



## RESPONSE BY THE PCC TO HMIC INSPECTIONS OF CLEVELAND POLICE

### INSPECTION DETAILS

Title of Inspection

**PEEL: Police Efficiency 2015 - An inspection of Cleveland Police**

Date Inspection Published

**October 2015**

Type of Inspection:

- Cleveland Specific  
 Follow Up  
 Partner Inspection

- National  
 Thematic

Is Cleveland Police quoted in the Report?

Yes

No

### EXECUTIVE SUMMARY

On 20th October, Her Majesty's Inspectorate of Constabulary (HMIC) published the conclusions of the efficiency strand of this year's Police Effectiveness, Efficiency and Legitimacy (PEEL) annual assessment. The methodology adopted across all Forces involved a review of both financial and workforce planning whilst examining wider questions of cost, capability and productivity. The inspection focused on the overall question, 'How efficient is the Force at keeping people safe and reducing crime?' by assessing the following three core questions:

- How well does the Force use its resources to meet demand?
- How sustainable and affordable is the workforce model?
- How sustainable is the Force's financial position for the short and long term?

As part of the inspection process HMIC collected data and plans then triangulated against interviews with senior members of the Force and 'reality tested' this with frontline officers. The inspection of Cleveland Police took place over a two day period in March 2015 with the overall judgement that the Force 'required improvement', with the same judgement reached in each of the three areas. The areas for improvement in relation to each of the core questions were as follows:

#### Core Question 1

The Force should gain a fuller understanding of current demand for its services, and likely future changes in demand. This is so it can make best use of its resources by matching them to demand to meet the needs of the public.

### Core Question 2

The Force should develop a future workforce plan that is aligned to its overall demand and budget. The plan should include future resource allocations, the mix of skills required by the workforce and behaviours expected of them.

The Force should fully communicate the future vision of its policing model to the workforce.

### Core Question 3

The Force should develop clear and realistic plans for achieving the likely savings required beyond 2015/16.

## **FORCE RESPONSE TO RECOMMENDATIONS**

	<b>Report Recommendation</b>	<b>Force Response</b>
1	The Force should gain a fuller understanding of current demand for its services, and likely future changes in demand. This is so it can make best use of its resources by matching them to demand to meet the needs of the public	<p>The Force has and continues to undertake significant demand analysis work to ensure the appropriate alignment of resources and this is an integral element of all review activity. The Force commenced a systematic review of all policing activity in 2014, as part of its continuous improvement approach (as part of Orbis phase 3), which includes detailed demand analysis.</p> <p>The Force demand profile is not static and therefore the Force conducts continuous reassessment in line with the changing policing environment. The report does not accurately reflect the Force's approach to change nor present it in a structured and cohesive way. The Force had also introduced a comprehensive Strategic, Threat, Harm and Risk Assessment (STRA) process to ensure resources are targeted to the areas of greatest threat, risk and harm to our communities as budgets reduce.</p> <p>The results of the first assessment, completed in December 2014, have been used to prioritise Force review activity and resource deployment activity and the STRA is refreshed on a six monthly basis. The Force, in partnership with Sopra Steria, is developing a resource and service modelling tool which will allow the Force to constantly reality check the impact of resource and demand changes.</p>

