



west midlands
police and crime
commissioner



AGENDA ITEM 07

**JOINT AUDIT COMMITTEE
24 June 2021**

HMICFRS VFM

1. PURPOSE OF REPORT

- 1.1. This paper summarises the findings of the HMICFRS Value for Money Report.
- 1.2. To note and discuss the extent of any further work required on the back of the findings.

2. BACKGROUND

- 2.1. HMICFRS published Value for Money profiles for all forces in March 2021, this builds on the work completed between 2009 and 2017.
- 2.2. The VFM profiles allows detailed analysis of: how much forces spend on different policing activities; how crime levels compare across forces, as well as what outcomes forces achieve; and workforce costs, broken down by role, rank and gender.

3. VALUE FOR MONEY ANALYSIS

- 3.1. It is important to note that the profiles highlight what these differences are, but not why they exist. There are many reasons why a force might spend more or less on a particular function than other forces.
- 3.2. The published HMICFRS analysis concentrated on the cost per head of population and total costs. West Midlands Police were compared to their Most Similar Group (MSG). Details of the differences and areas where we have been identified as potential outliers is reported in **Appendix 1**.

3.3. The table below shows the significant outliers greater than £2 +/- our most similar group. The two reported for 2019/20 remain outliers; along with a number of others across the objective split:

Sub-objective	Objective	Subjective	2019/20 Outlier	2020/21 Outlier
Pension Costs	Central Costs	Other employee costs	N/A	-£2.50
Police doctors	Crim. Just. Arrange.	Non-employment costs	N/A	-£2.16
Central Communications unit	Deal w/the public	Police Officer costs	N/A	-£3.41
Central Communications unit	Deal w/the public	Other staff cost	N/A	-£4.06
Front Desk	Deal w/the public	Police Officer costs	N/A	£4.05
Front Desk	Deal w/the public	Other staff cost	N/A	£2.00
Intelligence Gathering	Intelligence	Police Officer costs	N/A	£2.57
Serious and Organised Crime	Investigations	Local income	N/A	£2.06
Serious and Organised Crime	Investigations	Non-employment costs	N/A	-£2.37
Community liaison	Local Policing	Police Officer costs	N/A	£2.48
Incident / response mgt.	Local Policing	Police Officer costs	-£16.51	-£16.64
Advanced Public Order	Operational supt.	Police Officer costs	£5.42	£5.20
Domestic abuse, DAO and IDVA costs	Public Protection	Police Officer costs	N/A	£3.15
Other Protecting Vulnerable People (PVP)	Public Protection	Police Officer costs	N/A	£3.41

3.4. In order to understand what the VFM profiles are telling us further work is required. We will need to explore and understand difference force spending decisions, operating models; volumes; whether a direct like for like comparison has been made; and the methodology for categorising and capturing costs.

4. ANALYSIS OF OUTLIERS

4.1. **Pensions and Exit costs** where the difference on spend against the most similar group is £2.50 less per head of population.

The Police Objective Analysis description for Pension and Exit costs is:

- This will include Injury costs, ill health capital equivalent payments, widow's pensions, children's allowances, injury lump sum payments, 30+ schemes etc.
- Include all Redundancy Payments / Pension Strain / Pension Grant Income.
- Do **NOT** include items that form part of the Police Pensions Account.
- Do **NOT** include LGPS actuarial lump sums, apportion appropriately.

4.2. **Police doctors / nurses & Surgeons (including time and travel)** where the difference is £2.16 less per head of population. The difference arises due to WMP including the police doctor / nurse budget within the custody sub-objective. This difference is also inflated by income generated by West Yorkshire, adding additional budget into non employment costs.

