



Inspecting policing  
in the public interest

## **Leicestershire Police's response to the funding challenge**

**July 2013**

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# **Leicestershire Police: Executive summary**

Leicestershire Police's savings requirement is broadly in line with other forces. However, its financial challenge is made more difficult because it already spends less on policing and has lower costs than many other forces.

The force still has more than £6m to find if it is to close its funding gap by March 2015. It now recognises that it must act quickly to develop plans to close this gap.

The force has not taken the range of decisive action to put in place new, more efficient ways of working that HMIC has seen in many other forces.

As a result, Leicestershire Police is not currently as well placed as it should be to meet the demands of the next round of budget reductions in 2015/16. However, HMIC is encouraged that the force, under the governance of the Police and Crime Commissioner (PCC), is now developing a more sustainable approach.

HMIC will revisit the force in the autumn to assess its plans for closing the outstanding gap.

## **Financial challenge**

Leicestershire Police has identified that it needs to save £33.9m over the four years of the spending review (i.e. between March 2011 and March 2015).

This savings requirement is 17% of its overall budget, which is broadly in line with most other forces. Leicestershire Police's position is however not without challenge; because it has below average spends on policing per head of population compared with other forces in England and Wales, it will be harder to drive out further savings.

## **Progress in making savings**

Leicestershire Police has planned how to save £27.6m, meaning that it still has £6.2m<sup>1</sup> to find. Most other forces have worked out how they will make all the required savings. Leicestershire Police's funding gap is therefore a concern.

Initially, the force had intended to use some reserves<sup>2</sup> to close a significant proportion of its remaining gap. HMIC considers that this is not a good option, because it only offers a short-term solution, rather than putting in place new ways of working and workforce structures that will allow savings year on year. Leicestershire Police, under the governance of the Police and Crime Commissioner who was elected in November 2012, is now developing a more strategic and sustainable approach to saving the outstanding £6.2m.

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<sup>1</sup> The amounts to save may not add up to the total due to rounding.

<sup>2</sup> Reserves are funds often used to pay for unforeseen events and balance liabilities.

## Changes to the workforce

All forces spend most of their money on staff costs (such as wages and overtime), and have had to reduce expenditure in order to cut costs.<sup>3</sup> Leicestershire Police is no exception.

The force is reducing police officer numbers by limiting recruitment and holding vacancies. As a result, by the end of the spending review period, it is planned that there will be 243 fewer police officers in Leicestershire. This means the number of police officers in the county is planned to reduce by 10% between March 2010<sup>4</sup> and March 2015, which is similar to the reduction in most other forces.

Leicestershire Police is protecting frontline posts as it makes these cuts. This is commendable. Between March 2010 and March 2015, the proportion of police officers in frontline crime-fighting is planned to increase from 91% to 93%. This compares to an overall increase across England and Wales from 89% to 93%.

The force has also made some police staff redundant, and not replaced others as they have left. The number of police staff is seemingly planned to increase by March 2015 (compared to March 2010), however, this figure is skewed because staff who are shared between several forces (as they work in collaboration<sup>5</sup>) show on the books as full-time Leicestershire employees. The force will lose four police and community support officers (PCSOs). This 2% reduction is smaller than that planned by most other forces.

However, with an outstanding funding gap, it is likely that Leicestershire Constabulary will need to make more workforce reductions than it is currently planning.

## Impact on the public

HMIC expects the force to make savings without damaging the policing service that the people of Leicestershire, Leicester and Rutland receive. We monitor whether forces are achieving this by looking at crime rates, and the results of the user satisfaction surveys which all forces conduct.

Over the first two years of the spending review, recorded crime<sup>6</sup> (excluding fraud) fell by 17% in Leicestershire. This is a good outcome as it is considerably greater than the 13% reduction recorded across England and Wales as a whole. Victim satisfaction remains high, at 84.5%.<sup>7</sup>

As Leicestershire implements the changes it will need to make to find the outstanding £6.2m by March 2015, it will need to consider carefully how it can maintain this relatively high performance.

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3 See *Adapting to Austerity*, HMIC, London, July 2011, p.13. Available from [www.hmic.gov.uk](http://www.hmic.gov.uk).

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

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

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

7 ± 1.8%.

## **Future challenges**

Unless Leicestershire Police successfully closes the funding gap for this spending review period, the force will find it more of a challenge than others to make the further savings required after March 2015 while maintaining its high level of service to the public.