2	<p>The Force should develop a future workforce plan that is aligned to its overall demand and budget. The plan should include future resource allocations, the mix of skills required by the workforce and behaviours expected of them.</p>	<p>The Force has a clear schedule of service review activity (Orbis phase 3), informed by the Strategic Threat and Risk Assessment (STRA), Long term Financial plan (LTFP) and demand analysis. The Force has invested in a dedicated change team (Business Transformation Unit) which adopts a systematic, evidence based approach that engages frontline staff to develop service delivery models which meet the changing needs of the organisation. This is managed within a comprehensive corporate governance framework. This has established a culture within Cleveland Police that values evidence based practice, lean management and programme management with an acknowledgement that change is a continuous improvement journey not a destination.</p> <p>At the time of the inspection the Force was able to demonstrate a significant number of workstreams in progress to develop a sustainable service model that can effectively respond to threat, harm and risk and bring about safer communities in the face of the continued funding cuts. These include:</p> <ul style="list-style-type: none"> <li>• Development of the Strategic Threat and Risk Assessment and Demand model to inform future priorities and ensure resources are targeted to the areas of greatest threat, risk and harm to our communities as budgets reduce.</li> <li>• Reshaping the workforce in the light of the above to identify optimum numbers, skill / rank mix and deployment</li> <li>• Development of contract cost reduction proposals with strategic partners</li> <li>• Implementation of the Cleveland Community Safety Hub and Estates Blueprint, to bring cashable savings</li> </ul>
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	<p>The Force should fully communicate the future vision of its policing model to the workforce.</p>	<p>The Force has already undertaken a series of supervisor engagement in March and September 2015 which has explained the Force's strategic position paper, 'Towards 2020'. These sessions will continue on a six monthly basis.</p>
3	<p>The Force should develop clear and realistic plans for achieving the likely savings required beyond 2015/16.</p>	<p>The Force has a clear financial management strategy of securing a rolling two year balanced position to enable plans to be developed and enacted to deal with future years and reducing service in advance of need to do so. The financial plan is a 'living document' which has and will continue to evolve over time. This approach has previously been reported on positively by HMIC. In the Responding to Austerity report published in July 2014 the Force was assessed as 'outstanding' against the question "To what extent is the Force taking the necessary steps to ensure a secure financial position for the short and long term?" The Force has not changed its approach.</p> <p>To date the Force has continued to achieve or exceed its savings targets and has a proven track record of delivering a balanced budget year on year. The Force is fully prepared to face its future financial challenge.</p>

## PCC RESPONSE TO INSPECTION

Comment by the PCC:

The publication of the 2015 PEEL Efficiency Report for Cleveland Police concluding that the Force “requires improvement” in its financial management concerns me greatly. I feel that not only is the conclusion unjustified but the method by which this judgement was reached is flawed.

I first heard of the PEEL outcome just four weeks prior to the report’s publication, whereupon I immediately wrote to HMIC Mike Cunningham outlining my concerns regarding the inspection method and its reality checking of the report. I highlighted the following key areas:

- On initial scrutiny of the draft report, the Force had submitted over 70 individual points of feedback, 67 of which were points of variance, including pointing out basic errors of fact in HMIC’s draft report.
- HMIC’s inspection team did not speak with the PCC’s Chief Finance Officer (CFO) during their visit and so conclusions could not fairly be drawn about the health of the organisation’s financial management, without reference to the professional views of both organisations’ CFOs. Good financial management is the cornerstone of everything undertaken by the Cleveland PCC and the Chief Constable. The PCC has high regard for the abilities and experience of both CFOs, who are respected locally and nationally, as well as commanding the confidence year on year of the District Auditor and the Joint Independent Audit Committee. The rightly-recognised very positive assessment of the work of the Force’s CFO is impossible to reconcile with the overall judgement of the report.
- The fieldwork for the inspection had taken place many months before the issuing of the draft report (due to the need to complete and moderate reports on all forces) rendering its conclusions out-of-date and misleading to the public, as the Force has moved on considerably since March 2015. In July, the PCC’s CFO presented an updated plan (which is in the public domain<sup>1</sup>) showing a balanced budget position in 2016/17 (based on revised assumptions) with a gap of only £500k (less than 1%) in 2017/18 and £1.5m in 2018/19 and was re-iterated again under further scrutiny in November<sup>2</sup>. The position will continue to be monitored and revised throughout the financial year, in light of the Comprehensive Spending Review and Funding Formula Reviews. The public will find it deeply misleading to be presented with HMIC judgements which are at odds with information which has been published more recently.