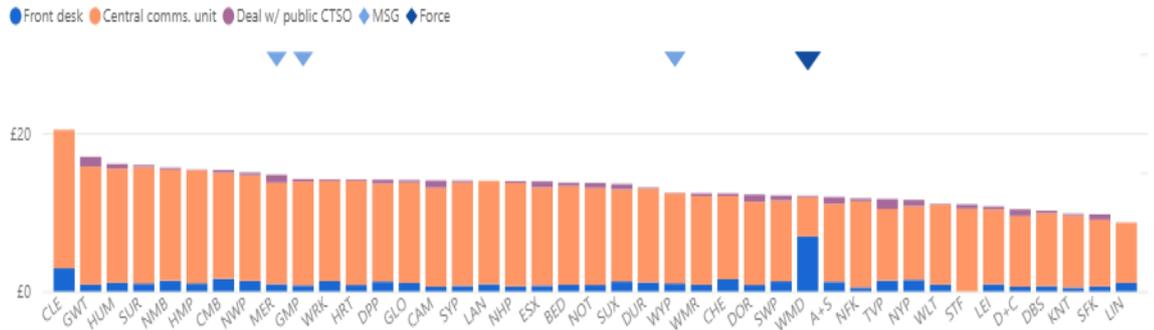
From the table below you will see that if you extract the relevant budget from Custody, updating the NRE / pop to include the amended value for West Midlands Police and compare the total NRE rather than individual subjective grouping for the sub objective we are within £0.15 of our most similar group.

Force	NRE /pop	Updated NRE/pop	Non employment costs / pop	Income / pop
West Midlands	0.00	1.33	1.33	0.00
Merseyside	1.79	1.79	1.79	0.00
Greater Manchester	1.06	1.06	1.06	0.00
West Yorkshire	1.59	1.59	3.73	-2.14
Most Similar Group (MSG)	1.48	1.48	2.19	-0.71
Difference v MSG	-1.48	-0.15	-0.86	0.71

4.3. **Central Communication Unit and Front Desk** form part of the Dealing with the Public section of the Police Objective Analysis, the description for these objectives are as follows:

- a) Front Desk
 - Officers / Staff based within a BCU who deal with data handling, help / crime desk, resource / dispatch desk, visitor handing etc.
- b) Central Communications Unit
 - Force Control Room.
 - Central switchboard.
 - Communications team.
 - Local Call Centres.
 - Crime Recorders (include here if managed centrally).
 - Crime Recorders (include here if managed locally).
 - Contact Management Units.
 - Officers / Staff dealing with local non-urgent issues, first point of contact.
- c) Dealing with the Public Command Team and Support Overheads
 - The Local Command team
 - Support overheads that cannot be directly attributed to the level 2 headings within the section.

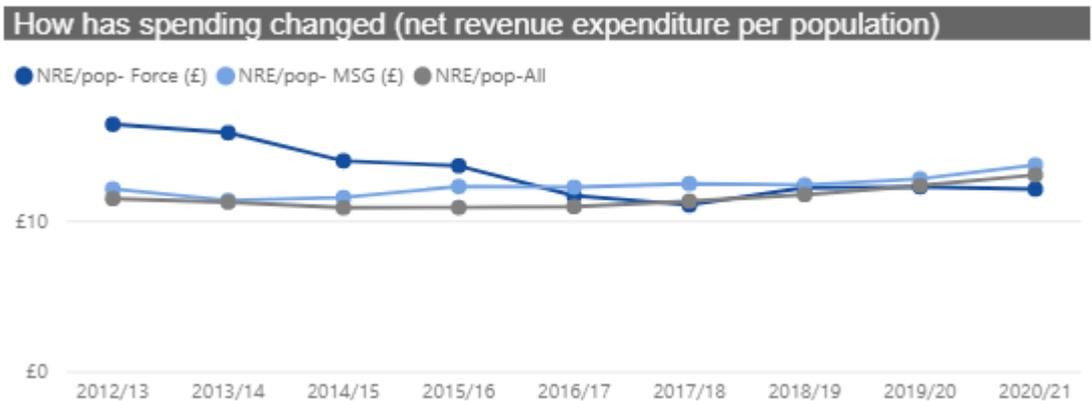
The chart below is a summary of the Dealing with the Public objective, this show that overall we are not dissimilar to our most similar group, however the cost of our front desk is far higher than the rest of the forces and in contrast our Central Communications unit is far lower.



