative opportunities with our preferred partner Suffolk Constabulary. A joint Major Investigation Team equated to savings of £621,000, whilst a joint Witness Protection Unit saved a further £82,000. There are further opportunities in train within collaboration that once realised equate to an estimated saving of £2 million in cash and efficiencies.

We have sought to capitalise upon the financial position we are faced with by investing in the future. Our Long Term Estates Strategy has been brought forward to invest in land and property whilst prices are depressed. These assets will rise in value when the economy recovers again. We have a greater buying power in terms of fleet and equipment also, and have sought to achieve best value from our suppliers. Each of these facets have contributed to in our achieving savings and value for money. In fact these have assisted in the recent Audit Commission (PURE) assessments. Our score in 2006–07 was a level 2 (adequate) compared to 2007–08 when we rose to level 3 (consistently above requirements).

To summarise this response, Norfolk Constabulary has, with the unequivocal support of the Police Authority, reversed the trend displayed in many other forces; it has illustrated that it is indeed possible to maintain & indeed increase officer numbers, whilst at the same time increasing efficiency and performance, all at a time when we face a demanding economic climate and increasing cuts in budget. The Norfolk

Policing Model has proved that we can deliver sustainable services for the future despite a hostile economic climate. Nevertheless, it is our belief that we alone, nor indeed through collaboration (especially at the current pace), cannot meet the longer-term financial challenges without affecting police officer numbers. Ironically, we would be better able to do that had the mergers gone ahead as proposed by Rt. Hon. Charles Clarke MP when Home Secretary.

Throughout this letter I have used the term “we”. I make this point to stress that it is the statutory role of the NPA to deliver an efficient and effective police force for Norfolk. It is fundamental to our approach here that this must be done by a joined-up approach from Constabulary and Authority. I hope that the above, along with consideration of the enclosed “Parliamentary Brief” (previously prepared for our Norfolk MPs), might demonstrate how the Model could be extended beyond our boundaries.

November 2009

Memorandum submitted by Avon and Somerset Constabulary

1. The number of police officers and staff currently employed by the Force.

The following data represents the headcount position as at the end of September 2009.

	<i>No.</i>
Police officers	3,351
Police staff	2,363
TOTAL	5,714

2. How this figure has changed over the past five years.

The following table summarises the situation for our headcount over the past five years.

	<i>2005–06</i>	<i>2006–07</i>	<i>2007–08</i>	<i>2008–09</i>	<i>Sep 09</i>
Police officers	3,429	3,441	3,444	3,430	3,351
Police staff	2,386	2,389	2,703	2,353	2,363
TOTAL	5,815	5,830	6,147	5,783	5,714

Avon and Somerset Constabulary has embarked on unique collaboration project with two local councils and IBM. This joint venture is known as Southwest One and is a vehicle through which the Constabulary is ensuring the delivery of key corporate support functions for a ten year period. This venture includes the secondment of a large number of our employees into the Joint Venture Company. These employees have been excluded from the figures above, explaining the decline in Police Staff numbers from 2008–09 onwards.

3. Any comments on the relationship between these trends, the most recent CSR funding settlement, efficiency savings targets, the forces overall financial position and any other factors.

The trends in the above figures support the growth in establishment which has been possible over the past five years. Avon and Somerset have directed this growth as much as possible to the front line, providing more Police Officers and PCSO's onto the Streets of Avon and Somerset than ever before. This is reflected in the growth seen over the past five years in our BCU's.

The figures have seen a decline in the last two years, which is a reflection of a number of factors, including:

- Secondment of a large number of our back office staff into the Southwest One Joint Venture;
- Freeze on student officer recruitment in the first six months of 2009–10;
- Ongoing vacancy management within the Constabulary;

Avon and Somerset Constabulary continues to be significantly impeded by the application of the damping mechanism in the calculation of the formula funding received. Of all the non-metropolitan Authorities in England and Wales it is Avon and Somerset who lose the most under the damping mechanism. Across the current three-year CSR period Avon and Somerset will have received £35.5 million less than is our relative need. This funding would have supported an additional 272 Police Officers, or 409 PCSO's.

Despite not receiving funding which is relative to our need, Avon and Somerset Authority is currently ranked 15th of the 31 non-metropolitan Authorities with an average band D Council Tax of £161.26 (nearly £38 per property less than the highest non-metropolitan Authority).

Avon and Somerset Constabulary have consistently over achieved efficiency targets, reflecting much of the transformation which has occurred and continues to occur. In the past the budget position has meant that we have been able to reinvest these efficiencies back into improved performance. However, the ability to continue to do this and not cash the efficiency will be significantly reduced in light of the anticipated period of static or declining budgets.

4. *An indication of likely changes to the workforce during the remainder of 2009–10 and in 2010–11.*

Before the end of 2009–10 it is likely that our headcount will once again increase as the impact of student officer recruitment comes into play.

Avon and Somerset Constabulary have been a lead force in progressing Workforce Modernisation, having successfully completed this within our Criminal Justice Department, and nearing completion of this in relation to our Major Crime Investigation Unit. The scope of our work on WFM is likely to increase further as the Constabulary looks to expand the application of this Forcewide.

The absolute position in relation to Officer and Staff numbers in 2010–11 is hard to predict at this stage. The size of the deficit we are currently forecasting could be £4.5 million in which case it is likely that there will need to be a managed reduction in headcount, including possible further reductions or delays in the number of student officers we can recruit. As we further refine our budget predictions for 2010–11 we will be better placed to determine the true extent of the budgetary impacts on staff numbers.

5. *Given the apparent inevitability of public spending cuts, which will undoubtedly impact on the police service, what plans the force is putting in place to deal with reduced funding.*

Avon and Somerset Constabulary are undertaking a number of initiatives designed to ensure we are able to meet and deal with the challenges that static or reduced funding might pose. These activities include the following:

Southwest One: The Constabulary started this journey in 2006, when the fiscal versus demand gap was continuing to widen. Shared Service or “collaboration” programmes nationally and regionally were simply not progressing at a pace sufficient to provide the requisite efficiencies and transformation that needed to be realised in Avon and Somerset. Collaboration with a commercial partner, and two local authorities, which are geographically aligned, enabled the Constabulary to lock in savings on the costs of internal services for ten years, and protect the employment of the staff seconded into the new company.

In addition to security over the price of key support functions for 10 years, this collaborative venture provides the Constabulary with a number of other advantages, which include:

- Investment in world class integrated systems which together with business process re-engineering are designed to improve and streamline some of our key corporate processes;
- Investment into an integrated shared service function in conjunction with two Council partners to ensure resilience and capacity are maintained, and the potential to benefit from growth of the business through a framework agreement.
- Transformation projects designed to deliver improved services to communities as well as significant savings.

Operation QUEST: Avon and Somerset Constabulary were engaged in QUEST 2, which reviewed processes around the management of our call handling and communications department. As a result of this work efficiencies were identified which have been invested back into service improvements. The Constabulary is now engaged with QUEST 5, which is reviewing and considering our CID department. This review will result in efficiencies which we will have to cash, reflecting the need to take the saving rather than reinvest these back into frontline services. In addition to these we have adopted and are embedding the principles and methods applied by QUEST into our Change Management processes to ensure that after the conclusion of our involvement here we are able to continue to apply and benefit from these methods.

Scrutiny Reviews: Two years ago the Constabulary employed a small number of specific scrutiny reviews which were carried out by key individuals within the Organisation over specific areas of our operations. As a result of these reviews the Constabulary was able to drive out over £2 million of savings from its budgets. As a result of the success of this the Constabulary has recently completed another round of reviews which have encompassed all parts of the organisation. These reviews have identified initial savings which could yield in excess of £2 million. These are to be delivered through coordination by devolved managers throughout the Constabulary. In addition the reviews have also identified a number of developing themes which require corporate analysis and change in practice Forcewide in order to achieve longer-term savings.

Collaboration: We are actively involved with 78 collaborative ventures on a regional and national basis and are active members of regional collaboration ventures where appropriate. We feel that given the financial pressures facing the Police Service the time is now right to look again at the number of police forces in the country and move towards a more national model but maintaining local delivery to the public.

Whilst the work outlined above ensures that the Constabulary will be well placed to meet the challenges of the future, it is difficult to ignore the fact that 80% of the Constabulary's expenditure is on employee costs. If significant cuts were to be made to our funding position, realising what is currently only our "worst case scenarios" for planning purposes, then it is impossible to see how we might achieve these savings without reducing costs on employees where possible, which will undoubtedly impact on our headcount. Whilst every effort will be made to limit the impact in terms of front line operations no guarantees can be provided.

November 2009

Memorandum submitted by West Midlands Police

West Midlands Police currently has 14,042 employees, made up of 8,776 police officers, 4,443 police staff and 823 PCSO. This is an increase of 1,774 compared to five years ago, when we had 12,268 employees, made up of 8,275 police officers, 3,869 police staff and 124 PCSO.

Over the last five years we have been able to increase our overall staffing levels due to effective financial management and by redirecting savings into staffing. The numbers have also increased due to changes in force funding, especially in relation to specific grants for PCSO and Counter Terrorism which account for around two thirds of the total increase in numbers.

We are currently working on our medium term financial projections, and assessing the potential impacts of the predicted reductions in public sector funding. Whilst there is a lack of clarity around funding allocations beyond 2010–11, we are anticipating and planning for needing to make spending reductions in the order of 10% over three years. Clearly a reduction of this nature would be difficult to achieve without affecting overall staff numbers as staffing costs account for over 80% of the total budget.

The Force has recently launched a wide ranging organisational change programme which will release cost savings for the future. The number of Operational Command Units is being reduced from 21 to 10, with resultant savings on overheads and management. In addition, back office functions are being reviewed and it is forecast that we can save in the order of £5 million by restructuring how these services are delivered. However, this will in itself not be sufficient to meet the forecast funding gap and all areas of business will come under intense pressure. In anticipation of the possibility of potential redundancies, we have ensured that the relevant statutory bodies have been served with notice.

In terms of force funding, we have been disadvantaged for a number of years due to the floors and ceilings mechanism that is applied to the national formula grant allocation. Since 2003–04 we have lost over £250 million of funding in this way, and this has placed additional pressure on our budgets to be able to respond effectively to the growing complexity of operational policing issues in a large metropolitan area. Although there has been some relaxing of the mechanism in recent years, we are still likely to lose around £40 million based on the provisional funding for 2010–11. As the service moves into a tighter financial environment we would want the needs based formula to be implemented in full and the floors and ceilings mechanism phased out so that national resource allocation reflects relative need more accurately.

We also have some concerns about the potential impact of funding reductions on local partnership working. In recent years we have working closely and effectively with local partners and been able to access funds through local partnership bodies to target specific problem areas at neighbourhood level. This has undoubtedly helped to raise public confidence and feelings of safety, but it is concerning that such funds may not be available in the future to provide local reassurance and confidence in policing in this way.

November 2009

Memorandum submitted by the Association of Chief Police Officers of England, Wales and Northern Ireland

This response relates to your request dated 14 October to all Chief Constables, and to the subsequent communication between Sir Hugh Orde, the President for ACPO, and your office. This response is the agreed combined ACPO response on behalf of the police service for England and Wales.

ACPO Finance and Resources Business Area has collated the responses to your letter of 14 October and the results have been analysed to compile a composite report addressing the information sought. For clarity below are the numbered bullet points in your request to forces;

1. The number of police officers and staff currently employed by the force;
2. How this figure has changed over the past five years (including details of business areas where reductions or increases have occurred if possible);
3. Any comments on the relationship between these trends, the most recent CSR funding settlement, efficiency savings targets, the force's overall financial position and any other factors;
4. An indication of likely changes to the workforce during the remainder of 2009–10 and in 2010–11;

5. Given the apparent inevitability of public spending cuts, which will undoubtedly impact on the police service, what plans the force is putting in place to deal with reduced funding.

ANSWERS TO QUESTIONS 1–5

Appendix A is a table providing the individual force responses to all of the questions posed. The responses have been abbreviated for ease of clarity.

Enquiries have established that forces have interpreted question ONE in many different ways, and as such the figures cannot be directly compared to Home Office Police Service Strength statistics. The definition for the Home Office returns are very precise, whereas for this return, forces have used their own interpretations such as “budgeted strengths” or “Full Time Equivalents” or “Head Counts”. Also some forces have included externally funded posts, agency staff, traffic wardens, designated officers, and other groups not generally included in the Home Office statistics.

1. NATIONAL OVERVIEW

The following is a national overview of the issues raised and trends identified;

It is clear that there are no notable changes to police force strengths (Officers or Staff) during the current financial year, although a number of forces in anticipation of future funding concerns are freezing recruitment or using methods such as vacancy management (holding vacancies) to conserve budgets. There will be a lag effect for these measures to be noticeable in resourcing strength totals.