# The challenge

Over the four years of the spending review Leicestershire Police has identified that it needs to find savings of £33.9m. This is 17% of its total expenditure<sup>8</sup> (which in 2012/13 was £200.1m). The average reduction in a force's expenditure across England and Wales is 17%.

## Progress in making savings: Years 1–2

The force successfully made 56% (£19.1m) of the total savings required by March 2015 in the first two years of the spending review period. It achieved this by:

- limiting the recruitment of new police officers;
- reducing the number of police staff it employs (which it started to do in 2010); and
- restructuring how the force delivers elements of its policing, for example by moving from three to two policing areas (one covering the City of Leicester, and the other serving the rest of the county and Rutland).

## Plans for Year 3–4

The force has plans in place to achieve savings of £7.5m in 2013/14, and another £1.0m in 2014/15. This leaves a funding gap of £6.2m<sup>9</sup> at the end of the spending review period. This differs from most other forces, which have developed plans for how they will make all the necessary savings.

The PCC has asked the force to develop detailed proposals on how the gap could be closed without relying on reserves. A revised plan is now being developed, which includes proposals for new ways of working and workforce structures. This is work in progress. The PCC intends to review and update as necessary his Police and Crime Plan in September, to ensure it better reflects the available resources.

## Looking beyond the current spending review

The force has started to consider what savings it might need to make in the next spending review period (after March 2015). Its medium-term financial plan looks forward to 2016/17.

The challenge for Leicestershire Police in preparing for future funding pressures will be much greater if the savings gap in 2014/15 is not closed.

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<sup>8</sup> Based on a gross expenditure baseline in 2010/11.

<sup>9</sup> Savings figures have been rounded to the nearest £0.1m. Due to rounding, the figure remaining to be saved may differ from that expected.

## The scale of the challenge in Leicestershire

Leicestershire Police faces a moderate challenge in this spending review period, because although it spends less than most other forces per head of population, the cost of police officers is above most other forces in England and Wales. As the force has a higher number of police officers per head of population, this may afford opportunities for achieving some savings.

### Reserves

The PCC has reviewed the planned use of reserves by the force and has decided, rightly, that they should not be used to cover a funding deficit. The force recognises that it needs to put in place a sustainable plan to reduce spending so that it matches the budget available.

### Demand

Forces face different levels of demand for the service they provide to the public. This section looks at three of the key indicators of demand to provide an overall impression of the challenges each force faces:

- the number of calls the force receives from the public;
- the number of crimes the force deals with; and
- the number of prosecutions (suspects charged with offences) the force brings.

<b>12 months to March 2013</b>	<b>Leicestershire Police</b>	<b>England and Wales</b>
Emergency and priority calls per 1,000 population	116	134
Victim-based crime per 1,000 population	50.4	54.5
Prosecutions (charges) per 1,000 population	9.7	10.2

This table shows that in 2012/13, Leicestershire Police received fewer emergency and priority calls from the public than other forces. In addition, it had fewer crimes per head of population to deal with, and supported fewer prosecutions.

### How difficult is the challenge?

The amount Leicestershire Police has to save as a proportion of its overall budget is broadly in line with that of other forces. While the force has a low cost base, there are opportunities that have not yet been taken to further reduce costs, and to provide an even more efficient service to the people of Leicestershire.

## Response to the challenge

Over 80% of a police budget (on average) is spent on staff costs.<sup>10</sup> It is therefore not surprising that forces across England and Wales plan to achieve much of their savings by reducing the number of police officers, PCSOs and police staff employed.

Leicestershire Police is no exception. It made an early start on this in 2010, when it slowed its recruitment of new police officers and police staff, and reduced their numbers. The force plans to make 70% of its savings from its pay budget. This is a lower proportion than in most other forces and an indicator that the force is striving to protect its crime-fighting capacity, by bearing down instead on what it spends on goods and services. However, with further savings to find, this position is likely to change.

### Changes to workforce numbers

The following table shows the force's planned changes to workforce numbers over the spending review period, and compares these to the change for England and Wales.<sup>11</sup>

	<b>31 March 2010 (baseline)</b>	<b>31 March 2015</b>	<b>Change</b>	<b>Leicestershire change %</b>	<b>Change for England and Wales %</b>
Police Officers	2,317	2,074	-243	-10%	-11%
Police Staff	1,272	1,375	+103	+8%*	-16%
PCSOs	233	229	-4	-2%	-17%
<b>Total</b>	<b>3,822</b>	<b>3,678</b>	<b>-144</b>	<b>-4%</b>	<b>-13%</b>
Specials	240	350	+110	+46%	+60%

**Note:** Leicestershire Police is the employer for police staff working within collaboration units (i.e. shared with other forces), which has led to this increase in police staff numbers.