If our data were to be re-profiled to include dispatch within central communications the difference to our most similar forces would become:

Force	Dealing with the Public NRE /pop	Central Comms PO Costs /pop	Central Comms Staff Costs /pop	Front Office PO Costs /pop	Front Office Staff Costs /pop
West Midlands	12.09	2.13	8.52	0.00	1.18
Merseyside	14.72	3.82	8.95	0.00	0.92
Greater Manchester	14.18	2.93	10.20	0.00	0.76
West Yorkshire	12.46	4.14	7.09	0.00	1.01
Most Similar Group (MSG)	13.79	3.63	8.75	0.00	0.90
Difference v MSG	-1.70	-1.50	-0.23	0.00	0.28

Overall across the whole of Dealing with the Public you will see we are £1.70 less than our most similar group, this is linked to the savings identified and delivered as part of our Change Programme over the last 8 years, as outline in the chart below:



4.4. **Intelligence Gathering and Serious and Organised Crime** form part of Intelligence and Investigations objectives. The Police Objective Analysis descriptions are as follows:

The Police Objective Analysis description for Intelligence Gathering is:

- CCTV - Gathering intelligence including photographs, video and CCTV, monitor target and associate’s activities.
- Surveillance and Covert Operations - Intelligence teams who task and manage covert resources – technical and human assets – to obtain confidential intelligence and information. Support force-led proactive and reactive investigations. The team includes:
 - Covert Authority Bureau (RIPA requests).
 - Covert Teams, dealing with source handling and informants.
 - Confidential Unit, undercover operations.
 - Special Operations Unit.
 - Telecommunications teams.
 - Dedicated Source Unit.
 - Intelligence Development teams.
 - Informant fees.

The Police Objective Analysis description for Serious and Organised Crime is:

The Teams deal with:

- Serious crime issues impacting BCUs, such as armed robberies, violent car key burglaries, people trafficking and high value HGV crime.
- Gang Enforcement, tackling gangs, providing enforcement and working where the greatest risk is identified.
- Criminal Networks, and drugs / firearms trafficking (usually longer-term investigations)

The Serious and Organised Crime and Intelligence Gathering sub-objectives include a number of large number of teams within the Regional Organised Crime Unit, along with elements of Force CID and gang teams within NPU’s.

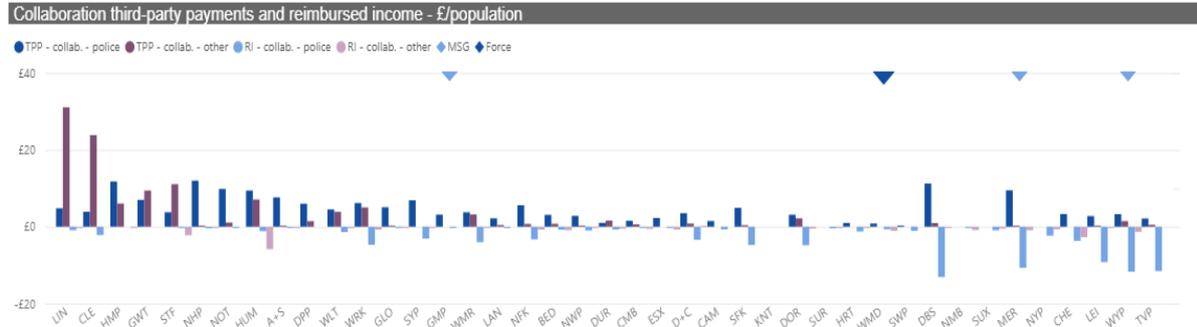
Given the nature and set up of Regional Organised Crime Units across the country, the outliers highlighted appear to be distorted by local set up of funding arrangements for these Regional Organised Crime Units. I would also suggest we need to review what teams we include within each section as some could fall into either / or objective.

The tables below show the total costs by force for each category, along with the split by officer pay, staff pay, income, other employee costs and non-employment costs along with the difference with our most similar group. Highlighted in green are the outliers identified.

Serious and Organised Crime

Force	NRE /pop	Officer Pay	Staff Pay	Income	Other Employee	Non employment costs
West Midlands	4.27	3.28	1.16	-0.33	0.01	0.15
Merseyside	5.80	5.55	1.03	-6.51	0.12	5.61
Greater Manchester	6.58	5.49	0.53	-2.06	0.01	2.61
West Yorkshire	3.65	2.78	0.59	-0.25	0.01	0.52
Difference v MSG	-1.07	-1.33	0.44	2.05	-0.04	-2.37

Overall within serious and organised crime we are within £1.07 of our most similar group, you will notice Merseyside are significantly different in both income and non-employment costs which are distorting these subjective comparisons. This is due to the setup of the North West Regional Organised Crime unit as you will see from the chart below, Merseyside have a high level of income and third party payments in relation to collaboration.