Without exception, all forces are concerned as to the future outlook and the funding position into the next year and beyond. The recession is a clear driver in this, coupled with messages from Government on driving down public sector spending to reduce the national debt, and revenue costs. It is anticipated in the coming year that there will be significant reductions in police grants and precept settlements. There is much concern as to the levels of reduction, as this will undoubtedly impact on forces’ abilities to meet their service needs. Generally forces have given a commitment to protect the “front line”, recognising that cuts will need to be made.

2. THE INCOME STREAMS

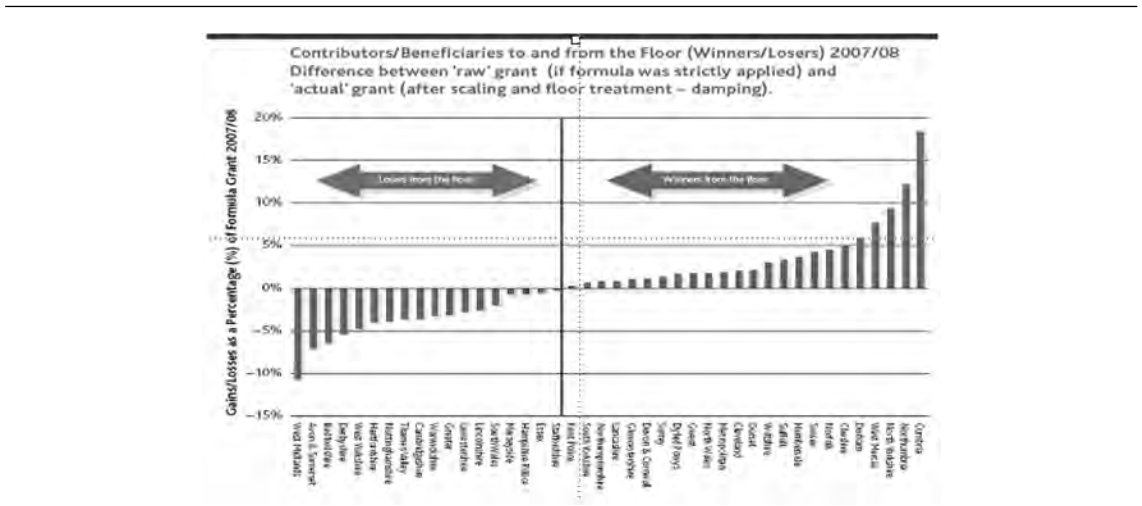
- Police national grant (Home Office)
- Revenue from Council Tax precept
- Specific Grants; to include Counter Terrorism, Neighbourhood Policing, Crime Fighting Fund, and others
- Partnership and sponsorship funding
- Income generation from charging for goods and services
- Interest from investment of reserves
- Sale of assets
- Efficiency savings are also of relevance here as monies saved can be reinvested elsewhere, or used to reduce costs.

3. COMPREHENSIVE SPENDING REVIEW

For a number of years police forces have benefited from a three-year Comprehensive Spending Review settlement (CSR). This is very welcomed by forces as it provides financial planning stability. However, the CSR for the next period (2001–13) has been postponed pending the General election, and its future is uncertain. A return to annual settlements would increase uncertainty and be detrimental to be progress seen in recent times. ACPO fully endorse maintaining the three-year CSR settlements.

4. NATIONAL GENERAL GRANT FORMULA

The Home Office national general grant for policing is distributed by means of a needs based funding formula. Since its inception, this grant has never been distributed without a dampening mechanism, as to do so would cause significant funding issues for around a third of forces nationally. Effectively the dampening mechanism acts as a “floor”, guaranteeing that all forces receive a minimum of a 2.5% increase compared to the previous year. Consequently the forces set to receive the higher end proportion of the grant are effectively capped by a “ceiling” so as to fund the “floor”. The figure below reproduced from the Flanagan review report, highlights the “winners” and “losers” from this process (in 2007).



Council tax in many areas has played a vitally important part in achieving growth. In forces which do not achieve high distribution levels from the funding formula, council tax is essential in maintaining service levels. Council tax is now responsible for providing over 25% out of all funding available to the 43 forces, although the degree varies tremendously depending on the distribution level of Home Office grant received from the funding formula.

Where Government Grant settlement falls short of expectation, or is cut, there is a gearing effect between a percentage cut in grant and the equivalent increase required in council tax to meet the shortfall. By way of example, in Gloucestershire a 1% reduction in Government Grant would require a 2.3% increase in council tax precept.

Above inflationary increases in the council tax has played a significant part in recent service improvements. With the formula grant floor increase only sufficient to cover the annual pay award and specific grants being frozen (real term reductions) the only funding available to improve service delivery and meet national and locally identified development has come from efficiencies and the council tax.

As previously stated the anticipated reduction in Government funding will require efficiencies to be “cashed in” and there is evidence in the Force returns that a number of Forces are relying on the maintenance of the current council tax capping level as a way of meeting unavoidable development (such as the set up costs of new systems and processes designed to release future productivity and efficiencies) and to help offset some of the anticipated reduction in Government funding.

Forces who are heavily reliant on council tax revenue for meeting their funding needs, have expressed concerns as to future capping situations. It is evident that since 1997, the growth in council tax as a proportion of force budgets has been necessary to meet the service delivery requirements and expectations. This is particularly relevant to smaller shire forces who receive “floor” level general grant funding, which increases barely in line with staff pay.

If future caps are set at or below the 3% level this will severely effect force funding, and impact on service delivery leading to cuts in resources. The loss of funds through the application of Flanagan’s recommendation, a freeze or reduction in the relative value of council tax, and a freeze or reduction in the value of government grant, would represent for many forces a triple “whammy” which would at best, be highly destabilising.

6. USE OF RESERVES

A recent survey undertaken by the Finance and Resources business area identified the fact that several forces were already into a situation of using budget reserves to maintain service delivery. Clearly this position is not sustainable in the medium to long term, particularly given the financial outlook.

7. SPECIFIC FUNDING

A number of forces have increased staffing due to specific grants. A key growth area is in the area of Counter Terrorism in the aftermath of the 7/7 bombings. Regional Counter Terrorist Units have seen significant growth, with their increase in staff (owned by the host force) being reflected within the national figures.

It is also the case that there are a number of specific grants to address certain identified areas, such as the security or royal residences, and key strategic locations. Therefore, simplistic per capita comparisons of like size forces would be problematic without analysing the detail.

Forces are also concerned about the potential loss of specific grants, in particular the Neighbourhood Policing Fund (NPF) grant for PCSOs.

8. CHANGES REQUIRING GROWTH IN THE POLICE SERVICE

Over the last ten years, the police service has undergone significant modernisation with regards to business practices and the workforce. This has been driven by Government policy, responses to good practice advice (eg Bichard enquiry) and changes to and introduction of legislation. These requirements have necessitated growth in officers and staff.

9. PROTECTIVE SERVICES GAP

An identified area of weakness which was evident from the review on amalgamations was a Protective Services gap. In light of recommendations by the HMIC, some forces have invested savings, or diverted funding to closing this gap.

10. OFFICER NUMBER, PRODUCTIVITY AND THE FRONT LINE

Police officer numbers is still only part of the overall picture, as innovations with technology, processes, collaboration, partnership, outsourcing are constantly driving up productivity and performance allowing the same level of service (or even better levels of service) to be delivered with less police officers. The recent introduction of police objective analysis, which will form the basis of future HMIC VfM evaluation, may provide the ideal opportunity to explore opportunities to move away from police numbers per say and towards a better understanding of efficiency and effectiveness (eg the percentage of resources directly employed in front line delivery).

The “front-line” is often mentioned in the responses (and by Government) albeit no definition has ever been provided. Clearly this can be open to a very wide (or narrow) interpretation. There is also a myth that back-office functions can simply be deleted, thus freeing up resources to the front line. Clearly the front line’s

support mechanism is the back-office, therefore creative thinking and import decisions will need to be taken in thinning out a workforce, as most back office functions are required for reasons such as; legislative mandates (eg data protection), underpinning the patrolling officer; command and control and the criminal justice framework.

11. WORKFORCE MODERNISATION

The application of Workforce Modernisation is cited as a tool that has been used, and will continue to be used, by all Forces. The original concept of Workforce Modernisation is to find the right mix of staff resources to perform a function at the lowest costs. The theory implies that reducing the number of police officers within a function and replacing them with “lower cost” police staff would make a saving. However, when aligned to shift working, police staff are often as expensive or sometimes more expensive than officer colleagues. A general comment is that the misapplication of modernisation can result in forces losing flexibility in the use of their resources compared to officers.

The majority of forces who have driven out efficiencies through Workforce Modernisation (WFM), have reinvested the savings to the front line. Self evidently this is a “one-off” saving and consequently the search for further opportunities has been reduced. It should be noted that resilience in the use of officer resources becomes more difficult if they are replaced by police staff, who are contractually different.

12. EFFICIENCIES

The Government first introduced their efficiency targets for the police service in 1999–2000. In the years since, many forces have already introduced efficiencies, including WFM, structural reorganisation and collaboration schemes. Lean thinking methodologies, including the Home Office supported “Quest” project, have also been extensively used. Forces that have already made extensive efficiencies, therefore, have less room to introduce further savings now. This does not mean that efficiencies will not be sought, but that the effects arising from them are likely to prevent a general fall in officer and staff numbers.

13. FORCE REVIEWS

It is evident that the majority of forces are in various stages of force reviews, or see the need to conduct a review dependant on future funding settlements. A few forces have transformed away from a BCU structure, as a means of cutting costs.

All forces start at different positions with regards to driving out efficiencies. For forces near the end of the main journey of big gains or quick wins, finding further efficiencies will be more difficult.

14. COLLABORATION AND MERGERS

Bedfordshire and Hertfordshire have indicated that a voluntary merger, with each other, would be a suitable way forward to bridge the funding gap, by sharing central services and resources. As was identified by the amalgamations debate of 2005–06, mergers are not necessarily the right option for all forces, indeed initial set-up costs and delayed pay-back time were the real inhibitor to the move then. Some forces might benefit by merging, but the evidence from 2005–06 is that it is unlikely to be a panacea, and certainly not at a time of national financial stringency.

Collaboration is at various stages either on a partnership, force, regional or national basis. It is clear there are savings to be made, and forces are engaged or have realised savings through this process. This process is under continual review and will continue to deliver, however the scale set against the likely backdrop of future funding settlements will be minor in impact.

15. PLANS TO ADDRESS SEVERE CUTS IN FUNDING

A freeze on recruitment and a thinning through natural wastage to deliver the scale of savings required would be the quickest route for realising savings, however this may not be sufficient. Extended freezes on recruiting also have long-term detrimental impacts on the future staff profile. The majority of forces have realised that this will be the likelihood and are in the process of, or considering, a structural review to deliver services with fewer staff.

Forces who suffer immediate significant funding reductions would have insufficient time to make the necessary reductions in their expenditure. This is because 80% of expenditure is staff related, police officers cannot be made redundant, significant reserves would be needed for police staff redundancy costs, and it is not lawful to backfill with a police officer a post from which a member of police staff has been made redundant as this is classified as unfair dismissal.

Nevertheless, forces are extremely active in seeking ways to minimise the impact of lower funding. Below is a summary being considered by forces to reduce costs;

- Collaboration and shared services with partners and other forces
- Voluntary mergers (Hertfordshire and Bedfordshire)
- Procurement opportunities

- WFM Opportunities
- Force reviews of structures and critical processes
- Force restructuring, to downsize
- Lean process and Quest
- Zero based budgets or budget benchmarking
- Review of sickness management
- Review of capital projects
- Realisation of assets
- Value For Money reviews
- Benchmarking against other forces

For some Forces time can be bought by using Reserves to prop up the budget whilst longer term solutions are developed and put into place; for example the return from Essex shows a reliance on £12.9 million of Reserve support over the next four years whilst permanent savings, as yet unidentified, are sought and implemented. However few Forces have the luxury of such high levels of uncommitted Reserves to enable them to buy such time.

