



Inspecting policing
in the public interest

Value for Money Profiles as a Diagnostic Tool for Police authorities, police forces, HMIC and the Audit Commission

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1. OVERVIEW

1. This consultation paper¹ sets out Her Majesty's Inspectorate of Constabulary's (HMIC's) proposed format for Value for Money (VfM) profiles of police forces in England and Wales, in line with its new responsibilities as described in the Policing Green Paper (July 2008) and the *New Performance Landscape for Crime and Policing*² paper recently published by the Home Office. In particular, HMIC seeks to create a diagnostic tool to be used by police forces and authorities to inform self-assessment and self improvement activity and by HMIC and the Audit Commission to inform Police Authority Inspections³, Rounded Assessment⁴ and value for money inspections. The first set of profiles will be distributed to police authorities and forces in autumn 2009.

2. The Green Paper outlined a new approach to police performance. While the management of performance rests squarely with chief officers, a number of other agencies have important roles and the Performance Landscape document clarifies to some extent what had, over recent years, become a rather confusing network of relationships. The Home Office declared an intention to step back from target-setting and monitoring, focusing on strategic national direction and holding forces and police authorities to account for only one target – increasing public confidence. HMIC has been assigned a lead role in monitoring performance overall, identifying and challenging under-performance, in the public interest. Police authorities must shape effective direction for individual forces and hold chief constables to account for delivery of local priorities and targets. Finally, the National Policing Improvement Agency (NPIA) will provide support for performance improvement by both forces and police authorities.

3. The Green Paper recognises that good comparative information is fundamental to effective benchmarking of costs and performance. It is an essential part of the management information for the strategic leaders of the police service and the same set of information should be used to inform inspection.

4. HMIC's Consultation Paper on Assessing Police Performance describes the Value for Money Domain, one of the five domains to be assessed in Rounded

¹ For details of principal consultees see Appendix A

² http://police.homeoffice.gov.uk/publications/performance-and-measurement/Performance_Landscape_narra1.pdf

³ See Joint HMIC Audit Commission Police authority inspection consultation published 5 May 2009 at <http://www.audit-commission.gov.uk/communitysafety/audit/policeinspection/Pages/consultation.aspx> (Consultation closed on 10 June 09)

⁴ See consultation document published May 09 *Assessing Police Performance: Giving the Public a Voice* available at <http://inspectors.homeoffice.gov.uk/hmic/docs/rounded-asses-con>

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Assessment. It explains that HMIC is developing a range of benchmarking indicators using existing data on costs and staffing and showing how forces compare with their most similar group (MSG), the MSG average and other forces. Profiles will not in themselves be definitive as a test of VfM but will point to where further investigation can identify opportunities for efficiency gains or savings, and support local decision-making in this area. The profiles will depend on good quality data being submitted by forces as well as unambiguous definitions. In the context of the Normington review of data burden, we have decided to make the best use of existing data. Experience elsewhere suggests that better use of information itself is a major contributor of increasing accuracy. This consultation seeks views on a draft profile and in particular on the following questions:

Contents of Profiles

- *How could the content of the draft profile be improved - is it sufficiently comprehensive and detailed or are there significant gaps?*
- *Is some information of little interest and therefore not required. For example; stop and search data per patrol officer*
- *What further activity data (data which is already collected or data which could be collected in future) would be interesting to include? For example, arrests per front line police officers, arrests per custody staff.*
- *Population is used as the denominator for comparing most similar forces. Are there other denominators which should be considered e.g. benchmarking information from other sectors?*
- *From your experience of using this data, are there any problems relating to the quality and reliability of which we need to be aware?*
- *Could the presentation of the information be improved and if so, how?*
- *Has any information been overlooked that ought to be included? Either policing information or other relevant benchmarking information from other sectors?*
- *What sorts of information would you like to see in future? For example, more quality measures? We would be pleased to receive specific suggestions*

Interpreting and using profiles

- *What guidance would help authorities and forces to make use of VfM profiles?*
- *What form should this take?*

5. The consultation seeks views on how best to ensure that VfM profiles are relevant and accessible to leaders of the service in police authorities and forces as well as by the inspection and audit bodies. HMIC is committed to being an open and engaged Inspectorate. We encourage stakeholders to help us develop

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and implement the most effective approach. Consultation is an ongoing process which will continue throughout the life of VfM Profiles, we are therefore open to receive formal and informal feedback at anytime in the future.

