



Heddlu Gwent Police

Date: 21st December 2017

Finance Briefing Report: Value for Money Profiles 2017

1. Introduction

The HMIC Value For Money Profiles (VFM) for 2017 were published in November 2017 to allow all Forces to identify how they are positioned in comparison with their peers and the direction of travel from 2016.

2. Background

The VFM 2017 is based on the initial 2017/18 budget approved by the Commissioner at the start of the year. It also includes known service pressures in relation to:

- Training - proactive capabilities and mental health
- Tackling hidden crime/ protecting the vulnerable and modern slavery
- Tackling cyber criminality
- FPOC Triage Service
- Welsh language scheme
- Street to Suite Custody process.

The continued delivery of savings by the Staying Ahead Programme has presented significant savings and it was anticipated that this would indicate an improvement from VFM 2017, which presented Gwent as the third most expensive force per head of population across England and Wales.

As a force serving a relatively small population it is recognised that Gwent will have organisational overhead costs that will make certain aspects of its service relatively more expensive than larger forces when compared to the population base.

3. Initial Findings

3.1 Overview (Appendix 1)

Gwent now has the fourth highest cost per head of population across England and Wales and the highest within its Most Similar Group (MSG) of forces. The profiles indicate that Gwent has, on average, a £15.8m higher cost base than its MSG. Funding this is a slightly below average level of central government funding and the highest level of Council Tax within its MSG. The 2016 profiles showed a similar position for Council Tax funding but an above average central government funding.

The level of Earned Income continues to be below average, with only Partnership Income being viewed as a positive measure.

As in previous years, the officer and PCSO costs are above the national average per head of population. For 2017 staff costs have fallen fractionally below the national average. These indicators are viewed by the HMIC as demonstrating that Gwent is over-resourced for the population of Gwent.

Non-staff costs are now shown to be the third highest across England and Wales and the highest in its MSG. Gwent are higher than average for all categories of Non-staff costs, but most particularly for Supplies and Services and Other Employee expenses.

This is expected with the collaborations in the Shared Resource Service and Shared Facilities Management Services where staff are employed by another partner and therefore presenting as non staff costs.

3.2 Workforce Position (Appendix 1)

The workforce categories are split into three categories – operational front line, frontline support and business support. Operational front line is further split into visible and non-visible. Gwent is above average for visible front line and business support but below average for non-visible front line and front line support.

3.2 Summary Position (Appendix 2)

All Force¹

Significant savings have been identified and delivered in the 2017/18 budget. The summary VFM report suggests that proportionate levels of saving have been made across all forces, as Gwent has only moved one position - from third to fourth most expensive Force by population. The detail in the VFM shows that this results from becoming more expensive in some areas which are offset by considerable savings in others.

Within this overall position, some workstreams have become more expensive in their standing. These are :-

- Local Policing
- Public Protection
- Investigations (increased also from 2015 to 2016)
- Support Functions

The largest movement was Investigations, which moved from 26th to 13th. Local Policing has become the most expensive across England and Wales and is considered an expensive outlier² along with Dealing with the Public and Support functions.

All other workstreams have become less expensive in their standing with Intelligence moving from fifth to 25th most expensive across England and Wales.

Most Similar Group (MSG)

The MSG includes forces with similar demographics and Gwent's cluster includes the following eight forces:

- Gwent
- Humberside

¹ The 2017 VFM profile excludes the Office of the Police and Crime Commissioner Expenditure as the PCC falls outside the remit of HMICFRS.

² To be classified as an outlier the spend must be one of the highest 10% or lowest 10% of forces and the effect of the difference is greater than £1 per head of population.

- Durham
- South Wales
- Lancashire
- Northumbria
- Northamptonshire
- South Yorkshire

The Most Similar Group Position is very similar to that to the All Force analysis, and is explained in more detail below.

In comparison to Gwent's MSG of forces, the position of most expensive force by population has been maintained. Overall, each of the MSG fall between the 4th and 27th most expensive forces of the 41 included in the profiles.

Within this overall position, some workstreams have become more expensive in their standing. These are :-

- Local Policing
- Public Protection
- Investigations

The three workstreams above have all increased by 2 places.

Five workstreams have improved, these are:-

- Dealing with the Public
- Criminal Justice
- Roads Policing
- Intelligence
- Investigative Support

Two areas maintained their standings – Operational Support and Support Functions.

With the exception of Public Protection and Intelligence, all workstreams are in the upper half of the MSG group, with Local Policing and Support Functions being the most expensive of the MSG.

Outliers

Gwent is shown as a 2017 outlier in relation to Non-Staff costs and NRE (excluding national policing). For Non-Staff costs Gwent is £10m more expensive than the average of all forces and is second most expensive overall. Officer overtime is also considered an outlier, being £0.9m more expensive than the average, and second most expensive when calculated as a percentage of officer costs.