16. CONCLUSION

- Forces clearly have a common theme on methods of addressing funding gaps through a series of efficiency measures.
- The general grant funding formula is currently under review, however serious consideration should be given before removal of the dampening mechanism.
- Current restrictions on certain grants inhibit a wider use of those funds, this can hinder creativity in delivering the service.
- Large efficiency gains, particularly through workforce modernisation have already produced quick wins, further efficiencies are likely to be smaller in scale.
- Consideration should be given to removing or altering capping levels, thereby providing greater flexibility in raising additional funding locally.
- CSR three year settlements are considered of great benefit to the police service for future planning, and a return to annual settlements would be a retrograde step.
- Public sector funding cuts, will undoubtedly effect the partnership funding or resources and projects.
- Resource cuts are inevitable if funding settlements are low, it is clear 80% of policing costs are staff related, therefore the room to make efficiencies and retain staff with lower budgets is limited.
- Forces will commit to “front line” services, however difficult risk based decisions will need to be made in respect of cutting resources, and restructuring.

November 2009

APPENDIX A

<i>REGION</i>	<i>FORCE</i>	<i>Officers</i>	<i>PCSO</i>	<i>Staff</i>	<i>Total</i>	<i>Comment on trends</i>	<i>General comments</i>	<i>Indication of likely changes</i>	<i>Future plan</i>
SW	Avon & Somerset	3,351		2,363	5,714	— South West One project required an initial secondment of employees explaining the decline.	— £35.5 million loss through FF-C — Over achievements in efficiency targets	— Further WFM — Forecast deficit of £4.5 million leading to reductions in staff.	— Continued savings through southwest one project — Operation Quest — Scrutiny review to drive out £2 million from budgets — Collaboration actively engaged in 78 ventures
E	Bedfordshire	1,274		957	2,231	— Funding ceiling loser) Large council tax settlements (14.7%—05, 9.6%—09)	— FF-C £3.9 million per annum — Collaboration with Hertfordshire producing savings of £2.2 million (combined)	— Difficult decisions re resources owing to expected tight future settlements	— Quest — Voluntary merger with Herts.
E	Cambridgeshire	1,399	203	1,056	2,658	— WFM 15% staff increase, officer increase 3%. Further information not stated	— Poor funding per 1,000 population	— Changes in NRE to GRE means an additional need to find further cashable savings — Small cuts in staffing being considered to address funding shortfall	— Review of service delivery and force wide savings — To explore income generation options
NW	Cheshire	2,142		1,872	4,014	— WFM (file preparation, resource deployment) — Increase in protective services, from a £1 million council tax raise 07/08.	— None	— Cuts 2010–11 will be likely to address budget shortfall	— Force has a strategy in place with five strands. This includes a review of frontline services and business and operational processes — Benchmark budget lines
NE	Cleveland	1,736	188	716	2,640	— Outsourced custody releasing 36 PC's to frontline.	— WFM	— Reviewing ICT and control room	— Procurement process underway for the appointment of a strategic partner, to deliver improved ICT/control room — Further collaboration
NW	Cumbria	1,251	107	836	2,194	— Floor grant settlement) Vacancy management.	— FF-F	— Vacancy management	— Change program — Efficiency and productivity regime — Seek WFM opportunities — Procurement savings — Shared services initiative with HR and finance — Cuts likely of staff/officers

REGION	FORCE	Officers	PCSO	Staff	Total	Comment on trends	General comments	Indication of likely changes	Future plan
EM	Derbyshire	2,100		1,615	3,715	— Police growth in protective services (regional collaboration). — WFM, CDO's etc.	— Closing protective services gap — Staff growth due to legislation changes requirements — FF-C £5 million loss	— Police staff cuts	— Review of savings proposals — “Moving forward” project (strategic review) to meet the savings required — Committed to frontline services however cuts in staff cannot be discounted
SW	Devon & Cornwall	3,500	361	2,248	6,109	— Corporate services review removed 250+ support staff posts from back office (workforce efficiencies)	— Many years of back office savings — Collaboration has contributed to savings	— If reductions in budgets are as forecasted then high likelihood of cuts in resources	— Continue with efficiencies, however unlikely to meet anticipated funding gap
SW	Dorset	1,459	162	1,065	2,686	— WFM 16% increase in-staff 5%—increase in officers	— None	— Review of non staff budgets, operational processes	— Inevitability of resource cuts to meet significant funding shortfall — Vacancy management — Implement leaner processes & resourcing
NE	Durham	1,514	171	984	2,669	— WFM 35% increase in staff, 6% decrease officers. (Control room, CJD, CDO, Front counter) — Use of reserves.	— Recruitment freeze	— No expectation of numbers increasing	— Vacancy freeze on non essential police staff/officer posts — Review of processes and workloads — Review sickness and absence — Review of shift patterns — Further WFM — Cut in police staff through natural wastage — Review budget lines for VFM
E	Essex	3,634	474	2,284	6,392	— Op Apex — Growth in officers numbers to meet neighbourhood roles — Modest growth in protective services	— Good levels of reserves no debt	— PC and PCSO to remain stable — Police staff to be reduced between 5%–10% through restructuring	— Force restructuring — Shared business support functions — Further collaboration (back office and procurement) — Op Apex
SW	Gloucestershire	1,372	178	779	2,329	— 63 council funded officers — Protective services increase	— Lowest in the country council tax precept increase 2009–10 — FF-F — 10% reliance on DSP funding for dedicated posts — £10M projected cuts required over the five years	— Projected cuts of 65 officers and 50 staff post 2009–10	— Review of force structure and processes in progress — Further staffing cuts will be inevitable with reduced funding — Leaning process

<i>REGION</i>	<i>FORCE</i>	<i>Officers</i>	<i>PCSO</i>	<i>Staff</i>	<i>Total</i>	<i>Comment on trends</i>	<i>General comments</i>	<i>Indication of likely changes</i>	<i>Future plan</i>
NW	GMP	8,231		5,038	13,269	— No information.	— None	— WFM of 200 officer posts — Freeze on recruitment 2010–11 — Police staff cuts	— It is identified that there will be a need to review of key processes and structures
SE	Hampshire	3,748	337	2,489	6,574	— Funding ceiling loser — 32% council tax reliance — WFM — Strategic lean team.	— FF-C £1.5 million shortfall (period not specified) — Concerns over future capping — Budget pressures of £5 million — Low reserves — Estates in need of modernising — Lean team approach to efficiencies and better working practices	— Review of budget lines — Resource cuts on horizon	— Review and cuts in staffing to meet funding gap — May lead to reverse civilianisation — Seek further collaboration initiatives — Continue exploring income generation and sponsorship opportunities — Zero based budget review by external consultants
E	Hertfordshire	2,090		1,973	4,063	— WFM — Cashable efficiencies (10% of budget).	— FF-C £3.7 million — Pressures on competitive labour costs owing to border with London	— None	— Business case for a voluntary merger with Bedfordshire police to address funding gaps
NE	Humberside	2,054	322	1,630	4,006	— Establishment of a customer call centre (70 posts) — 160 staff employed by external funding sources — WFM—protected services.	— Police staff cuts — Humberside consider themselves to be advanced in the WFM mix at the front line	— Reduction of police staff to meet funding settlement — Reduction of a further 70 officer posts through WFM	— Seek further WFM — Cuts in workforce through vacancy other than the 300 planned reductions in officers, no further plans to reduce officers—however subject to review and funding settlements
SE	Kent	3,875		3,269	7,144	— Cashable efficiencies of £13 million in five years	— Leaning process has identified £7.8 million efficiencies (£2.9 million of which is cashable).	— Significant planned police staff reduction 09-11 to meet funding savings	— Lean team methodology to review of processes and posts that become vacant — Set target of 5% reduction on all budget holders — Collaboration opportunities with Essex (ongoing) — Use of technology to further increase efficiency
NW	Lancashire	3,673		2,371	6,044	— Council tax increases — Cashable efficiencies — Partnership funding for staff	— Currently undertaking a scoping exercise to consider the shape of the workforce given the likely future funding	— 2009–11 will undoubtedly see a reduction in the overall workforce, frontline services will be protected as far as possible	— Currently undertaking critical review of functions and services to ensure fit for purpose identifying opportunities for savings

REGION	FORCE	Officers	PCSO	Staff	Total	Comment on trends	General comments	Indication of likely changes	Future plan
EM	Leicestershire	2,344	240	1,296	3,880	<ul style="list-style-type: none"> Reduction in BCU's from 4 to 3 April 07 Increase to cover protective services WFM Partnership funding 	<ul style="list-style-type: none"> FF-C Low reserves—would be insufficient to meet a major enquiry (Soham/lpswich) 	<ul style="list-style-type: none"> Current three month recruitment freeze for all posts to identify wastage Current block on officer moves and promotions pending review 	<ul style="list-style-type: none"> Force has established a Savings Delivery Team to identify opportunities to save money 20 years estate review to realise capital through sale of assets Managed reduction in workforce through natural wastage
EM	Lincolnshire	1,195	149	994	2,338	<ul style="list-style-type: none"> WFM Critical review delivering £2.3 million efficiencies Use of £2.6 million reserves due to capping 	<ul style="list-style-type: none"> 08/09 large council tax precept was agreed to alleviate the existing funding shortfall Radical risk based reprioritisation of resources releasing £1.5 million to balance budget FF-F 	<ul style="list-style-type: none"> Minimal changes in workforce anticipated 	<ul style="list-style-type: none"> Service review to identify efficiencies Continuance of county council funding towards the cost of PCSOs
L	City of London	813		342	115	<ul style="list-style-type: none"> WFM Improvement in operational processes (Quest) Reliance on DSP funding 	<ul style="list-style-type: none"> FF-F WFM Heavy reliance on DSP funding Quest has been used to—improve business processes Workforce has been restructured 	<ul style="list-style-type: none"> None 	<ul style="list-style-type: none"> No future plan, however identified that funding shortfalls will directly impact on service delivery
NW	Merseyside	4,558	449	2,122	7,129	<ul style="list-style-type: none"> Ceiling loser Cashable savings invested in police growth (197 officers) Restructuring = efficiencies (back office to front line) also protective services 	<ul style="list-style-type: none"> FF-F 	<ul style="list-style-type: none"> Information not provided 	<ul style="list-style-type: none"> Information not provided, however force states that they are working together with the PA to examine various funding scenarios for 10-13
L	Met Service	33,318	4,685	14,488	52,491	<ul style="list-style-type: none"> Dedicated grants used to increase establishment WFM 	<ul style="list-style-type: none"> Increase in police officer posts have generally been due to additional specific funding, including working with local boroughs 	<ul style="list-style-type: none"> Operation Herald—recruit 900 more civilians for custody duty, returning officers to the frontline 	<ul style="list-style-type: none"> An improvement plan being introduced, with four main themes: shared services, lean processes, income generation and procurement (main thrust is to maintain frontline delivery)
E	Norfolk	1,666		1,415	3,081	<ul style="list-style-type: none"> £14 million non cashable and cashable efficiency savings 	<ul style="list-style-type: none"> Driving out savings through rigorous efficiency methods, directing savings to the frontline Supportive PA in precept setting 	<ul style="list-style-type: none"> Commitment to frontline, no planned cuts for the immediate future 	<ul style="list-style-type: none"> Funding settlements be significant in the future, cuts to resources will be inevitable Review of services cutting staff Collaboration opportunities Seek best value in procurement

REGION	FORCE	Officers	PCSO	Staff	Total	Comment on trends	General comments	Indication of likely changes	Future plan
EM	Northamptonshire	1,335	171	1,184	2,690	— Increase staff in protected services, neighbourhood policing and training — WFM	— None	— Significant reductions in police staff numbers are anticipated — Possibility of reduction in PCSO which are link to partnership	— Significant review to drive out efficiencies — Collaboration — And review of capital programme — Targeted use of reserves to assist downsizing
NE	Northumbria	4,110		2,588	6,698	— WFM 28% increase in police staff, releasing officers to frontline, underpinning neighbourhood policing	— FF-F	— No significant changes anticipated	— Review has taken place, however the position for 10/11 has not been finalised
NE	North Yorkshire	1,483		1,405	2,888	— WFM? 21% increase in police staff, 5% decrease in officers (compared to 2004)	— In 07/08 undertook a capability and capacity review which realised an estimated £7 million annual savings which was reinvested into the frontline	— 09-10 continue existing recruitment plan for PC/PCSO	— Some shrinkage is predicted however a number of model scenarios have been developed which is dependant for the future financial situation
EM	Nottinghamshire	2,350	252	1,523	4,125	— WFM 15% increase in police staff, 3% decrease in officers (compared to 2004)	— None	— Vacancy management for police staff posts — Seeking WFM opportunities	— Systematic review adopting lean processes and benchmarking — Review of capital programme — Await clarity on future funding to inform decisions on staffing levels
NE	South Yorkshire	2,948		2,640	5,588	— WFM 25% increase in police staff, 7% decrease in officers (compared to 2004)	— WFM removing officers from non essential tasks	— No comment provided	— Anticipated that severe funding cuts will lead to significant further staff/officer
WM	Staffordshire	2,244	262	1,617	4,123	— Efficiencies in back office — WFM	— Organisational review has taken place which has realised a restructuring of the workforce — WFM has driven out a number of officer posts	— Slight reduction in police officer until March 2010, staff/PCSO remain constant	— A decision has not yet been taken as to the rationalisation of the service which is dependant on the future financial settlements — Will continue to drive out efficiencies — Continuing to undertake collaborative opportunities across the region and locally
E	Suffolk	1,309		1,220	2,529	— WFM	— WFM has reduced officer numbers and increased staff, however during this process the front line has been protected	— Likelihood of further WFM opportunities	— Seek out further collaboration with Norfolk on shared service ventures to drive down costs — Review of business processes to drive out efficiencies for a balanced downsizing of resources