6. In producing this consultation document we have, as far as practicable and where relevant, complied with the Cabinet Office guidance. Respondents are invited to submit responses to the questions set out above and again in this narrative. For further information on this development please contact the consultation coordinator, Bettina von Hornhardt, (Bettina.vonHornhardt@homeoffice.gsi.gov.uk) in the first instance.

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2. BACKGROUND AND POLICY CONTEXT

7. The Policing Green Paper 'From the Neighbourhood to the National: Policing our Communities Together' was published in July 2008, and the Government's subsequent response to the Green Paper consultation was released in November 2008. These documents set out how the relationship between the police service and the public will be transformed, supported by a similarly transformed relationship between central Government and the police service.

8. HMIC is clear about the particular responsibilities it has assumed under this new arrangement. Improvements in volume crime reduction and detection increases over the last five or more years have been hard won and should not be relinquished. Equally, the understanding of the multi-agency nature of community safety work is well understood, and we now have better systems to assure joint accountability. The new performance landscape must reflect an increasingly complex set of challenges that exemplify the 'local to global' stretch, from neighbourhood policing to tackling the international terrorist threat. HMIC's overall proposals for assessment were set out for consultation in 'Assessing Police Performance: Giving the Public a Voice'. That document emphasises that value for money has to be more central to the assessment, which means adopting a more risk based approach to value for money inspection using comparative information to identify major differences for investigation. The profiles will not themselves be a form of assessment or judgement. They will provide information as the basis for further enquiry and to inform assessment. This consultation document sets out a draft comparative profile and invites comment on it.

9. HMIC is aware of the Operational Efficiency Review (OEP) and their recommendations. However, this is a privately run benchmarking service which provides information similar to that provided in the profile e.g. HR staff per 100 staff.

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3. CONTENTS OF PROFILES

10. The prototype profile comprises a series of tables and charts presenting financial, staffing, funding, crime and survey information. The aim is to provide this information in one convenient, easy to use document and most of the information will be familiar. Staff numbers are collected by the Home Office, and the VfM profiles will make use of this data which seems to be regularly used by some forces but not all. The profiles will be published annually each autumn to help inform budget, inspection and audit planning.

11. The information is shown for a force and for its most similar forces, although our intention for the future is to show all forces with the “target” force highlighted for comparison against its MSG as well as other forces on the bar charts. Most of the material is focused on 2008/09, but trend information for expenditure, funding and staffing is also included. Because it is a prototype, there are some figures which do not reconcile.

12. Expenditure information is drawn from the Chartered Institute of Public Finance and Accountancy (CIPFA) statistics. It is presented in terms of expenditure per head of population for the force and in future we intend to show council tax precept per band D household as well as the existing breakdown. Overall staff costs are shown as cost per staff by type and numbers of staff by type.

13. To ensure that the profiles compare data covering the same period, CIPFA estimates (2008-09) have been used as more up to date information for 2008-09 will not be available in time to produce the profiles. CIPFA estimates will be used for the first issue of VfM profiles. For subsequent versions, the intention is to use figures from the police objective analysis, once this is in a position to provide more sufficiently comparable information.

14. Staffing information is drawn from the Annual Data Return (ADR) to the Home Office. For the purpose of the prototype profile this data is from the ADR as at 31/3/08. This will be updated to use the ADR as at 31/3/09 for the profiles to be issued in autumn 09. Our preference is to use average annual staffing, but this will depend on what becomes available from the police objective analysis or on making changes to ADR definitions for future collections.

15. Recent consultation feedback on ‘Rounded Assessment’ (HMIC’s framework for monitoring and assessing performance including value for money) raised the issue that the costs for national functions such as counter terrorism, diplomatic

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protection and airport policing needs to be separated out to make the comparison as fair as possible. Initial conversations with forces indicate that forces count these functions under the ADR categories 43 (Ports) and 48 (Special branch/protection etc) and we propose to exclude these categories where appropriate.

16. Another key difference between the prototype profile and the version that will be issued in the autumn is that ADR 601 has been amended for 2008/09 - replacing Foot/Car/Beat/Patrol (function code 30) - with a new category for Neighbourhood Policing and a separate one for Response Policing. This change will be reflected in the profiles issued in the autumn.

17. Crime Statistics in the profile have been taken from the statistics for 2007/08. Statistics for 2008/09 will be used in preparing the profiles for issue in autumn 09.

18. HMIC intend to carry out some checking of the staffing information before it is issued and forces will be contacted to make corrections if necessary.

