

UNDER EMBARGO UNTIL 10.00 ON FRIDAY 29 MAY 2015



Responding to Austerity: progress report

Nottinghamshire Police

May 2015

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Contents

1. Introduction: About the progress report	3
2: Findings	5
Summary	5
To what extent is the force taking the necessary steps to ensure a secure financial position for the short and long term?	6
To what extent has the force an affordable way of providing policing?	8
3: Next steps	10

Part 1: About the progress report

In the October 2010 spending review, the government announced that central funding to the police service in England and Wales would be reduced in real terms by 20 percent in the four years from March 2011 to March 2015.¹

Her Majesty's Inspectorate of Constabulary's Valuing the Police Programme has tracked how forces have planned to make savings to meet this budget requirement. We published findings on this in July 2011, June 2012 and July 2013.²

The *Policing in Austerity* report, published in July 2014, in the final year of the spending review, focused on how well the force is achieving value for money. To answer this question we looked at three areas:

- To what extent is the force taking the necessary steps to ensure a secure financial position for the short and long term?
- To what extent has the force an affordable way of providing policing?
- To what extent is the force efficient?

Her Majesty's Inspectorate of Constabulary (HMIC) made a judgment as to the extent to which each force provides value for money in the context of current spending constraints. We rated each force in one of the following categories:

- outstanding;
- good;
- requires improvement; or
- inadequate.

Judgment was made against how well the force achieves value for money; it was not an assessment of the overall effectiveness of policing. In applying the categories HMIC considered whether:

¹ *Spending Review 2010*, HM Treasury, 2010. Available from www.gov.uk/government/publications/spending-review-2010

² *Adapting to Austerity: A Review of Police Force and Authority Preparedness for the 2011/12–14/15 CSR Period*, HMIC, July 2011; *Policing in Austerity: One Year On*, HMIC, June 2012; *Policing in Austerity: Rising to the Challenge*, HMIC, July 2013. All available from www.justiceinspectores.gov.uk/hmic/

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- the way the force is achieving value for money is good, or exceeds this standard sufficiently to be judged as outstanding;
- the force requires improvement in the way it achieves value for money, and/or there are some weaknesses; or
- the force's provision of value for money is inadequate because it is considerably lower than is expected.

HMIC judged Nottinghamshire Police as requiring improvement in the way it achieved value for money. We stated that we would continue to monitor progress closely and revisit the force to assess its progress with implementing its new operating model. We identified two specific areas to follow up:

- Is the force taking the necessary steps to ensure a secure financial position for the short and long term? and
- Has the force an affordable way of providing policing?

During our re-inspection we interviewed the deputy chief constable, the people who lead on finance, change, human resources, and we spoke to the police and crime commissioner. We conducted an unannounced visit to a police station and spoke to frontline officers and staff. We also reviewed information on the force internal website and documents provided by the force including: budget performance reports; change programme plans; and business cases.

This report provides our findings for Nottinghamshire Police in the re-inspection.

2: Findings

2.1 Summary

HMIC re-inspected Nottinghamshire Police in October 2014 and found that it is making good progress on its new operating model. It is starting to implement a more affordable way of providing effective policing services. The force is able to demonstrate how it plans to have a secure financial position for the short and long term.

The force's new way of providing policing services aims to protect the priorities set out in the police and crime plan while finding the necessary savings in the police budget. The new operating model presents a clear structure with reductions in both staff and officer numbers. This allows the force to achieve a balanced budget, on present predictions, over the next spending review period and until 2019/20.

The force has now started to implement a plan to achieve the new model. However, because of the scale and impact of the change, this will take several years. The next two years are critical. The force has developed different financial scenarios but they all assume that the new operating model will be implemented on time with all the predicted savings released. The force has strong management arrangements in place to support this challenging level of change; this gives HMIC confidence that it can be achieved. However, the force still has a few more opportunities to tighten and strengthen further its management of this change, for example by providing more project management support.

The force is implementing new collaborations with other organisations. It is developing "agile working", which will enable staff in the business support functions to work more flexibly and at different locations. This relies on having one IT system that is used for information sharing (known as a single mobile data solution).

Staff and officers are clear that the new operating model is now being implemented. They know that this model means that the organisation will be smaller and look different. While generally positive about the changes ahead, they know that the future for them is potentially challenging.

2.2 To what extent is the force taking the necessary steps to ensure a secure financial position for the short and long term?

Nottinghamshire Police has developed a clear plan for how it will reorganise the force to balance the budget while providing effective policing services for the public. The force should review how planned change is managed within areas such as public protection, ensuring that sufficient leadership capacity to maintain performance is in place with clear project leads. The force should also develop financial scenarios which anticipate better any potential financial shortfalls should the new model not be implemented on time.

In July, the force agreed with the police and crime commissioner (PCC) a new operating model called 'delivering the future'. This aims to protect the priorities set out in the police and crime plan while finding the necessary savings in the police budget. The model presents a clear structure with reductions in both staff and officer numbers. This allows the force to achieve a balanced budget, on present predictions, over the next spending review period and until 2019/20.

The force has started to implement a plan to achieve the new operating model. The scale and impact of the necessary change mean that it will take the several years to put everything in place. The next two years will be decisive. The scale of the change is significant and every function within the force will be affected. However, there is sufficient flexibility within the operating model for the force to be able to respond to future spending reviews.

In developing the operating model, the force has involved partner organisations, for example local authorities and the city council. The force particularly involved those local authorities where they identified shared opportunities to reduce combined costs.