Intelligence Gathering

Force	NRE /pop	Officer Pay	Staff Pay	Income	Other Employee	Non employment costs
West Midlands	5.80	4.44	0.99	0.00	0.06	0.31
Merseyside	5.35	3.85	2.06	-3.87	0.09	3.22
Greater Manchester	2.15	1.82	0.25	0.00	0.00	0.08
West Yorkshire	2.44	0.72	1.23	-0.22	0.00	0.71
Difference v MSG	2.49	2.57	-0.19	1.36	0.03	-1.03

A similar picture to the Serious and Organised crime objective plays out in Intelligence gathering on income and non-employment costs which relates to the set-up of the North West ROCU. As highlighted we are an outlier within officer pay, further work needs to be carried out to explore whether we are categorising some of the teams correctly within the ROCU to intelligence gathering, or whether they should be mapped to Serious and Organised Crime.

4.5. **Specialist Community Liaison** where the difference on spend against the most similar group is £2.48 more per head of population within both Police Officer pay and overall.

The Police Objective Analysis description for Specialist Community Liaison is:

- Schools Liaison Units - School Partnership Officers
 - Youth Offending Teams / Youth Services - Youth Offending Teams.
- Local Community & Partnership Functions - Community Partnership Officers.
 - Other Specialist Community Liaison - Community Cohesion Unit.
 - Other - Reassurance Team; Anti-Social Behaviour Unit; Government Office Liaison; Compliance & Development; Crime stoppers; Public Transport Policing; Crime Reduction.
- Firearms Licensing - Licensing Units (firearms).
- Liquor Licensing - Licensing Units (liquor).

- Other or Integrated Offender Management Teams - Offender Management includes Offender Rehabilitation. Do **NOT** include Sex Offender Management here, it should go in 13d.

4.6. **Incident/ Response Management** where the difference on spend against the most similar group is £16.64 less per population. This is similar difference to 2019/20. This is an area where we are investing 252 additional police officers through the national uplift in officer to improve our service offer to the public.

The other areas to consider are whether the work of the Force Support Unit and the teams within Force CID who manage P4 diary appointments should be included within Response Management rather than Advance Public Order and Investigations.

The Police Objective Analysis description for Incident / Response Management is:

- Response Teams, this includes officers whose primary role is to respond to emergency and priority incidents which may require attendance.
- In Forces where the roles covered by 1a Local Policing – Neighbourhood Policing are combined with the roles covered by 1b Local Policing – Incident (Response) management, and the costs cannot be split between the two please record the values in 1a Local Policing - Neighbourhood Policing.

4.7. **Advanced Public Order** where the difference on spend against the most similar group is £5.20 more per head of population within both police officer pay and overall. This is a similar difference to 2019/20. As outlined in Response Management we need to consider whether Force Support sits more accurately within Response Management v's advanced public order, this would bring our costs down more in line with our most similar group.

The Police Objective Analysis description for Advanced Public Order is:

- Tactical Support unit, trained officers who deal with spontaneous disorder in any part of the forces. Core functions of the unit include:
 - To provide extra operational staff wherever required in the force.
 - To manage, maintain and provide missing person or crime scene search facilities.
 - Provide a capability to search and recover under CBRN requirements.
 - To provide trained resources for major events / incidents, planned or spontaneous (including high profile sporting events).
 - Protests e.g. EDL.
- Cost of policing civil disturbances, this is to include any income received in relation to the civil disturbances and any backfill costs (if easily identifiable).

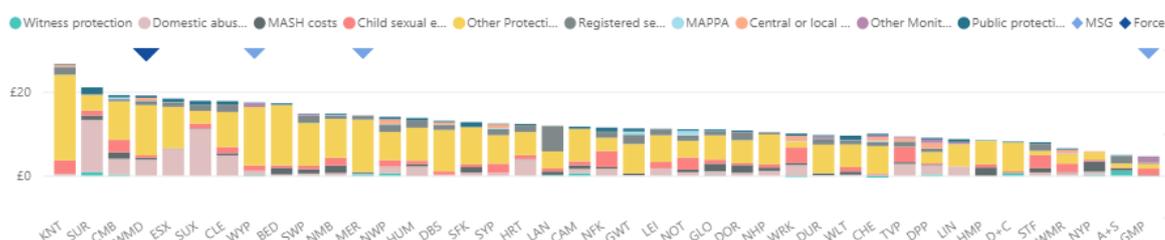
4.8. **The Public Protection** objective over the last few years has been expanded upon to break the costs down into more detail. The current request for information in the Police Objective Analysis is as follows:

The Police Objective Analysis description for Public Protect is:

- a) Witness Protection (adult and child)
 - Witness Protection Programme, officer / staff costs and expenses.
 - Jury Protection.
 - Witness Liaison
- c) Protecting Vulnerable People (PVP)
 - i. Domestic Abuse, Domestic Violence Officers (DAO) and IDVA Costs
 - iv. Multi Agency Safeguarding Hub (MASH) costs

- vii. Child Sexual Exploitation Investigation
 - ix. Other - Specialist Sexual Assault / Rape Investigations Units; Other Specialist PVP and General PVP Investigation Units - Child Protection Officers, Vulnerable Persons Protection Officers; Specialist Victim Services; Missing Persons Units - Missing Person's Liaison (child); Missing Person's Liaison (adult); Mental ill-health Triage/ Support
- d) Monitoring Dangerous and Repeat Offenders
- i. Registered Sex Offender Management - Violent & Sex Offender Management Team
 - ii. Multi Agency Public Protection arrangements (MAPPA)
 - iii. Central or Local Referral Units
 - iv. Other
- e) Public Protection Command Team and Support Overheads
- The Local Command team.
 - Support overheads that cannot be directly attributed to the level 2 headings within the section.

We are outliers in two areas for police officer pay, Domestic abuse, DAO and IDVA costs (£3.15 more) and Other Protecting Vulnerable People (PV) (£3.41 more). These differences need to be looked at as part of the wider Public Protection section to gain a more accurate picture of the position. The chart and table below shows a breakdown of the public protection objective by most similar force.



Public Protection sub objectives	West Midlands	West Yorkshire	Merseyside	Greater Manchester
Witness Protection	-	0.18	0.38	0.03
Domestic Abuse DAO & IDVA Costs	3.81	0.98	0.16	-
MASH Costs	0.46	0.01	0.25	0.11
Child Sexual Exploitation	0.55	1.25	0.11	1.55
Other Protecting Vulnerable People	11.98	13.93	12.45	1.14
Registered Sex Offender Management	1.03	-	0.96	0.21
MAPPA	0.08	-	-	0.02
Central or Local Referral Units	0.64	-	-	-
Other Monitoring Dangerous and Repeat Offenders	-	0.93	-	1.44
Public Protection CTSO	0.54	0.13	-	0.07
Total	19.09	17.41	14.31	4.57

The table shows a sizeable fluctuation in which sub objectives costs are put against which suggests that forces can't easily break down the public protection costs into the relevant sub objectives. Although overall we have the highest investment in public protection the Great Manchester numbers are significantly lower than the other forces which are also distorting the differences.

5. NEXT STEPS

5.1. We are currently carry out further investigative work in a number of the outliers to further understand what is driving the differences. This work will form two parts.

5.2. **Internal reviews with operational colleagues** to ensure we are capturing our costs against the most appropriate objective categories in:

- Public Protection
- Gathering Intelligence
- Serious and Organised Crime

5.3. **Contacting forces from our most similar group** to understand what teams / costs they include within the following objective categories to ensure we are comparing like for like:

- Pension and Exit Costs
- Central Communication Unit and Front Desk
- Intelligence Gathering
- Serious and Organised Crime
- Specialise Community Liaison
- Incident / Response Management
- Advanced Public Order
- Public Protection

5.4. Once this work is complete we will write to the Committee with a follow up paper and recommendations on next steps.

6. RECOMMENDATIONS

6.1. Members of the Committee are asked to note the content of the report and consider the extent of what further investigation is required into the outliers once our investigative work is complete.

Appendix 1: HMICFRS Value for Money Profiles - Cost Outliers

This table shows us in which areas of spending your force is an outlier - spending significantly more or less than other forces. It does this by comparing how much is spent per population with spending per population in both its MSG and in all forces. The spending areas shown are those where either of these differences are over £1 or under -£1 (shaded pink in the table). These differences are then multiplied by your chosen forces population to give the cost difference in £000. Which can then be compared to the spending figures in the first column. (If the table is empty the force has no such outliers).