REGION	FORCE	Officers	PCSO	Staff	Total	Comment on trends	General comments	Indication of likely changes	Future plan
SE	Surrey	1,815		2,240	4,055	— WFM 22% increase in police staff, 2% decrease in officers (compared to 2004)	— Surrey establishes itself as a WFM pioneer saving £2.3 million in annual operating costs — Surrey was capped in year requiring rebilling of £1.2 million	— Owing to the capping decision loss of 38 officers and 11 police staff is necessary	— A fundamental review with the support of the PA has been commissioned to review operational policing model to reduce cost and seek efficiencies
SE	Sussex	3,260		2,564	5,824	— WFM 21% increase in police staff — DSP funds 80 posts — Increase in protective services	— FF-F	— There are no significant changes anticipated for 09/10	— Force budget holders have been tasked to submit proposals to make savings of 2% — As a result of the review a possible reduction of 80 officers and 26 police staff posts have been identified b) vacancy management — Further reduction in staff would be likely dependant on future financial position — Reduction in capital programme with minimal fleet and equipment replacement programme — Consideration to changes in management structures and BCUs — Seek out further collaboration opportunities
SE	Thames Valley	4,419		3,587	8,006	— £14.6 million cashable savings (last two years) due to extensive efficiency strategy	— Savings re-invested to neighbourhood policing	— 2009–11 it is proposed to maintain police officer and PCSO strength, however likelihood of reductions in 2010–11 police staff posts (180 approx)	— Zero based budget approach being taken across organisation, coupled with productivity plan to seek savings
WM	Warwickshire	987		897	1,885	— WFM 24% increase in police staff, 1.4% decrease in officers (compared to 2004) — Significant force restructuring, involving removal of BCU through task force approach	— Significant force restructuring, involving removal of BCU through task force approach — Requirement of a £4.5 million cashable savings in the next three years — Funding gap of £6.8 million per annum	— WFM to reduce officer establishment — Vacancy management	— Sustainable strategy with 2 elements. 1) Embedding culturing change through leadership 2) working smarter to drive out waste, including reviewing capital and corporate expenditure, also exploring opportunities for outsourcing and collaboration — if the current modelling of cuts is more severe then this will require a fundamental structural change, effecting levels/range of services

REGION	FORCE	Officers	PCSO	Staff	Total	Comment on trends	General comments	Indication of likely changes	Future plan
WM	West Mercia	2,432		2,063	4,495	<ul style="list-style-type: none"> WFM 19% increase in police staff (although 5% increase in officers) Increase in front line resources 	<ul style="list-style-type: none"> Cuts in resources will be focused to have minimal affect on frontline delivery 	<ul style="list-style-type: none"> Slight reductions in workforce for the remainder of 09/10 with further reductions planned of 70 officers and 70 staff in 2011 	<ul style="list-style-type: none"> Comprehensive examination of force structure and resources has been commissioned due to report back in Dec 2009 decisions to be taken regarding resource cuts are dependant on future financial settlements
WM	West Midlands	8,776	823	4,443	14,042	<ul style="list-style-type: none"> Increase in specific grants (CT) has led to increase in resources WFM 	<ul style="list-style-type: none"> Recent organisational change programme intent on releasing future savings FF-C 	<ul style="list-style-type: none"> No information available 	<ul style="list-style-type: none"> Number of OCUs in the process of being reduced from 21 to 10 realising savings on overheads and management Reduction in staff numbers will be likely to reflect cuts in . funding
NE	West Yorkshire	5,784		4,258	10,042	<ul style="list-style-type: none"> WFM Increase has been directed to neighbourhood policing and crime & incident management 	<ul style="list-style-type: none"> Potential budget gap of £9.4 million and £15.3 million in 2011–12 	<ul style="list-style-type: none"> WFM to decrease officer numbers by a small degree (20–50 posts approx) Vacancy freeze to reduce police staff posts 	<ul style="list-style-type: none"> Vacancy freeze to reduce police staff posts leading to a leaner workforce Re-phasing of capital investment programme Quest Shared services Centralising services Collaboration opportunities VFM reviews WFM Benchmarking against forces Review of employment policies Vacancy management Vehicle utilisation
SW	Wiltshire	1,209		1,164	2,373	<ul style="list-style-type: none"> WFM 11% increase in police staff (police officers stable) Addressing protective services gap Redesign of business processes 	<ul style="list-style-type: none"> Review of non operational police officer roles to identify WFM opportunities 	<ul style="list-style-type: none"> WFM No significant changes to the workforce in the current year or 2011 	<ul style="list-style-type: none"> Programme of change led by DCC to examine opportunities to cope with spending cuts which includes, collaboration working Depending on the severity of future cuts workforce reductions cannot be ruled out
W	Dyfed-Powys	1,195		779	1,974	<ul style="list-style-type: none"> WFM 17% increase in police staff (police officers 3% increase) Addressing the gap in protective services 	<ul style="list-style-type: none"> Minimum precept of 2.5% FF-F 	<ul style="list-style-type: none"> Vacancy management Whilst it is anticipated that £1.9 million of savings are required, the plan is unclear 	<ul style="list-style-type: none"> Future funding implications would undoubtedly affect staffing numbers, however reducing the impact to the front line will be a priority Other options include: recruitment freeze, collaboration, procurement, process improvement, invest to save

REGION	FORCE	Officers	PCSO	Staff	Total	Comment on trends	General comments	Indication of likely changes	Future plan
W	Gwent	1,431		981	2,412	— WFM 26% increase in police staff (police officers 5% increase) — Force restructure to single BCU	— March 2009 force moved to a single BCU structure — In May 2008 the force froze recruitment of officers and staff to address the serious funding gap projected, 09-12 — Concentration to focus staff movements from back office to front service delivery to include WFM	— The force has continued with a recruitment programme to return policing numbers back up to 06/07 levels	— Some PCSO funding is through external partnership sources, it is hoped that this will continue — Further unexpected cuts will inevitably result in reductions in frontline policing and neighbourhood policing in particular
W	North Wales	1,603	156	875	2,634	— Loss 100 (staff and officers—total) in order to address funding gap — WFM has released officers to address protective services	— WFM to address funding shortfalls	— It is inevitable that staff will be cut during 2010–11, firstly to address funding shortfall and also through leaner working practices	— Force is about to embark on a project using NIM principles to review the business to identify cost savings whilst improving/ maintaining performance. A number of tactical solutions will fall out of this process
W	South Wales	3,120		2,155	5,275	— WFM 16% increase in police staff, 4% decrease in officers (compared to 2004)	— WFM has been used to maintain frontline services and fill the budget gap and not the planned increases to front line resources	— WFM — Vacancy management of around 200 FTE posts	— Review of force systems/ structures/processes to include a range of tactical options to realise savings: estate management, lean systems, procurement, collaboration, HR working practices

Notes:

- IMPORTANT: Enquiries have established that forces have interpreted Question ONE in many different ways, and as such these figures cannot be directly compared to Home Office Police Service Strength statistics. The definition for the Home Office returns are very precise, whereas for this return, forces have used their own interpretations such as “budgeted strengths” or “Full Time Equivalents” or “Head Counts”. Also some forces have included externally funded posts, agency staff, traffic wardens, designated officers, and other groups not generally included in the Home Office statistics.
- Where PCSO cells are blank, forces have incorporated their numbers into the staff figures.
- FF-F = a force which is supported by the dampening mechanism under the funding formula (floor).
- FF-C = a force which is a loser by the dampening mechanism under the funding formula (ceiling).
- WFM = workforce modernisation, which means police officer roles being civilianised to reduce costs (Generally back office functions).
- DSP funding = dedicated security grant funding for specific purposes
- PA = police authority
- VFM = value for money
- CDO = civilian detention officer (generally replacing officers in custody suites)

APPENDIX B

REGION	FORCE	Year on year % differences (between 31 March strength returns)										5 year % Total	
		2004-05		2005-06		2006-07		2007-08		2008-09		2004-09	
		Officer	Staff	Officer	Staff	Officer	Staff	Officer	Staff	Officer	Staff	Officers	Staff
E	Bedfordshire	2.88	6.74	-1.40	6.45	-1.09	-1.98	-1.10	-2.69	6.14	5.52	5.44	14.05
E	Cambridgeshire	0.14	-0.72	2.00	7.93	-3.43	2.67	-1.67	-3.25	6.77	10.99	3.82	17.62
E	Essex	2.97	4.90	2.79	0.00	0.55	-2.54	1.49	3.55	4.12	5.09	11.92	10.99
E	Hertfordshire	0.86	0.43	1.05	5.30	1.55	0.81	-1.02	-0.73	1.64	3.96	4.08	9.76
E	Norfolk	2.25	1.13	0.84	8.13	0.51	-0.47	-2.49	-0.57	9.31	1.80	10.42	10.03
E	Suffolk	0.69	3.04	-0.99	4.92	3.23	-0.70	-2.53	-3.90	-1.30	6.63	-0.90	10.00
EM	Derbyshire	0.00	3.01	-1.16	-4.81	-1.12	8.57	2.62	5.15	2.94	1.74	3.27	13.65
EM	Leicestershire	0.26	2.58	-1.45	4.45	-1.11	5.75	-0.58	0.09	6.83	6.65	3.95	19.52
EM	Lincolnshire	-0.57	3.20	-0.66	-0.15	0.66	6.35	-3.52	5.56	4.33	7.37	0.24	22.32
EM	Northamptonshire	2.26	11.33	3.95	3.80	-2.73	-0.10	-1.33	1.49	4.91	12.40	7.05	28.92
EM	Nottinghamshire	0.72	2.57	-1.00	5.08	-2.70	-1.08	-3.15	0.15	3.17	9.69	-2.96	16.41
L	City of London	2.70	4.56	-0.80	5.37	-1.73	1.59	-4.33	-6.27	-0.49	-0.67	-4.65	4.58
L	Met Service	3.28	7.67	-0.57	2.03	0.57	1.30	0.99	0.49	5.15	0.65	9.42	12.14
NE	Cleveland	-0.65	-2.09	0.06	-6.82	2.15	2.01	-2.92	-1.41	5.59	3.42	4.23	-4.89
NE	Durham	1.96	22.67	-1.11	-0.41	-0.94	3.96	-4.63	7.09	-1.06	13.36	-5.78	46.66
NE	Humberside	0.77	5.62	-0.27	6.09	0.13	10.57	-0.49	8.24	-4.78	6.93	-4.64	37.46
NE	Northumbria	0.20	-0.27	-1.61	11.67	-1.66	2.76	0.28	8.88	4.66	11.00	1.87	34.05
NE	North Yorkshire	0.92	7.41	6.03	11.96	1.10	8.57	-5.68	-4.34	-6.41	1.48	-4.05	25.07
NE	South Yorkshire	-0.43	9.22	-0.31	7.17	-0.03	6.75	-2.52	3.03	-3.75	4.02	-7.04	30.20
NE	West Yorkshire	6.75	8.65	0.23	5.54	0.19	-3.33	1.57	5.52	1.92	7.27	10.66	23.65
NW	Cheshire	0.41	-1.04	-0.55	2.90	0.83	7.86	-3.10	11.41	2.64	5.26	0.23	26.39
NW	Cumbria	0.82	3.55	-0.16	0.27	1.14	1.50	-1.29	4.04	4.56	4.92	5.07	14.28
NW	GMP	-0.01	-4.32	-1.02	1.48	-0.90	0.51	0.56	4.90	3.80	9.25	2.42	11.82
NW	Lancashire	0.03	1.90	0.90	2.86	-3.27	2.15	4.13	6.94	3.99	2.85	5.78	16.70
NW	Merseyside	4.73	14.61	-1.11	3.81	3.37	-1.54	0.82	1.38	1.01	0.82	8.82	19.08
SE	Hampshire	0.51	5.36	-0.48	6.82	2.40	12.15	0.29	3.23	0.11	-3.21	2.83	24.35
SE	Kent	0.28	-1.72	0.36	2.87	1.81	-0.31	-0.55	2.28	4.25	3.98	6.16	7.10
SE	Surrey	0.10	8.88	0.37	4.69	-0.42	9.02	-0.52	7.62	-1.68	-4.20	-2.15	26.00
SE	Sussex	0.16	7.68	1.58	2.26	-0.49	0.00	-1.46	-1.00	5.41	5.37	5.20	14.30
SE	Thames Valley	1.98	-0.34	2.80	6.55	-0.76	-0.93	-2.03	0.58	4.99	4.51	6.98	10.36
SW	Avon & Somerset	-0.50	0.05	0.15	3.74	-0.41	6.15	-1.07	3.67	0.48	-4.94	-1.35	8.68
SW	Devon & Cornwall	2.62	5.61	3.68	2.36	-0.49	-1.73	0.29	4.94	2.01	-16.63	8.11	-5.45
SW	Dorset	1.19	7.05	2.41	4.20	0.47	5.99	-0.67	-1.44	2.02	2.61	5.43	18.41
SW	Gloucestershire	0.55	3.27	-0.15	4.68	1.09	3.46	2.69	-2.51	2.54	1.14	6.70	10.04
SW	Wiltshire	0.41	6.15	-0.25	4.93	-1.23	0.94	-0.17	2.33	2.25	-2.84	1.01	11.51