Consultation Questions

- *How could the content of the draft profile be improved - is it sufficiently comprehensive and detailed or are there significant gaps?*
- *Is some information of little interest and therefore not required. For example; stop and search data per patrol officer*
- *What further activity data (data which is already collected or data which could be collected in future) would be interesting to include? For example, arrests per front line police officers, arrests per custody staff.*
- *Population is used as the denominator for comparing most similar forces. Are there other denominators which should be considered e.g. benchmarking information from other sectors?*
- *From your experience of using this data, are there any problems relating to the quality and reliability of which we need to be aware?*
- *Could the presentation of the information be improved and if so, how?*
- *Has any information been overlooked that ought to be included? Either policing information or other relevant benchmarking information from other sectors?*
- *What sorts of information would you like to see in future? For example, more quality measures? We would be pleased to receive specific suggestions*

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4. INTERPRETING AND USING PROFILES

18. Profiles will not in themselves be definitive as a test of VfM but will point to where further investigation can identify opportunities for efficiency gains, and support local decision-making in this area.

19. What the profiles most clearly highlight is variation between one force and those which are most similar to it. These may be variations in cost, expenditure, staffing, funding, crime types or aspects of performance. Where wider benchmarks are included in the profile it is possible to see how a force stands in relation to wider norms as well as to most similar forces.

20. It must be emphasised that the existence of variation does not of itself imply that there is a problem. The reasons for a particular variation may already be well understood and reflect entirely appropriate decisions to allocate resources in line with local priorities. On the other hand, where, for example, there is no obvious reason why particular costs in one force should be substantially higher than in similar forces, the profile is a starting point for enquiry and an indicator of what level of cost might be expected.

21. A guidance document to assist authorities and forces in interpreting and using the profiles will be issued alongside the first set of profiles in the autumn. It would be helpful to receive views on particular points that authorities and forces would like to see covered in such guidance and whether there is other additional support that would be helpful to forces and authorities.

Consultation Questions

- *What guidance would help authorities and forces to make use of VfM profiles?*
- *What form should this take?*

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5. NEXT STEPS: RESPONDING TO THE CONSULTATION QUESTIONS

22. This section sets out the timeline for the development of VfM Profiles and how we will act on the responses received to this consultation. Information provided in response to this consultation may be published or disclosed in accordance with the access to information regimes - primarily, the Freedom of Information Act 2000 (FOIA), the Data Protection Act 1998 (DPA) and the Environmental Information Regulations 2004.

Submitting your responses

23. Please send your response, to HMIC by **Friday 11 September 2009**.

Police Authority responses

24. In line with an agreement reached with the APA, police authorities are asked to respond via the Association of Police Authorities, submitting responses to ritchie.forbes@lga.gov.uk

Police force responses

25. In line with an agreement reached with ACPO, police forces are asked to respond via Dr Tim Brain QPM (Chair of the ACPO Finance and Resources Committee) submitting responses to his staff officer Chief Insp. Charlie Laporte (charlie.laporte@gloucestershire.pnn.police.uk)

Alternatively, please send your response by:

E-mail: consultation@homeoffice.gsi.gov.uk

Mail: Bettina von Hornhardt, HMIC, Ashley House, 2 Monck Street, London, SW1P 2BQ Telephone 020 7035 2180

Next Steps

26. HMIC is committed to developing VfM Profiles that properly support authorities, forces HMIC and the Audit Commission in their respective roles. This consultation exercise is a vital part of achieving those aims. We are committed to listening to, and acting upon, what you tell us. Once the consultation process is completed we will publish a document setting out:

1. What you told us;
2. How we are going to take these views into account; and
3. How we aim to continue a dialogue with you.

APPENDIX A

CONSULTEES

This consultation document will be available publicly on the HMIC website.

The development of HMIC's draft Value for Money profile has benefited greatly from discussion with, and input from key stakeholders via the project Steering Group. Building on the current and continuing input of the Steering Group, the consultation aims to secure a wider and more comprehensive view from delivery partners, and is targeted primarily at:

Police Service (*via Association of Chief Police Officers (ACPO), Superintendents Association and Police Federation*)

Police Authorities (*via Association of Police Authorities (APA) and the Police Authority Treasurers Society*)

The Home Office and other government departments

Other consultees include the Police Staff Associations and Trade Unions, the National Policing Improvement Agency, and Local Government, HM Treasury.

We are keen to hear back from as many stakeholders as possible. Therefore please forward this to your colleagues and encourage them to respond to the consultation. We would also appreciate if you let us know to whom you have sent it on by emailing consultation@homeoffice.gsi.gov.uk.