Leicestershire Police plans to lose a smaller proportion of its police officers than other forces. The proportion of police staff is planned to increase – but this figure should be treated with caution, as staff who are in fact shared between several forces (because they work in collaboration) show on the books as full time Leicestershire employees. This inflates the number of staff shown as working for the force.

HMIC considers, however, that the force's outstanding funding gap means that it is likely it will have to make more workforce reductions than currently planned (and shown in the table).

<sup>10</sup> See *Adapting to Austerity*, HMIC, London, July 2011, p.13. Available from [www.hmic.gov.uk](http://www.hmic.gov.uk).

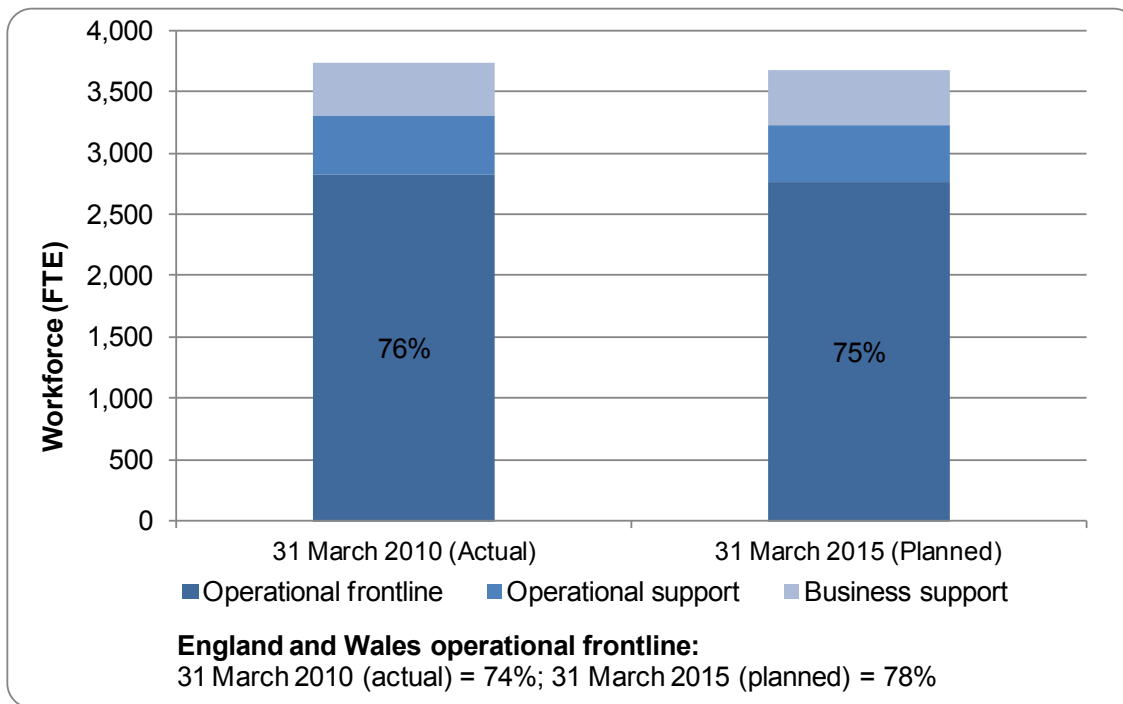
<sup>11</sup> Workforce figures for March 2010 show the actual number of people working for the force in permanent posts on the 31 March in that year. People on long-term absences (such as maternity leave) are included in these 'actual' figures, but vacant posts are not. Workforce projections for March 2015 are for budgeted posts, so the actual number of people who will be working for the force at that point in reality may be different, because some posts will be vacant or filled by temporary staff. Forces' projections may also exclude people who will be on long-term absences. The difference between actual workforce numbers and projected numbers should therefore be taken as an approximate expected change.