Change programme governance arrangements are robust. Project boards report to a transformational board, which is chaired by the deputy chief constable. Change programme status updates, budget performance and assumptions are shared with the PCC on a monthly basis, or more often if required. This allows him to scrutinise performance and progress against the plan timeline effectively.

The programme team has sufficient resources and access to specialist advice when required. The team will need to be appropriately resourced over the next two years and succession plans are in place for members of the team. Most functional areas, where there is planned change, have dedicated project leads. However, given the scale of change in public protection and recent HMIC reports highlighting concerns, sufficient leadership capacity to maintain performance will need to be considered.

HMIC reviewed the force's plan to achieve the new operating model. The plan identifies the main elements that rely on each other and are interdependent, as well as important stages in the process. However, the critical path to achieving this is less clear, for example, the implication of any delay in a project, the impact on planned completion dates and when savings will be released.

The force is controlling current expenditure well and has systems in place to ensure the financial health of the organisation. It has made prudent assumptions for precept, staff costs and pay awards. Sufficient reserves are available but, in case of compensation being provided to officers subject to regulation A19³, the force has negotiated a grant from the government in case it cannot reasonably afford the award amounts.

Human resources (HR) and finance work closely together. The budget is re-forecasted quarterly and actual and budgeted numbers are closely aligned to ensure there is no slippage on pay costs. All vacancy decisions are only made with chief officer approval. Importantly, there is also a good awareness that certain roles in information technology, HR and finance are vital to implementing change across the organisation.

The force has developed savings plans for potential further austerity measures to 2019/20. Three financial scenarios are available to plan for the future including increased austerity in a new spending review. However, they all assume that the new operating model will be implemented on time with all the predicted savings released. Any slippage will have an impact on this assumption.

³ Regulation A19 Police Pensions Regulations 1987: compulsory retirement of officers with 30 years service in the interests of efficiency

2.3 To what extent has the force an affordable way of providing policing?

The force has developed a operating model for providing policing services which is affordable and sustainable. It has taken some initial steps to make the necessary changes. The force must now implement its plans while keeping to its timetable and manage a complex set of linked changes at both force and regional level.

The force recognises that it will have to provide local policing with significantly fewer officers. It is putting prevention at the heart of its strategy to reduce crime and keep people safe. Encouraging signs are emerging which show that the new operating model is having a positive impact. A good example is the creation of the contact resolution team and telephone investigation bureau which is reducing demand on response officers.

The focus in the new operating model is on reducing pay costs although the force continues to re-assess non-pay costs. For example, all business cases have non-pay savings quantified, and the estate is already reduced with a further reduction in the number of front counters planned. With the planned introduction of eight response hubs and prisoner investigation handling teams, potential opportunities exist to reduce fleet and transport costs further.

The current and projected workforce model is matched to the organisational and financial requirements. The numbers of officers has been matched to deal with anticipated patterns of demand. Critical skills have been mapped for important posts in response, investigation and business support. At present there are a greater number of leavers than anticipated. The planned number of officers retiring has been inflated by a larger number of officers who are leaving mid-service. This means the force is ahead of its savings target. The number of leavers will need to be carefully managed to avoid skills gaps and the force is working to understand this unanticipated loss in officers.

The force has analysed its workforce mix. Its configuration of officers and staff in investigation teams will be changing, for example in crime support teams, and a set of guiding principles is used to help decide how they will be configured. These include: a victim-orientated approach; reduced duplication of effort; and an investigations response which is seamless across both police divisions.

The force works in collaboration with others and is part of the successful East Midlands Special Operations Unit which provides a range of policing and support services including major crime, special branch, forensics and serious and organised crime. This collaboration has increased resilience and improved effectiveness. At a local level, the force is innovative in how it works with the city council. It jointly manages council employees, officers and police staff to tackle anti-social behaviour and prevent crime.

The force is implementing new collaborations with other organisations, for example in business support, operational support and criminal justice services. It is also developing more flexible working which relies on having one IT system for information sharing. Realising the full benefits of this system relies on putting in place some critical functions and services in a careful sequence. These include a new duty management system and a crime recording and investigation system which, if not delivered on time, will have an adverse impact on internal processes and systems.

The force has used business process review methods to design its new operating model. It has also learnt from other forces' experiences and it has an established process of reviewing change proposals internally. The force has a good business intelligence network with over a hundred staff acting as 'delivering the future' champions. The champions are involved in regular focus groups and provide ideas and feedback.

Important messages on the new operating model are given by the chief constable. Different methods are used, for example through intranet videos, on-line chats and "meet the chief" meetings across the force. At training events and through internal communications these messages are also reinforced and some events are recorded and made available on-line for staff and officers who were not able to take part at the time.

HR provides effective support for staff which includes employee assistance as well as putting in place a variety of career options. However, the way future roles are internally advertised in the force is ambiguous. It is not made clear whether or not a role is vulnerable and in or out of the scope for changes needed as part of the new operating model.

Staff and officers we spoke to were clear that the operating model is being implemented. They had a good awareness that the organisation would be smaller and look different. They were generally positive about the changes ahead but saw the need to maintain momentum over a long period of time as potentially challenging.

3: Next steps

During 2015, HMIC has continued with its new all-force annual inspections, the PEEL (police efficiency, effectiveness and legitimacy) assessments. We will continue to consider the extent to which police forces provide value for money, but will do so in future in the context of an overall inspection of police efficiency and effectiveness.

Nottinghamshire Police now faces the need to implement and manage a complex set of linked changes, without slippage, at both force and regional level. The force understands these issues and the risk associated with the change.

HMIC will want to test the impact of these changes in future inspections.