In addition, there are four workstreams that are considered to be outliers by the HMIC. These are :-

- Local Policing, more specifically Neighbourhoods and Specialist Community Liaison;
- Dealing with the Public;
- Investigations, specifically Cyber Crime; and
- Support Functions, specifically ICT, Performance Review and "All Other³" support Functions.

³ Support Functions categorised separately are ICT; Estates; Fleet; Training; Performance review; Administration Support; Human Resources; Professional Standards and Finance.

The change from 2016/17, is the addition of Investigations and Support Functions (this was an outlier in 2014/15), with the removal of Roads Policing, Operational Support and Investigative Support.

3.3 Workstream Positions (Appendix 3)

Appendix 3 shows the detailed analysis, section by section within the workstreams. Due to the way in which the data is presented by HMIC, it is not always possible to identify the ranking, so some of the benefit is diluted in this analysis. For the 2017/18 report Central Costs, PPC and National Policing have been excluded from the analysis provided by HMIC. The current report also only provides workforce numbers at the national function and not at subcategory level. For comparability the 2016/17 detail has been retained within Appendix 3.

It is important to note, that the driver for all costs is not the location, but the role performed, which dictates classification.

The points of note within each of the workstreams, is as follows:-

Local Policing

As in previous years, this section is confused by forces' having different treatments for Neighbourhood Policing and Incident Response teams. In general terms, Neighbourhood Policing and Community Safety are expensive, Local Investigation has increased significantly when compared nationally and to the MSG. The positions of the other Local Policing areas are fairly static with little movement in ranking. This service area was reviewed by Staying Ahead 8 and went live in April 2015. A full demand-based led review has commenced and will be further investigated during 2018/19 as Local Policing continues to be an outlier for the force.

Dealing with the Public

All identifiable areas are above average cost and within the upper quartile nationally. Communications Suite and Front Desk are both the highest with the MSG.

The FPOC Suite review has been implemented since April 2016 and last financial year included an element of transitional costs to embed the new model, which have not been fully realised in 2017/18.

The impact of demand will be considered as part of the force's service improvement strategy to highlight any savings that can be released in future years.

Criminal Justice

This area is fairly static, with Gwent moving one place down the ranking when compared to the national picture but one place up the scale when compared to the MSG. Budget costs have increased by £0.6m since 2016/17. Further cost saving is anticipated following the Admin of Justice service is currently being implemented.

Roads Policing

Road Policing has shown a marked improvement from its 2016/17 position. Overall Road Policing is now the 8th most expensive force, down from third last year. Whilst still in the upper quartile, it is no longer considered an outlier and is due to the review that commenced at the end of 2016/17.

Operational Support

The budget for Operational Support has remained static, with only a £0.1m saving identified year on year. However the Dogs, Advanced Public Order and Firearms sections have moved down the national rankings and remained static when compared to the MSG.

Intelligence

There have been considerable budget savings, totalling £1.4m between 2016/17 and 2017/18, most notably in the Intelligence Analysis section which has dropped from 5th place to 29th and from 2nd to 6th in the MSG cluster. Gwent remains the top ranked force within its MSG for Intelligence Gathering but is 13th when ranked nationally and is just over average cost for this area.

Investigations

Gwent is in the 2nd most expensive quartile for Investigations overall, being ranked 13th nationally and 2nd most expensive when compared to its MSG. A new earned autonomy investigation strategy is currently being trialled and it is expected that savings will arise from this in the 2018/19 budget.

Investigative Support

This area has remained relatively static in terms of cost base, with an overall budgetary saving of £0.1m year on year. The costs for Scenes of Crime and External Forensics remain in the lowest quartile and significantly under the average national cost. Finger Print costs continue to be one of the highest nationally and the most expensive for the MSG.

Public Protection

This was a new category in the VFM profile for 2016/17. This year two new sub-categories have been included – Joint teams and Public Protection Command Team. Joint teams reflect forces such as Gwent that do not operate separate child and adult protection teams. Overall Gwent is just below average with cost of £9.8 per head of population.

Support Functions

The Support Functions are now a significant outlier for the force, being £5.9m more expensive than the average for the MSG (£6.1m for national average). Specifically ICT, Performance Review and “Other” Support Functions are shown as outliers. 2017/18 has seen considerable revenue expenditure as the force future proofs its back office finance systems and invests in technology to enable it to deliver effectively, especially in relation to new and emerging crime.

Corporate Communications, Corporate Performance, Finance, Procurement, IRSC and People Services have all been reviewed and have currently waiting post implementation review at the end of 2017/18. The move to a collaborative Digital Services Division should also lead to sustainable savings in the future years.

ANNEXES

- Appendix 1 Net Revenue Expenditure Analysis
- Appendix 2 Workstream Summary
- Appendix 3 Workstreams by Section