## Changes to the proportion of workforce on the front line

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

The following chart shows the change in the workforce frontline profile in Leicestershire.<sup>12</sup>



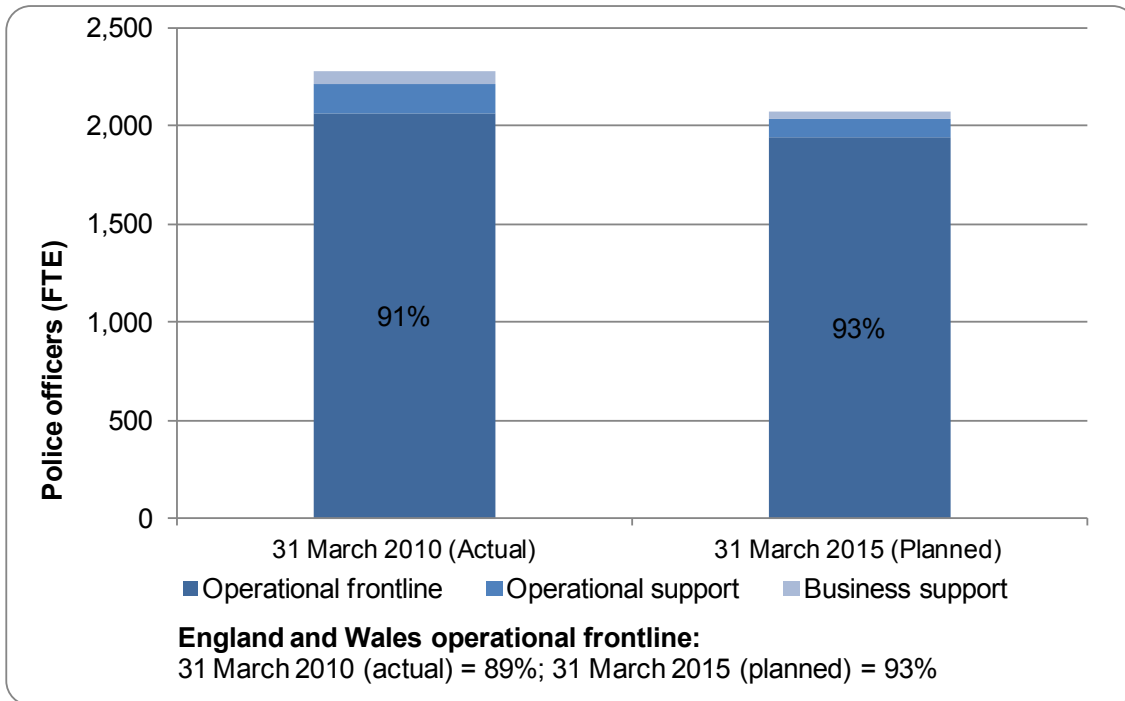
The **number** of officers, PCSOs and staff (ie the force’s total workforce) working on Leicestershire Police’s front line is planned to reduce by 2% between March 2010 and March 2015 (from 2,829 to 2,762).

Over the same period, the **proportion** of Leicestershire's total workforce allocated to frontline roles is planned to reduce from 76% to 75%.<sup>13</sup> This compares with an overall increase across England and Wales from 74% to 78%.

<sup>12</sup> From 2010, Gwent, the Metropolitan Police Service, Wiltshire and North Wales police forces chose to code those officers and staff who are on long-term absence from duty due to maternity/paternity leave, career break, full-time education or suspension, and those on long-term leave, to their normal working role. This has the effect of inflating their workforce and frontline figures by up to 1% compared to other forces.

<sup>13</sup> HMIC draws no adverse inference from this as the reduced workforce proportion in the front line is likely to be as a result of skewing caused by the staff in regional collaboration teams appearing on Leicestershire’s books.

The **number** of Leicestershire’s police officers in frontline roles will reduce by 6% from 2,067 in March 2010 to 1,939 in March 2015, as following chart shows. However, the **proportion** of police officers on the front line is planned to increase from 91% to 93%. This is an indicator that the force is taking steps to protect its vital frontline officers. It is broadly in line with the increase (from 89% to 93%) that we see across England and Wales.



## Collaboration

HMIC monitors a force’s progress on collaboration because it offers the opportunity to deliver more efficient and effective policing.

Leicestershire Police has shown a strong commitment to working with other forces in the East Midlands region. It is currently engaged in a mix of collaborations (with two, three and four other forces), and has well-established structures and processes in place to manage these projects.

The force has made savings by sharing business support services, and has increased its capacity and capability to respond to serious and major crimes by forming specialist regional units, which work across force boundaries. Leicestershire is exploring with Nottinghamshire Police and Derbyshire Constabulary the development of joint information technology services.