REGION	FORCE	Year on year % differences (between 31 March strength returns)										5 year % Total	
		2004-05		2005-06		2006-07		2007-08		2008-09		2004-09	
		Officer	Staff	Officer	Staff	Officer	Staff	Officer	Staff	Officer	Staff	Officers	Staff
W	Dyfed-Powys	1.21	1.53	0.68	6.59	-0.42	7.07	0.34	3.14	1.35	1.28	3.16	19.60
W	Gwent	4.81	9.38	2.02	8.87	1.77	7.48	-1.27	6.21	-2.44	0.00	4.88	31.93
W	North Wales	3.06	2.12	-2.12	1.73	-1.61	-13.95	-1.57	1.98	1.28	6.33	-0.96	-1.79
W	South Wales	0.06	3.92	-0.55	2.19	1.04	1.04	-3.12	1.03	-1.47	9.71	-4.04	17.89
WM	Staffordshire	0.62	5.58	-0.35	-1.51	0.70	-1.38	-2.58	1.71	-0.81	0.46	-2.42	4.86
WM	Warwickshire	0.30	12.38	2.08	3.22	2.62	2.46	-3.97	0.80	-2.26	9.38	-1.24	28.25
WM	West Mercia	0.51	7.26	-0.68	4.76	2.08	3.52	1.38	1.79	1.56	4.55	4.85	21.88
WM	West Midlands	2.14	1.39	0.51	5.00	0.94	1.45	1.74	2.63	3.87	3.90	9.20	14.37
	Totals	1.74	4.58	0.10	3.61	0.21	1.89	-0.15	2.36	2.89	3.04	4.81	15.49

Memorandum submitted by Kent Police Authority

**POLICE SERVICE STRENGTH—RESPONSE TO HOME AFFAIRS SELECT COMMITTEE
REQUEST FOR INFORMATION**

The table below summarises the material submitted by the Force (on behalf of both Force and Authority) in response to the call for information:

<i>“Category” of officer / staff</i>	<i>As at (dates)</i>		<i>Increase / Decrease</i>	
	<i>March 2005</i>	<i>Sept 2009</i>	<i>No’s</i>	<i>%</i>
Police officers	3,650	3,875	+ 225	+ 6%
Police Support Staff ¹	2,632	3,269	+ 637	+ 24%
Total	6,282	7,144	+ 862	+ 14%

I trust this table proves self explanatory, the increases in police officer numbers since 2005 are largely attributable to the Police Authority’s investment in protective services in the wake of the “closing the gap” and merger debates and a programme of sustained, year on year investment in neighbourhood policing including the implementation of Neighbourhood Task Teams (NTT) for each of our 13 local authority districts (two for the larger Unitary of Medway).

For support staff, just under 400 of the increase is attributable to the introduction of PCSOs.

Our medium-term financial strategy does entail significant cashable savings and this will be revised (and made more demanding) as we go through the planning / budgetary cycle prior to agreeing a policing and budgetary plan for 2010–13. In this respect our planning and financial assumptions resonate with the inferences in your Chairman’s covering letter, namely the increasingly tight financial climate and a calculation on the economic, political and legal viability of alternative council tax increases.

Overall the force and authority have a strong track record on efficiencies and savings, we have “scored” consistently well in the Audit Commission (Police) Use of Resources assessments and we remain one of the very lowest precepting police authorities outside of the metropolitan areas.

Significantly, we have a well-developed collaboration programme with Essex and are currently at an extremely advanced stage in agreeing joint IT and specialist crime (major and serious / organised crime) Directorates across the two force areas. This model of a “shared platform” for joint service provision is a model we would intend to develop in the coming years and would see it being an effective arrangement for a host of other support services—finance, HR, transport and so on.

Clearly reductions in headcount cannot be entirely ruled out, police authority members are realistic and well sighted on the financial challenges. Nonetheless, there is an explicit commitment to retaining the numbers in front line service delivery whenever and wherever possible. There is a broad consensus and acknowledgement amongst members that this will inevitably involve some difficult and challenging staff / employee relations decisions.

November 2009

Memorandum submitted by Wiltshire Police Authority

EVIDENCE ON POLICE SERVICE STRENGTH IN WILTSHIRE

I refer to your letter of 14 October to the Chief Constable and I can advise you as follows:

- Wiltshire Police currently has a total headcount of 2,503 (figures as at 30 September 2009) which is broken down into 1,221 Police Officers and 1,282 Police Staff (including PCSO’s but excluding Special Constables and Volunteers). It should be noted that the Full Time Equivalent numbers will be less, since some will be part-time staff.
- There has been an overall increase of 372 (heads) since 2004 of which the majority is attributed to growth in Protective Services capacity as a result of “Closing the Gap”. It is difficult to break down detailed changes in smaller units over this period of time to provide a like for like comparison as the organisation has evolved with design and structures of business units changing.
- With pressures on Police Forces to increase service provision (Protective Services and Neighbourhood Policing) it has been necessary to look at all options. Central funding over the last three years has been in the range of 2.3% to 2.6%, this has been sufficient to fund nationally agreed

¹ Includes PCSOS (389 at Sept 2009)

pay increases but will not fund any growth. To fund the growth efficiency savings of at least 3% per annum have been targeted. In this strive for efficiency to release funds the Force has, and continues to review each non-operational Police Officer role to identify whether there is a critical need for the role holder to be a warranted officer. This, with Work Force Modernisation, has led to a recent reduction in Police Officers, it should be noted that each role which is civilianised results in a saving of circa £15,000. As detailed below future funding expectations will require us to push harder for efficiencies. By targeting those non-operational Police Officers initially it is likely that total police officers numbers will fall.

- The Force does not have any significant changes planned to the current workforce in respect of size for the remainder of this financial year, nor have specific changes been detailed in respect of the financial year 2010–2011. However, our medium term financial plan indicates that over the next three years we will have to make savings in the region of 5% of our budget. With such a large proportion of our expenditure committed to staff costs it is inevitable that the numbers of staff and officers will come under pressure. The Force and the Police Authority recognise the challenges in public spending and are, taking steps to ensure that the Force is strategically prepared for the next decade. Critical to this is the programme of change led by the Deputy Chief Constable to examine efficiency, resourcing and opportunities for strategic partnerships which will ensure the continued delivery of policing services for Wiltshire against a backdrop of public spending cuts and continued economic pressures. Also, Wiltshire Police take an active role in the Regional Collaboration Programme driven by the Chief Constables and PA Chairs across the South West.

November 2009

Memorandum submitted by Thames Valley Police Authority

I attach a table showing police officer and police staff strength over the last five years. These figures are taken from the annual return to the Home office (PP01 returns).

Police Officers and Staff in Thames Valley Police (FTE)

	<i>Police Officers</i>	<i>Support Staff</i>
30 September 2009	4,418.5	3,587.0
31 March 2009	4,317.1	3,467.8
31 March 2008	4,185.8	3,300.8
31 March 2007	4,259.8	2,978.0
31 March 2006	4,288.1	2,928.0
31 March 2005	4,189.4	2,733.2

Information as submitted to Home Office on PP01 Returns.

Excludes staff on secondment, but includes staff on career break.

The growth has been invested in neighbourhood policing and protective services and has only been achieved by cutbacks elsewhere in the force budget and redistribution of other posts. In particular, the force efficiency strategy, referred to as the productivity plan, has already delivered £14.6 million of cashable savings in the last two years, whilst growing overall strength as shown in the table.

For the remainder of 2009–10 and, hopefully, for 2010–11, we will maintain police officer and PCSO strength. However, it is highly likely that police staff posts will be reduced in 2010–11 and subsequent years. Our best estimate at present for 2010–11 is approximately 180 posts.

Losing our workforce posts is a last resort given the current situation. For police officers, we have the lowest ratio to population of our family and the 9th lowest across all forces. Taking all staff into account, we have 321 (4.4%) less staff than our family average, and 1,106 (15.2%) less than the national average. This is the current position before future spending cuts. To preserve as many frontline posts as possible, the productivity plan is examining all other areas of expenditure, including contract specifications, shared services of HR, Finance and Procurement collaboration for ICT, Forensics and Transport and a comprehensive zero based budget approach across the organisation. The productivity plan is led by my Deputy Chief Constable.

I hope this gives you a flavour of how we are tackling what is inevitably going to be a difficult period for the service. Our intention is to preserve and improve our service to our communities, despite less resources.

November 2009

Memorandum submitted by Thames Valley Police Authority

I understand the Chief Constable, Sara Thornton, has provided you with a schedule showing police officer and police staff strengths over the last five years.

As the Chief Constable has pointed out, the Police Authority has prioritised the growth in posts in Neighbourhood Policing and Protective Services. This investment in growth in posts has resulted from rigorous challenge of expenditure, a drive for efficiency and greater productivity, which has released in excess of £14 million cashable savings over the last two years to be re-invested in the front line.

The Police Authority intends to maintain current strength through 2010–11. However, we are currently considering budget options for 2010–11 and subsequent years and, whilst no decisions will be made for some months yet, it is possible that there may be a reduction in the number of police staff posts.

The situation in Thames Valley is that, whilst we have the highest number of officers ever, and the Authority has been able to increase the number in recent years, unlike many other authorities, we still have the lowest ratio to population in our family and are the ninth lowest across all forces. This is equivalent to some 4.4% less than our family average, and 15.2% less than the national average.

As you will be only too well aware, the prospects for public sector funding over the next few years look bleak and, whilst the Authority will strive to preserve and, indeed where possible, grow front-line posts, this cannot be guaranteed.

There is another peculiarity in Thames Valley which has an impact on the officer/population ratios. This results from the high growth in population and the very significant new development which has taken place in Thames Valley in recent years. This trend is set to continue in the future with, for example, Milton Keynes doubling in size within the next 15–20 years. Whilst, theoretically, the Authority should receive additional revenue income as a result of the growth in population, the adoption of “floors and ceilings” in the funding formula effectively means that, while we have to cope with and address significant population increase (thus adversely affecting our officer/population ratios), we receive no additional funding as the ceiling arrangement prevents this revenue growth.

The Authority will continue to work with and drive the Force to increase productivity and efficiency to try and ensure that front-line policing numbers are maintained. However, given the current economic climate and issues such as the planned growth, this may prove exceedingly difficult.

November 2009

Memorandum submitted by Lancashire Police Academy

Thank you for your letter of 14 October 2009 together with the opportunity of commenting to the evidence session on Police Service strength. These views are those of the Lancashire Police Authority although we have had sight of the information from Lancashire Constabulary which has contributed to the response from ACPO. The Constabulary have submitted the detailed information that you have requested and we are not repeating this here.

We agree with the comments of Sir Hugh Orde with regard to the likelihood of significant funding cuts for policing within the current financial climate, and whilst we recognise that no service can be exempt from reductions in budget in the face of substantial increases in public sector borrowing, we have, as an Authority, concerns about how that will impact on the recently imposed target that seeks to measure confidence in the Constabulary.

The link that members of the public make between Police Officer numbers, and effectiveness and efficiency of police provision is one that has been made on a number of occasions. Lancashire Police Authority, together with the Constabulary have already begun an active programme to scope a range of budget reduction options that will allow us to continue to deliver excellent services that are good value for money. We expect that as part of this we will need to look at the makeup of the workforce and the way in which services are delivered.