The HMIC responded stating that:

- Force feedback from the factual accuracy process does not change the judgment grades within the report.
- The fieldwork process is taken as a moment in time and HMIC reflected in both individual force reports and the national report that this year’s inspection was

<sup>1</sup> Long Term Financial Plan 2016/17 to 2019/20 and Capital Plans 2016/17 to 2019/20 Update - PCC CFO Report (Contained within embedded agenda for 27.7.15): <http://www.cleveland.pcc.police.uk/Document-Library/Scrutiny-Meetings/Finance/Agenda-Finances-Resources-Policy-Scrutiny-20.7.15.doc>

<sup>2</sup> Long Term Financial Plan 2016/17 to 2019/20 and Capital Plans 2016/17 to 2019/20 Update - PCC CFO Report (Contained within embedded agenda for 4.11.15): <http://www.cleveland.pcc.police.uk/Document-Library/Scrutiny-Meetings/Finance/Agenda-Finances-Resources-Policy-Scrutiny-4.11.15.doc>

undertaken at a time when future funding arrangements for the police were unclear.

I sent a further letter querying clarity on how grading criteria is assessed by HMIC (i.e. baselines and standards used) and requested copies of collated inspection information/notes which supported the overall judgement. In return, HMIC explained that information is mostly gleaned from anonymous sources and forwarded only guidance previously sent to Forces.

My scrutiny of financial management of the Force and Office of the PCC is rigorous as it is vital in supporting our local policing strategies, in underpinning national co-ordinated approaches to security threats and in delivering the five key priorities of my Police & Crime Plan.

The Force and PCC's auditors are also adequately assured that Cleveland Police and its PCC are undertaking effective financial management. The internal auditors concluded that both organisations had 'adequate and effective arrangements in place' after detailed scrutiny of governance, risk management and internal control<sup>3</sup>. Under my tenure and that of Chief Constable Jacqui Cheer, the Force and PCC have had their accounts annually approved by our external auditors. In 2014/15, each statement of accounts was passed fit 'without modification' commenting that both organisations had 'made proper arrangements to secure economy, efficiency and effectiveness in (their) use of resources' which 'demonstrates prudent financial management against a background of diminishing resources'. In 2013/14, the external auditors reached the same conclusions however the 2014 PEEL assessment rated Cleveland Police as 'outstanding' for ensuring financial security in the short term and long term. Why this conclusion was not reached by HMIC in this year's assessment remains unclear.

Further, in the Force's 2014/15 Audit Completion Report, the external auditors highlighted that "there are increased financial pressures following the central government budget announcement in December 2014 of an additional 5.1% grant cut for 2015/16 and four years of budget cuts already having been made. The risk to financial resilience is therefore increased due to these factors." On their Value for Money review of our Medium-Term Financial Strategy, budget monitoring reports (and other finance updates) and the progress made in identifying savings required, the auditors concluded that there was sufficient evidence provided to give 'assurance to mitigate the identified risk'. Our latest medium-term financial plan takes us forward to the 2018/19 financial year whilst our financial allocation from the Government from April 2016 is yet to be determined.

It is my conclusion that the 2015 PEEL report flags up weaknesses in the way the HMIC inspection process works.

As the person with statutory responsibility for the totality of policing, my office uses only up-to-date information and relevant briefings to hold the Chief Constable to account and is at the centre of what happens in the Force day-to-day.

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<sup>3</sup> Annual Internal Audit Report (for the year ended 31 March 2015) – Item 12 within the embedded agenda:  
<http://www.cleveland.pcc.police.uk/Document-Library/Audit-Committee-Papers/2015-16/Agenda---June-2015.doc>

The Force employs a large number of workers from Teesside who are hardworking, committed and can see first-hand the fruits of their labour in the communities they serve. This HMIC report does very little to improve their morale or confidence and is largely of no benefit to local residents who are supportive of the service that Cleveland Police delivers.

The PCC will receive updates of progress against recommendations through his existing structured scrutiny arrangements which hold the Chief Constable to account.