Although Leicestershire Police has engaged well in collaboration across the East Midlands region, the force has not yet fully exploited the opportunities for greater savings from a joint approach. It is disappointing that the force plans to spend only 4% of its total expenditure on collaboration in 2014/15. This is substantially lower than the 11% figure for England and Wales. However, this should be balanced by that fact that collaboration is expected to contribute 15% of the force’s savings requirement, which is considerably higher than the 7% figure for England and Wales.

The election of PCCs in November 2012 has given fresh impetus to regional collaboration; there is now a strong shared ambition to fully exploit the savings opportunities presented by closer joint working across the five forces in the region. The five PCCs in the East Midlands (including Leicestershire's) have asked HMIC to review collaborations in their region; details of this work were being finalised at the time of this inspection.

## Managing change

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

Leicestershire Police established a revised change programme in October 2012. Its goal is: *"With our partners, [to] transform the way we protect our communities and deliver over £20m in revenue savings by 2016."*

The force has identified potential opportunities for transformational change (fundamental changes to the structure of the organisation and how staff work) through pursuing more regional collaboration; further outsourcing of some services to the private sector; working with partners (such as local authorities and health services) to help prevent crime and anti-social behaviour (ASB) and so reduce demand; and encouraging all staff to play their part in making savings.

The force is now working to develop and bring forward proposals in these areas, to help achieve savings to close the gap for 2014/15 and beyond.

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

Leicestershire Police is genuinely committed to developing an environment that will enable it to make future changes. The 'Go Make a Difference' programme is one of the force's main mechanisms for encouraging staff to embrace local change. In addition, managers and supervisors are being trained in how to manage and lead organisational change, and how to introduce more efficient ways of working.

Both police officers and staff agreed that there has been a wealth of information available about the change programme. They understood the need for change, and that all areas of the organisation had to play their part in making savings.

However, some staff believed that the majority of the required savings had already been achieved through the early job losses at the beginning of the spending review period. They seemed unaware of the scale of savings likely to be required in the future. The force will need to consider how it continues to engage and communicate with staff on the challenges that lie ahead.

## **How effective has the response been?**

Leicestershire Police's original plan to close the funding gap through the use of reserves was a short-term solution, that would not provide a sustainable approach for the future. In adopting that course Leicestershire Police has neither embraced the level of change nor achieved the savings seen in other forces.

HMIC is concerned that until the force moves to more affordable ways of working and workforce structures, it faces a much greater challenge, and is less prepared to respond to further funding reductions while maintaining the service to the public.

# ■ Impact of the changes on the public

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

## Visibility

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

That being said, research shows that the public value seeing visible police officers on patrol on the streets, and that those who see police in uniform at least once a week are more likely to have confidence in their local force.<sup>14</sup> HMIC therefore examined how far the changes being implemented by the force had affected the visibility of the police on the streets of Leicestershire.

In March 2013, Leicestershire Police allocated 65% of its police officers to visible roles. This is three percentage points more than it allocated in 2010, and higher than the figure for most other forces (which was 54% across England and Wales). This is a good indicator that the force is placing police officers in the visible roles that are important to the public.

Police visibility is further enhanced by PCSOs, who principally support community policing. Looking at the proportion of police officers and PCSOs, Leicestershire Police allocated 68% to visible roles. This is three percentage points higher than it allocated in 2010, and significantly higher than the 59% figure for England and Wales.

HMIC conducted a survey<sup>15</sup> of the public across England and Wales to assess whether they had noticed any difference in the way their area is being policed. Of those people surveyed in Leicestershire, 21%<sup>16</sup> said that they have seen a police officer more often than they had 12 months ago; this is considerably higher than the 13% across all survey respondents in England and Wales, and a good outcome for the force.

Of those people surveyed, 82%<sup>17</sup> said they felt either as safe or safer in the areas where they live, compared with two years ago. This is considerably higher than the figure for most other forces, which is 75%.

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<sup>14</sup> See *Demanding Times*, HMIC, London, 2011. Available from [www.hmic.gov.uk](http://www.hmic.gov.uk).

<sup>15</sup> A YouGov survey was carried out during a four-week period during March 2013. Satisfaction and confidence surveys are also carried out at a national level by the Crime Survey of England and Wales. These use larger sample sizes and are carried out quarterly over a rolling year period. Some forces also carry out their own surveys of the general public. More information can be found at [www.crimesurvey.co.uk](http://www.crimesurvey.co.uk), [www.hmic.gov.uk](http://www.hmic.gov.uk) or from force websites.

<sup>16</sup> ± 5%.