It is the case that in Lancashire the CSR funding has provided only a stand still option at best. We would like to see consideration across government departments to the cumulative impact of cross sector budget cuts. In local government for example, cuts to local authority budgets may well have an impact on resourcing

in terms of community safety. An example of these could be not only a reduction in resources available for PCSO's but also a reduction in non-statutory activities, such as parks maintenance, which could directly impact on neighbourhood policing.

November 2009

Memorandum submitted by Association of Police Authorities (APA)

PREAMBLE

This document should be read in conjunction with a submission by the Association of Chief Police Officers (ACPO) to the Home Affairs Select Committee on behalf of all police forces throughout England and Wales.

The Committee's original call for submissions suggested that individual police authorities might provide a joint response with their forces. However, both ACPO and the Association of Police Authorities (APA) have elected to provide separate, though complementary corporate responses to ensure full and accurate representation of their respective views on the issue of police service strength.

This document does not include specific data about officer and civilian headcounts, nor financial impact and mitigation strategies of individual forces. Rather, when read together with ACPO's position paper, it contextualises the wider funding environment, notably the anticipated financial pressure upon police authorities. Police authorities were consulted by their forces about metrics supplied with ACPO's submission and are accordingly endorsed by the APA.

A Strategy for the Service

The APA and police authorities acknowledge the deteriorating state of public finances and the difficult choices ahead for government spending. Prioritisation always has, and always will be a fact of life for government expenditure and the forthcoming period is no exception. What's changed is the size of the challenge.

The police service is steadfastly focused on continuous improvement to increase value for money and deliver an ever superior service to the public. An enormous volume of activity is underway across the service to squeeze ever greater savings from budgets and increase productivity. Many significant gains have already been made. But we can, and must go further.

Similar to every area of public expenditure, police funding should not be immune from scrutiny under the circumstances. But we argue that change takes time and needs investment. To reduce funding now will seriously impact the ability of the police service to implement new business models to produce a second wave of productivity and service delivery enhancements. Current business improvement initiatives are typically frame-breaking and mostly untested. Examples include new service delivery models that mix police officers and unwarranted police staff, experimental forms of collaboration between forces and third party providers, better integrated and streamlined systems and processes across the criminal justice system, innovative use of IT and outsourcing.

Policing is complex. Arbitrary delineation between "back office" and "frontline" activity, for example, seriously undermines and misjudges this complexity. "Bobbies on the beat" (if this in fact defines "frontline") are merely the tip of a sophisticated system of skills, information systems, relationships and networks required to deliver policing services. A cut to any part of the system has flow-on consequences for the productivity and effectiveness of other parts. In the event, many efficiencies have already been exploited within existing business models across the police service. A shift to new models will require additional resources and time for transition.

There is no easy solution to the funding dilemma. However, we must be clear. The ability of police forces to maintain existing levels of service with smaller budgets has limits. At some point, service must diminish. In particular, calls to maintain "frontline" policing, regardless of funding available jeopardises further productivity improvements, risks backsliding on previous gains and is likely to hollow out the capacity and capability of forces as budgets are skewed to accommodate a simple, narrow conception of policing activity—visible, reactive patrolling.

Of course every government department will argue their case for priority funding. However, the provision of effective, adequately resourced policing is one of government's primary responsibilities in a developed, civil society. We urge the government to consider the vital role of policing as an enabler of economic recovery, by contributing to public safety and security within the commercial sector.

The remainder of this document provides further context in support of the APA's argument that police funding should be maintained at least at present levels from 2011 and outyears.

Commencing with an executive summary of strategic options and considerations for the service to improve productivity and increase value for money, the report goes on to give an account of change initiatives to date, the challenges faced by forces and argue for maintenance of current funding levels.

Strategic options and considerations

Government and the police service

- Initiate a fundamental debate on the future role of the service, and how it contributes to national priorities.
- Implement a broad-sweeping, ambitious programme to reduce bureaucracy and aversion to risk, including a review of roles and accountability of partners.
- Modernise pay and reward structures to professionalise the police service and increase productivity.

Police authorities and forces

- Move the productivity agenda onto a new level, addressing directly the issues raised in the Green Paper and Jan Berry's review, and progressing QUEST and Workforce Modernisation improvements.
- Police authorities assume a more prominent role in local efficiency planning targets.
- Police authorities and forces should promote wider collaborative and joint working between forces, authorities, and beyond the police service where this improves services and/or reduces costs without undermining local provision or accountability.
- Encourage more innovative solutions to delivery services locally; building and strengthening the right culture throughout the service.
- Establish the necessary structures to enable modernisation. These include:
 - Management structures and resource management capacity.
 - ICT and data collection systems.
 - Development of new skills in change management and organisational improvement.
 - Development of new techniques in resource allocation and benefits assessment.

Government

- Articulate a strategic vision for the police service, including priority deliverables and expectations.
- Take a realistic approach to new responsibilities; recognition through New Burdens funding when this is unavoidable.
- Demonstrate realistic expectations about further efficiency savings and risks to service levels.
- Maintain non-block grant funding streams.
- Commit financial, advisory and technical support for the service to innovate and reduce bureaucracy.
- Recognise the importance of local prioritisation when resource levels are being reduced. This includes a realistic debate around local council tax levels. The proportion of police spending raised locally has doubled over the last 10 years, and now stands at over 25%. Local consultation exercises confirm that in many areas, the public would be prepared to pay a little more each year if it means that their local policing services would be protected or improved. Arbitrary capping or even the threat of it takes away that freedom.
- Review central roles and regulations to allow as much flexibility as possible for the service to allocate resources where they are most needed.
- Facilitate closer working with other parts of the public sector (including the Criminal Justice System) on ways that will provide mutual benefit.

BACKGROUND

1. The theme for the last CSR Submission was "Sustainable Policing". It was prepared at a time when the service foresaw growing demands but a financial outlook that was likely to tighten. Compared to what faces the service now, the situation in 2006 was optimistic.

2. The priorities in 2006 were to preserve the fabric and the infrastructure of the service, and consolidate the positive progress which had been made in establishing neighbourhood policing and filling the protective services gap.

3. Even then, it would be a challenge. Funding levels for both grants and Council Tax would be constrained, and future pay levels could add to the pressure. The role of the efficiency strategy in releasing cash savings which could be at least partially recycled assumed even more significance.

4. There was also the matter of "expectations", set by Ministers, the media, the public, and the service itself. In an environment of reducing real resources, expectations can accentuate the pressures.

5. Financial prospects for the next CSR period are a step into the unknown. The scale of the required adjustment to public spending has still not been confirmed, but it could rewrite the resource assumptions for the next 10 years. Services such as police may face real terms reductions of 10% or more over the three years from 2011–12. Public services have had no experience of such a change in modern times.

6. This is the financial backdrop facing all public services. Those which will secure a degree of protection from the worst of the impact will be those which contribute significantly to the Government's wider economic and social objectives; those which have already grasped the need for modernisation; and those which are operating effectively with a wide range of partners in both the public and private sectors. The police service meets all three of those criteria. If so, the next CSR is a time for consolidation and taking steps not to lose the positive momentum built up in the relatively prosperous years of the early 21st century.

7. Policing is not only a victim of the global economic crisis, but a catalyst to recovery.

8. The service must look to its inherent strengths:

- Successful policing helps shape social attitudes and values.
- Many national strategies depend upon effective policing.
- There are obvious policy linkages between Policing, Education, Social strategies, Health and Transport.
- Effective policing is a critical enabler of social security and economic development. Commerce, local regeneration and public standards depend on police enforcement of property rights and personal protection.

9. Ineffective policing risks lowering the prospects of a quick economic recovery and ongoing economic stability.

10. Policing fully pervades the fabric of society and is accordingly a complex business operating on at least four broad levels—international/national/regional and local. It is also driven by many external factors, including demographic trends, advances in technology, and political events.

11. Disregarding the policing “multiplier effect” may have dangerous consequences for security of delivery of many other public services. ie every £ decrease in police funding may produce a corresponding increase in costs to other services, broadly diminishing the capacity and effectiveness of the public service.

12. For the next 10 years the central focus for policing will be on capacity. The service has been very successful in improving efficiency and cost effectiveness since 1999, but the first signs of a levelling off are beginning to appear. This is at a time when Home Office is demanding that police authorities set ever more ambitious targets for efficiency savings. Consequently, the productivity and performance of policing services will come to the fore over the next CSR period. Up to now, the debate—and the targets—have been built around concepts such as cash or non cashable savings, with very tight definitions of what constitutes savings or gains.

13. While it is true that the capacity for continuing efficiencies in the traditional sense may be levelling off, this does not mean that the capacity to improve is also declining.

14. Improvements will flow from several sources. There will be cash reductions in some budgets, but these will be complemented by productivity improvements (doing more for the same) and service improvements (doing the same, or more, but better).

15. If the economic prospects are at the lower end of the scale, there may be a need to look again at the mix of policing services and the levels to which they are delivered. The demand for policing services from the public and government is almost infinite, and the constant flow of new legislation will add to the demands. Resources will almost certainly grow at a slower rate than demands over the next couple of CSR periods. Affordability will be paramount, and within the financial limits it will be about achieving the optimum mix.

16. It will also be essential to manage expectations, to ensure that the public and other stakeholders appreciate the scale of the challenge facing the service, and the practical limits on what can be achieved. By informing and listening to communities, it will help shape a more effective response to the reduction in resources.

THE FINANCIAL AND SOCIO ECONOMIC BACKGROUND

17. Current spending on Policing in England and Wales is £11.2 billion. In per capita terms, that is equivalent to £208 per year. Because of the high proportion of funding which comes from government grants, the actual local perceived cost is much lower. Band D Council Tax levels range from £81 to £199, averaging around £3 per week. The gearing effect of central/local funding has a downside in the sense that small marginal changes in local spending can seem disproportionately expensive in cash terms.

18. Police authorities have acted responsibly in setting their 2009–10 budgets. The realities of the financial situation facing the country are obvious, and Authorities have not risked alarming the public unnecessarily about funding gaps and cuts in service. Wherever possible, Authorities have sought to assure communities that they can continue to rely on their policing services, and that the service will strive to ensure that, by working more effectively, it will protect the public from loss of services even though the funding is falling.

19. Nevertheless, many Authorities and Chief Constables face some hard choices over the next few years, and it appears inevitable already that there will be an impact on police officer numbers. When this happens, it will be important to view it in context. Numbers do not tell the whole picture, and it is important to look at capacity in the round. For many years, the service has been moving uniformed officers from support roles into front line policing, and at the same time establishing specialist technical teams. The combined effect has been to increase capacity and productivity at the front line. This process has further to go.

20. The period between now and the start of 2011–12 provides a degree of breathing space, and the opportunity to reconfigure the base spending level and to put in place the measures which will enable the service to operate effectively within a significantly reduced resource level in the future. In the immediate future the service as a whole should have the resources available, and the opportunities for increased productivity, to protect service levels from unacceptable cuts. The pressure bears differently on individual Authorities; simplistic assumptions on the capacity to absorb more or make savings do not apply equally across the country. A lot depends on the original starting point, and the measures which have already been put into effect locally. There are already some forces which are being forced to cut services while at the same time using reserves to keep within capping limits; at the same time, other forces are continuing to generate efficiencies which are enabling services to be protected.

21. The long term prospects get considerably worse.

22. The service is feeling the effect of the recession in a variety of ways, and at the same time, there is evidence already of an increase in volume and acquisitive crime, which can be expected to increase if unemployment keeps rising and community regeneration goes into reverse. Evidence from previous recessions is that there could be a time lag before the full effect is apparent; it could take up to three years (2012) before the impact of unemployment feeds through fully into crime patterns. There is evidence of a correlation between serious disorder and rising unemployment since the 1970s.

23. Overall, therefore, the 2009–10 settlement provided welcome stability, but the service needs longer term flexibility, and recognition that not all police authorities are at the same starting point, or face the same range of pressures, or have the same capacity to increase productivity. Police authorities need room for manoeuvre in the short term on local funding levels, but also assurances that other central funding streams—which support substantial numbers of policing posts—will not be withdrawn without careful consideration of the consequences.

24. The service is already taking steps to adjust to the expected reduction in resources. Recent surveys suggest that the action being taken during 2009–10 includes:

- Higher efficiency targets.
- Adoption of QUEST or similar initiatives.
- Collaboration projects.
- “Lean management”.
- Invest to save projects.
- Increase in income and charges.
- Cancellation or deferral of revenue and capital projects.

25. Only a small number of Authorities are expecting to reduce police officer numbers or staff establishments as a whole in 2009–10.