<sup>17</sup> ± 5%.

## Calls for service

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

Leicestershire Police sets a target of responding to 85% of calls classed as 'emergency' within 15 minutes, and 80% of calls classed as 'priority' in 60 minutes. The force has maintained this target over the spending review period.

Between 2010/11<sup>18</sup> and 2012/13, Leicestershire Police met its target response time for 'emergency' calls 91% of the time in 2010/11, and 87% of the time in both 2011/12 and 2012/13.

For 'priority' calls, the force met its target 91% of the time in 2010/11, 84% of the time in 2011/12, and 81% of the time in 2012/13.

These figures show that Leicestershire Police's response to emergency and priority calls remains within its target, although the percentage meeting the target response times is reducing.

## Crime

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

During the first two years of the spending review, Leicestershire Police reduced recorded crime (excluding fraud) by 17%. This compares favourably with the 13% reduction seen across England and Wales. Victim-based crime (that is, crimes where there is a direct victim – an individual, a group, or an organisation) reduced by 15%, compared with 12% in England and Wales.

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

<b>12 months to March 2013</b>	<b>Rates per 1,000 population in Leicestershire</b>	<b>England and Wales rate per 1,000 population</b>
Crimes (excluding fraud)	56.2	61.4
Victim based crime	50.4	54.5
Burglary	7.2	8.2
Violence against the person	9.9	10.6
Anti-social behaviour incidents	24.1	40.7

<sup>18</sup> We use 2010/11 as a baseline to show response times prior to the spending review period.

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

Leicestershire's sanction detection<sup>19</sup> rate (for crimes excluding fraud) for the 12 months to March 2013 is 30.0%. This is above the England and Wales sanction detection rate of 27.0%.

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

## Victim satisfaction surveys

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

In the 12 months to March 2013, 84.5%<sup>20</sup> of victims were satisfied with the overall service provided by Leicestershire Police. This is broadly in line with the England and Wales figure of 84.6%.<sup>21</sup>

## Changes to how the public can access services

Forces are exploring different ways in which the public can access policing services. Leicestershire Police is planning to shut three front counters<sup>22</sup> between 2010 and 2015, but will open one new police station and one new shared access point.<sup>23</sup>

The force is also making greater use of the internet and social media to communicate with the public. As more and more people become accustomed to engaging with large commercial and public organisations in different ways, it is planning to offer the public different ways to contact it. For example, Leicestershire Police is:

- continuing to improve its online services, and its social media channels;
- encouraging neighbourhood officers to use Twitter to help keep communities informed about policing in their area; and
- creating a virtual local notice board, using social media which publicises all public sector information, described a 'village green notice board'.

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<sup>19</sup> A sanction detection is a 'solved crime' where a suspect has been identified and notified as being responsible for committing that crime and what the full implications of this are, and has received an official sanction. Official sanctions include charges, cautions, penalty notices, offences taken into consideration (TICs) and cannabis warnings.

<sup>20</sup> ± 1.8%.

<sup>21</sup> ± 0.2%.

<sup>22</sup> A police building open to the general public to obtain face-to-face access to police services.

<sup>23</sup> A non-police building open to the general public to obtain face-to-face access to police services. For example, shared facilities with council services (e.g. libraries or offices), the fire service or other partners.

## Conclusion

In assessing the response to the financial challenge, HMIC considers that Leicestershire Police could undoubtedly close its funding gap through the use of reserves or by further holding vacancies. However, this does not provide a sustainable approach for the future.

HMIC is concerned that until the savings gap is closed, the force has a much greater challenge, and is less prepared than other forces to maintain service delivery and to respond to further funding reductions for 2015/16 and beyond.

However, HMIC is encouraged that the force, under the governance of the PCC, is now developing a more sustainable approach to making savings. This will include moving to a model of policing which is based on affordable workforce numbers.

HMIC will continue to look with interest at Leicestershire's revised change plans, and will closely monitor progress made in their implementation, particularly in relation to how the force will maintain a focus on performance and service delivery. We will revisit the force in the autumn.



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

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

Our inspection focused on three questions:

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

To answer these questions, we collected data and plans from forces, surveyed the public to see if they had noticed any changes in the service they receive from the police as a result of the cuts, and conducted in-force inspections. We also interviewed the Chief Constable, Police and Crime Commissioner and the chief officer leads for finance, change, human resources and performance in each force, and held focus groups with staff and other officers.

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

This report provides the findings for Leicestershire Police.