EFFECTIVENESS OF POLICE INVESTMENT

26. The service has enjoyed substantial levels of growth over the last 10 years, and the ability to generate efficiency savings over and above this has provided effective potential to increase resourcing by up to 3% p.a in real terms. However, while acknowledging the real growth, it is fair to point out that some of the growth in the early years was to offset reductions in the early to mid 1990s. Also the real growth in funding has been matched by real growth in demand for policing; this is referred to in more detail later in this section.

27. It is important to draw the distinction between national and local policing budgets. While local resources have expanded, there has been an even bigger expansion in central resources to deal with serious and organised crime, primarily through SOCA, and in respect of the national terrorism threat.

28. Cuts of 10% and more are unlikely to be feasible without impacting upon officer numbers, which remains the primary criterion by which policing capacity is measured. Whole of force productivity, however, cannot be reduced to a simple metric of officer numbers. It seems quite feasible that officer numbers might reduce while productivity and service levels are maintained, or indeed increased. However, while the current misplaced debate continues, the ability of forces to take a holistic approach to improving organisational productivity is constrained. While the public and politicians may continue to focus on police officer numbers, attention needs to shift to overall service delivery,

29. Regardless of definition, it stands to reason that cuts to funding must at some point impact service levels and possibly police officer numbers. Such an outcome is sorely undesirable and must be avoided.

30. It may be possible to link productivity improvement more firmly to costs by:

- using productivity and increased capacity to take on new roles; and
- switching between uniformed and non uniformed establishments.

31. While it has been commended for its achievements in bringing down crime level, and expanding officer numbers, there remains a view in some quarters that the extra money has not bought everything that was intended.

32. This view has been articulated on more than one occasion by the Home Affairs Committee. While the service would be the first to agree that there is more to be done by way of reducing bureaucracy and working more productively, it has responded robustly to some of the Home Affairs Committee's arguments. In particular the Committee has tended to focus very simplistically on the relationships between funding, officer numbers and crime levels. All three are important criteria, but by restricting the debate to these three factors alone, it ignores many of the realities.

33. The true comparison is between police workload (*what has to be done*) and police capacity (*the effective resources with which to do things*). Both are much wider concepts, and the effectiveness of Policing is the ratio between the two.

34. Workload is a function of:

- Statutory duties—which keep expanding (examples in recent years include: PACE, Criminal Justice Act, Sex Offender monitoring; Licensing laws; ASBOs, Immigration policy, Freedom of Information, Stop and Search, Health and Safety).
- The rules and regulations which govern how Policing is delivered; the outcome of public inquiries such as Lawrence, Laming, and Bichard inevitably lead to changes in the way that issues are handled in the future, and these include new codes of practice, data collection and recording systems, and the establishment of new specialisms (child protection being an example).
- Procedures—because it can affect how long things take.
- Governance—because it adds to the process.
- Demands—there is a big difference between crime types in terms of the work needed to deal with them.
- Expectations—from Government, the media, the public.
- Changes in the customer base, in absolute terms (population/infrastructure) and in the mix (age, migration, ethnicity, religion).
- Changes in the style and level of service, including more extensive response to specific policing issues (eg. community intelligence).
- External factors such as technology and international tensions.
- Inspection and audit requirements.

35. Capacity is a function of:

- Total staff numbers.
- Front line resources.
- Support staff/support resources (equipment, advice, buildings).
- IT and technical support (it may enable things to be done better and quicker).
- Training.
- External influences (transfer of functions; expansion of the wider policing family).
- Delivery models and productivity.

36. Some of the issues are interconnected. Capacity can be influenced by workload. For example, expansion of crime prevention may generate a longer term reduction in crime which leaves spare capacity to utilise on other areas. Similarly CCTV and DNA make the service more effective, but they impact on both capacity (by enhancing the ability to solve crime) and workload (by generating more information and potential crimes).

37. The choices for the future are stark. The short term effect of recession will have a double impact—resources could be reduced at a time that demands are increasing, and this could widen the gaps. Labour markets may be reshaped as unemployment rises and the country looks to the sectors which will drive the economy out of recession. In the immediate future, this could leave vulnerable groups (the elderly and immobile, young people, low skills groups, single parents). It is also proven that people living in generally deprived areas perceive more problems in community safety and crime.

TAKING STOCK

38. The service has delivered on its objectives; it can point to many positive indicators:
- Performance levels are holding up.
 - Officer numbers have increased, together with the quality and ranges of services delivered.
 - Overall crime levels are falling, even after allowing for changes in recording practice.
 - The service has outperformed most other parts of the public sector in efficiency gains and “use of resource” audits.
 - Rank structures have been reviewed, and the major element of the growth in officer numbers has been concentrated on police Constables and PCSOs.
 - National initiatives such as QUEST are helping to deliver improved services while releasing resources.
 - There are many powerful examples of local innovation, collaboration and partnership working.
 - The investment in Neighbourhood Policing has delivered gains in confidence and satisfaction: a 42% fall in crime has been accompanied by a reduction in risk of being a victim from 40% (1995) to 24% (2007).
 - Neighbourhood teams are demonstrating the effectiveness of “joined up” policing.
 - Successful regional programmes, and an expansion of regional collaborative working.
39. At the same time however, there are some significant negative indicators:
- Perceptions—despite the reality, only one in five people believe that crime is falling; less than half believe officer numbers are increasing.
 - Public confidence in the service remains too low.
 - The public focus on Neighbourhood level action could take resources away from equally essential protective services.
 - The pressures—both financial and operational—are increasing; future efficiency savings could hit core functions.
 - Future funding levels cannot be guaranteed.
 - The obsession with police officer numbers can restrict options.
 - The biggest threat for the immediate future is whether crime levels start to increase again; if they do, it will have a compounding effect on the fear of crime, and could undermine some of the community cohesion which has been carefully rebuilt over the last five years.

The role of the Police Service in a modern society

40. The police service plays a diverse and wide-ranging role:
- Crime solving and prevention.
 - Maintaining public order.
 - Promoting confidence and feelings of safety.
 - Enforcing standards of behaviour.
 - Maximising the socio-economic benefits of policing.
41. So Policing “helps set the tone”; but to do this successfully the service has to be responsive to how society evolves and the challenges it faces.
42. The challenges facing society now and in the next five years:
- Responding to the social and economic impact of the downturn.
 - Shortage of money, which impacts directly on individuals and families, but also indirectly due to the reduction in the resourcing of other public services.
 - Maintaining confidence in public services.
 - Tendency towards lower respect for the law/growth of the black economy as a response to social and economic problems.
 - Loss of direction as money becomes the primary factor in public services.
 - Loss of momentum—strategies which have been carefully developed over many years, such as Equalities, Youth engagement and regeneration, could be sidelined or disrupted, and take many years to re-establish. This could have a detrimental impact on crime levels.
 - Maintaining LAA commitments, and the impact on confidence when they have to be abandoned.

43. ... in this scenario, what does the police service need to do in order to meet what people and the Government want?

- Visibility must be maintained
- The psychological significance of police numbers must be acknowledged
- There needs to be a speedy response to calls of all types
- ... and effective action when dealing with the problem
- Officers must be well trained to deal with the business of policing and community safety
- The service must provide good and visible VFM and ...
- ... install and maintain top class management
- Authorities and Forces must maintain good governance standards in areas such as ethics/ standards/ fairness/holding to account
- It must be accessible and embedded within the fabric of local communities

Risks of under-resourcing the police service

44. The benefits of a well resourced police service are easily visible in terms of public confidence, safer communities, and the reputation of the country as a well ordered society. Over the last decade, the police service has enhanced its capabilities in investigation and response, and has invested massively in community/ neighbourhood policing resources. Investment needs to be maintained as far as possible in all three areas. The risks of reducing the resources available in such a way that existing service levels cannot be maintained are significant.

- Public confidence—Community Policing is crucial to the service's ability to deliver the confidence target, and any reduction in this area—in order to protect response and investigation—could have a serious impact; instead of increasing in line with the Home Office's aspirations in the single target, there could be a downward spiral, which could gain momentum. The psychological impact of a return to increasing crime levels and social disturbance could be very deep, and take many years to reverse.
- If expectations continue to increase at the same time—because people look to the service to protect them when everything else is under threat—the gap will be accentuated.
- National resilience could be threatened at a time when it is most needed, in the run up to 2012 and with continuing fears about worldwide terrorism.
- The expansion and embedding of Neighbourhood Policing within communities could stall at a time when the public most need confidence in their local support.
- Potential loss of continuity on long term crime and community safety which could change the pattern for future generations.
- A reduction in the police contribution to delivering other public sector programmes.
- Unfinished developments; wasted investment in research and change programmes.
- More difficulty for national and regional police units to target the local areas most in need, because the community presence will have reduced.

DEVELOPING A STRATEGY FOR THE SERVICE

45. The first requirement for the next CSR period is realism. There is no point in aiming for unaffordable aspirations. The message on public funding is clear, and while it has not been set out publicly, services could well be advised to plan for a new lower level of spending which may last for up to 10 years.

46. The long term underlying trend in demand for Policing is upward, driven by government, demographic and economic changes, and expectations. There is no reason to think that these influences will be any less strong in the next CSR period and beyond. Therefore, a priority for the service will be to manage stakeholder expectations effectively, so that people understand what it is reasonable to expect in the future. This may involve a reduction in current levels in some areas, if other aspects of the service are to be protected. This is where the use of resource allocation techniques and a better understanding of capacity and workload will assist achieving overall VFM for the service.

47. It is also essential to be realistic about timescales. Over a period of three years, which is effectively covering most of the next CSR period, the emphasis should be on productivity and achieving efficiency gains on current programmes. Over a longer period (up to five years), it is feasible to look at new ways of doing what is done now. Beyond the five year horizon there is real scope to consider more transformational changes in what the service does, who it interacts with, and how it is delivered. With fixed three year CSR periods, it is easy to fall into the trap of simply fine tuning current services.

48. In the forthcoming climate, it is even more important to enter into discussions as early as possible on new approaches to service delivery which might provide the flexibility to join up services and improve outcomes, which will assist the police service in managing within the likely reduced long term funding levels.

Home Office priorities

49. The first five of the priorities in the Home Office Strategy 2008-11 relate directly to the police service:

- To help people feel secure in their homes and local communities;
- To cut crime, especially violent, drug and alcohol related crime;
- To lead visible, responsive and accountable policing;
- To support the efficient and effective delivery of justice;
- To protect the public from terrorism;

Local Indicators

50. The latest guidance shows that there are 188 indicators in the National Indicator Set (NIS). Of these, 19 are APACS indicators. In addition, however, there are at least 36 other indicators which feature in the NIS but not APACS, but where the police service has a direct involvement. Taken together, the two categories represent 29% of the national indicators.

Potential new developments

51. The next CSR is not the time for launching major new initiatives unless the costs can be found within existing resource levels by working more cost effectively or by changing the mix of services.

52. In establishing the future planning environment, however, it is helpful to capture some of the future changes which have been identified by the service and by independent research, and which will have an impact directly or indirectly on policing in the next five to 10 years.

- Short term and longer term impact of the economic downturn (impact on individuals, communities, acute localised problems).
- An increasingly diverse society (there are over 120 nationalities represented in some force areas already).
- New population clusters; increased risk of local tensions.
- Continuing globalisation (in terms of industry, migration and crime).
- Terrorism and international instability, and the need for early, effective intervention.
- Policing the Olympics and the preparation for the event.
- Population growth (up to 2020, growth due to migration and longevity is expected to exceed that of the 1980s and 1990s).
- Family and community structure changes.
- Climate change.
- Changes in the role and delivery of other public services (as they are affected by the financial crisis).
- The generations now reaching middle and old age have higher expectations of public services than their predecessors.
- Impact of housing and economic growth.
- The accelerating growth in high-tec crime.

53. Resource forecasts for the future:

- Drawing on recent independent studies of the national finances, the arithmetic concludes that the service could at worst face cash reductions of over 10%, possibly phased in over three years from 2011–12. Even on the most optimistic assumptions, the service could face a cash standstill for several years, which would be the equivalent of 2% or more per annum reduction.
- ... so the challenge for the police will be to maintain services and provide what the public wants/ society needs, within a severely reduced resource guideline.
- The options include:
 - Reducing the unit cost of services through efficiency savings.
 - Adjusting expectations about what is achievable.
 - Reducing service levels by cutting out functions, transferring them or reconfiguring them.

Exploring the potential impact under the most pessimistic scenario

54. The impact of a 10% cut in funding would be nearly £1.2 billion per annum. Can this amount of money realistically be cut from policing budgets?

55. The cost structure of the service is:

	<i>Net costs after income/grants £m (*)</i>	<i>%</i>
Uniformed police officers	5,441	46.7
PCSO/traffic wardens	395	3.4
Other staff	2,485	21.3
Police pensions	1,889	16.2
Other running costs	1,311	11.2
Capital financing charges	138	1.2
	11,659	100.0

Notes:

- ** figures taken from the last published outturn figures, for 2007–08*
- *Pension costs have been extracted from police pay, based on analysis in CIPFA Stats*
- *Income and specific grants have been apportioned over police pay, capital financing, and other running costs based on analysis in CIPFA Stats*

56. Using the figures above, the required savings for different assumptions on the reductions in total spending are as follows:

	<i>£m</i>
5% cut in total spending	585
10% cut in total spending	1,170
15% cut in total spending	1,755
20% cut in total spending	2,340

57. The capacity to make reductions in spending will vary across the main budgetary heads if the aim is to minimise the impact on front line, visible, policing. For example, external third party costs, or supplies and services might be considered the first targets as they are distanced from the front line. By contrast, continuing to measure service performance in terms of absolute numbers of police officers strictly limits the capacity to reduce costs without adverse consequences.

58. The capacity to release costs across the budget is affected by a number of factors:

- The scale of the expenditure on particular functions.
- The ease with which savings can be released.
- The timescales over which that could be managed.
- The impact on “front-line” policing or the quality of service.

59. Some elements of the budget—capital financing costs and large parts of the Pensions budget—are essentially fixed in the short term.

60. There are very important interdependencies in other areas. For example, a reduction in police officers numbers may be offset by transferring more operational support work to non-uniformed staff. By the same token, directing reductions towards the “back office” (whatever that is) will not necessarily improve the cost effectiveness of services if it means police officers picking up additional routine bureaucracy, or that the impetus for improvement through IT development and specialist support functions is lost.

61. In many ways, staff budgets are the easiest to adjust in the short term, as there is always a natural turnover of staff through retirements and leavers. The biggest element of policing budgets is uniformed officers, which on its own represents nearly half of the costs. It is not surprising, therefore, that many Forces will have to look at these areas of the budget if the required saving in total costs is beyond the service’s short term capacity to release savings in other parts of the budget.

62. Many of the significant productivity and cost efficiency improvements will take several years to design and deliver fully. Some areas of the policing budget are subject to long term contracts, which will take time to adjust. Similarly the real capacity for collaborative savings will be shaped by the need to bring all the collaborating forces to the same starting point at the same time. This may mean that the short term reaction, in 2009–11, will be in those areas of the budget where the tap can be adjusted easily and swiftly. The more medium term response may look different if the service is successful in making the more fundamental changes which will be required in order to manage within substantially reduced budgets.

Exemplifying the implications of a 10% reduction

63. Taking a very basic approach, the order of priority for cost savings might be considered to be:

- (i) non operational support costs;
- (ii) operational support; and
- (iii) front line resources.

64. For the reasons outlined in the previous section, this is a gross over simplification of the picture. However, given the cost structure of policing budgets, simple arithmetic indicates that there is a limit to the amount that can realistically be removed from available non-front line budgets without adversely affecting front line delivery. Supplies and services budgets include many outsourced or critical operational services such as custody, forensic science and pathology, interpreter fees, investigation expenses; in addition there are substantial commitments to key infrastructure such as telecoms networks, radio communications and computing. Cuts in these areas could have as big an impact as reducing police officers or staff.

65. Even if for example, 20% of support staff budgets were removed, it would only reduce total financial requirements by around 4%. Theoretically taking 20% out of these budgets, even if supplemented by cuts in accommodation, transport and supplies on the same scale, would not create the headroom to take 10% out of the service as a whole without impacting on front line resources. Even in the support budget areas, there are significant elements of costs which are fixed or semi-fixed, and there is a minimum level below which costs cannot fall without affecting the infrastructure of the services. The appropriate level will differ for every force.

The make up of staffing costs

66. Nevertheless, if operational capacity is to be maintained, and the headline commitment to police officer numbers protected as far as possible, it is inevitable that non operational staff establishments and other support budgets will come under the spotlight initially. The scope to reduce costs will vary from area to area. Options will include measures to improve productivity, collaboration within the service (between Authorities or regional groups), collaboration with other public services, and national initiatives to promote functions in support of the whole service. There will also be a need to look critically at the functions which are undertaken, and ask challenging questions. Nevertheless, cutting support staff budgets is not a risk free option. In making reductions, it is vital that the basic processes of governance and accountability are maintained. Also, force based support staff play a significant role in maximising police officer capacity by taking on administrative functions. The service must be careful that it creates the most effective balance.

Potential implications for uniformed resources

67. Working through the arithmetic, purely for illustration because the impact would differ in every force, if it were feasible to take 20% out of non staff budgets and up to 25% out of non-operational staff budgets, it would still require significant reductions in uniformed staff budgets.

	£m
Savings required from uniformed staff budgets	
5% cut	Nil
10% cut	260
15% cut	845
20% cut	1,430

Implications for police numbers

68. Total uniformed police numbers are approximately 140,000 at present.

69. Working on an average cost per employee of £45,000 (including pensions and other employer costs), the implied reduction from the assessment above is a reduction of between 5,800 officers (10% real cut) and over 30,000 officers (20% real cut).

70. This demonstrates quite starkly that because there are practical limits on how much can be taken out of non uniformed areas of the budget, the potential impact on police officer numbers increases disproportionately as the overall savings target increases. While the assumptions in the model can be challenged, it is unrealistic to assume that more than 20–25% can be taken out of support budgets without a direct impact on police officer capacity. So the overall conclusion would be unlikely to change.

Service implications

71. Reducing the absolute numbers of police officers sacrifices one of the principal national and political objectives. It also potentially undermines the priorities of the public in terms of measures such as visibility, speed of response, follow up, and community involvement.

An alternative approach: increasing output

72. To a degree it may be possible to offset some of the impact by working more effectively and productively, so that the same volume of work is done by fewer police officers.

- How realistic is this given current commitments and expectations? Can these be adjusted downwards, and what is the educative process that needs to take place in order to achieve this?
- Do the measures currently being evaluated by NPIA, HO/WEF and individual Authorities offer the capacity to achieve that level of reduction in the short term? Do we in fact need a more fundamental look at Policing and how it is delivered, and by whom? (ie does everything which is done now actually need to be done by uniformed police officers?)
- Can the visibility target be achieved with fewer officers? It may mean:
 - Changes in the style of working, with front line officers concentrating purely on visibility and presence, and other staff dealing with the bureaucracy and the follow up. There would be consequential changes to job content, working regulations and procedures, and information systems.
 - Transferring as many uniformed officers as possible onto front line, visible duties. Risks “hollowing out” support functions and actually decreasing productivity as functions and roles are transferred or stopped.
 - More use of lower cost alternatives to full time warranted officers, including PCSOs, specials, wardens or volunteers.

Can any functions be cut out or transferred to other agencies?

73. There have been many reviews over the last 20 years, with some positive impact on areas such as Highways Management, escorting big loads, football policing, and stray dogs. The economic environment we are now facing will make it more difficult for other agencies to pick up duties transferred from police; however, this is a national resource allocation issue—is it better overall to maintain policing presence even if it means even more pressure on other public services?

74. Even if further scope exists, it does not necessarily mean that police numbers can be reduced if the “visibility” criterion remains at the top of the priorities.

Consequential impact on other national priorities

75. The police service assists other public services to achieve their targets. Reducing police resources can have an adverse impact further up and down the chain. Examples include:

- The police service input to CDRPs and other local partnerships.
- Providing the formal statutory frameworks for child protection.
- Maintaining order and equality in an increasingly diverse society.
- Balancing enforcement with education in areas such as drug abuse and anti-social behaviour.
- Using the natural authority of the police service to help set and maintain standards across all aspects of public life.
- Leading the fight against serious crime and business/IT related crimes.
- Providing the community intelligence to support the fight against international terrorist activity.

76. It is illustrated by the number of national Performance Indicators which indirectly involve the police service.

Managing expectations

77. This will be one of the biggest challenges for all public services, but particularly for the police. Ministers, other services, the media, and the public have all developed a concept of what the police will do in terms of all the measures such as visibility, response, follow up, public order, crime solving, and many other indicators. If the cut in resources is at the upper end of the scale, then even with increased productivity and significant cuts in support costs, it is inevitable that there will be an impact on services. Some things will not be done, or they will be done less thoroughly, or responded to in a different way. The public has never had to deal with this situation previously. The sooner that the problem is grasped and the process of reconstructing expectations starts, the smoother will be its implementation.

Restating the challenge

78. The anticipated cut back in resources is a national problem, to be shared by everyone. It will only be achieved with compromises, and will not be helped by a pretence that somehow nothing will change, but it will just cost less.

79. The challenge is to be realistic in setting sights and aspirations. If this isn't adequately accomplished, the service faces up to 10 years of failure and progressive decline.

CONCLUSIONS

80. Police authorities accept the financial reality and are utterly resolved to confronting the challenges ahead.

81. Police authorities will adapt as needs demand.

82. Much good work and progress on increasing efficiency and producing savings has already been achieved, particularly with support from fora such as the Workforce Efficiency and Finance Group and the more recently convened High Level Working Group.

83. The future landscape for the police service is changing. It is inevitable that resource levels will get much tighter in the immediate future. If and when it is confirmed that this represents a new long term level of spending on public services, the sooner the service takes action and adjusts to the new levels, the better for communities and the nation.

84. The dilemma will be where reductions should fall if they are required, and the remaining future capacity to absorb more within current resource levels. The risk of responding with short term measures is that the longer term, more fundamental, issues will not be addressed, and the impact could be greater when that time arrives. Once the gap is quantified, it will be of longer term benefit if it is addressed now, so that transitional measures can be put in place.

85. Police spending is over £11 billion a year. Inflation and real increases could average around £300 million a year in aggregate.

The preliminary national forecasts for the next CSR included just over 1% pa real growth in public spending, but this was before the worst of the financial crisis had fed through. Even at that level, however, commitments such as benefit payments and pensions uplift would take all of the real growth and more, leaving other services well into real term reductions. Every 1% shortfall represents over £100 million for the police service (average £2.5 million per Force) and the true shortfall will be significantly higher because there is always inbuilt real growth from demographic changes and new legislation. At the "consensus" level of 10% cuts over three years, the police service needs to remove around £1.2 billion from its budgets.

86. In that scenario, the service will need a planned transition to the new level, using a combination of:

- Efficiency and productivity improvements.
- Different ways of working.
- Curtailing or transferring specific functions.
- Additional charges.
- Withdrawing from specific roles.

87. The service will have a better chance of success if the strategy is planned over at least three to five years. A year at a time approach is unlikely to achieve this.

November 2009

Memorandum submitted by Bedfordshire Police Authority

I understand that since your letter, dated 14 October 2009, it has been agreed that you will receive co-ordinated submissions from both the Association of Police Authorities (APA) and Association of Chief Police Officers.

I would therefore like to briefly highlight the situation in Bedfordshire rather than draw on the bigger picture that the above submissions will provide.

As you have implied in your letter Bedfordshire is one of those Authorities that has been badly affected by the way that funding is distributed. Since 2006–07 Bedfordshire have had their grant, calculated through the funding formula, reduced by approximately £3.9 million per annum.

To address the funding shortfall in 2008–09 we attempted to supplement the savings being generated through internally led initiatives with an increase to the council tax following consultation and support from the public but the Home Secretary designated the Authority at the time. Clearly the ability to increase precepts since this time has reduced further with an expectation that in the coming years increases will be limited to 3% or less.

Bedfordshire will continue to look for opportunities to deliver efficiency savings in innovative, as well as more conventional, ways.

In the past, 2008–09, these were achieved through a significant restructuring of back office functions resulting in savings of approximately £1.7 million.

More recently we have expanded on our previous collaboration work, particularly with Hertfordshire, resulting in both efficiency savings of £2.3 million being delivered across the two Forces in 2010–11 and a more productive and resilient service for the public.

Bedfordshire have also undertaken a Home Office sponsored programme, Operation Quest, focussed on process improvement and developing organisational capability which will complement the workforce modernisation review being pursued. Clearly this work may in itself have implications on workforce skill mix and therefore police officer and staff mix.

Despite this proactive approach Bedfordshire Police Authority are still facing very difficult decisions over the next three years to try to minimise the negative impact on the policing service the public receives at a time when the police and their partners will be judged on confidence targets.

The only other option for change that Bedfordshire Police Authority may consider in the foreseeable future is a voluntary merger with Hertfordshire, if supported by the Chief Constables and following consultation with the communities and workforces affected.

Bedfordshire Police Authority supports the APA submission that it is being sent under separate cover and hopes that the perspective this letter provides is helpful.

November 2009

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