Sub-objective	Objective	Subjective (grouped)	NRE-Force (£K)	NRE/pop-Force (£)	NRE/pop-MSG (£)	Difference (v MSG, £)	MSG cost of diff (£K)	NRE/pop-all forces (£)	Difference (v all, £)	All force cost of diff (£K)	Outlier
Advanced Public Order	Operational supt.	PO cost	£21,373	£7.24	£2.04	£5.20	£15,350	£1.42	£5.83	£17,193	y
Front desk	Deal w/ the public	Other staff cost	£14,562	£4.93	£0.88	£4.05	£11,959	£1.14	£3.80	£11,202	y
Other Protecting Vulnerable People ...	Public protection	PO cost	£29,024	£9.84	£6.42	£3.41	£10,071	£5.51	£4.33	£12,769	y
Domestic abuse, DAO and IDVA costs	Public protection	PO cost	£10,403	£3.53	£0.37	£3.15	£9,307	£1.58	£1.95	£5,754	y
Intelligence gathering	Intelligence	PO cost	£13,103	£4.44	£1.87	£2.57	£7,582	£2.51	£1.93	£5,697	y
Community liaison	Local policing	PO cost	£16,397	£5.56	£3.08	£2.48	£7,309	£2.87	£2.69	£7,930	y
Serious and organised crime	Investigations	Local income	-£964	-£0.33	-£2.38	£2.06	£6,065	-£0.59	£0.26	£778	y
Front desk	Deal w/ the public	PO cost	£5,907	£2.00	£0.00	£2.00	£5,902	£0.12	£1.88	£5,547	y
Neighbourhood policing	Local policing	PO cost	£56,016	£18.98	£17.41	£1.57	£4,632	£14.25	£4.74	£13,980	y
Admin support	Support functions	Non-employment costs	£5,625	£1.91	£0.52	£1.39	£4,093	£0.56	£1.35	£3,983	y
HR	Support functions	Non-employment costs	£4,075	£1.38	£0.21	£1.17	£3,440	£0.54	£0.84	£2,474	y
Local investigation /prisoner proces.	Local policing	Other staff cost	£4,240	£1.44	£0.32	£1.12	£3,304	£1.34	£0.10	£293	y
Custody	Crim. just. arrange.	Non-employment costs	£3,820	£1.29	£0.23	£1.07	£3,147	£0.89	£0.40	£1,191	y
Civil contingencies /events	Operational supt.	PO cost	£5,824	£1.97	£1.20	£0.78	£2,294	£0.73	£1.25	£3,675	y
Major investigations unit	Investigations	PO cost	£10,140	£3.44	£2.98	£0.46	£1,346	£2.27	£1.17	£3,454	y
Local investigation /prisoner proces.	Local policing	PO cost	£44,687	£15.14	£15.06	£0.08	£241	£13.39	£1.75	£5,168	y
Capital financing	Central costs	Non-employment costs	£16,144	£5.47	£5.40	£0.07	£197	£3.55	£1.92	£5,654	y
ICT	Support functions	Non-employment costs	£22,909	£7.76	£7.98	-£0.22	-£644	£8.85	-£1.09	-£3,219	y
Revenue contrib. to capital	Central costs	Non-employment costs			£0.36	-£0.36	-£1,076	£2.22	-£2.22	-£6,539	y
Criminal justice	Crim. just. arrange.	Other staff cost	£4,730	£1.60	£2.64	-£1.03	-£3,053	£2.35	-£0.75	-£2,218	y
Fleet	Support functions	Non-employment costs	£5,847	£1.98	£3.06	-£1.08	-£3,181	£3.10	-£1.12	-£3,311	y
Intell. analysis /threat asmts.	Intelligence	Other staff cost	£4,971	£1.68	£2.80	-£1.11	-£3,281	£2.04	-£0.35	-£1,042	y
Serious and organised crime	Investigations	PO cost	£9,681	£3.28	£4.54	-£1.26	-£3,726	£2.36	£0.92	£2,714	y
Estates	Support functions	Non-employment costs	£26,250	£8.90	£10.18	-£1.28	-£3,787	£8.12	£0.77	£2,285	y
External forensic costs	Investigative supt.	Non-employment costs	£2,029	£0.69	£2.47	-£1.78	-£5,249	£1.48	-£0.80	-£2,347	y
Training	Support functions	PO cost	£6,184	£2.10	£4.04	-£1.95	-£5,748	£2.78	-£0.68	-£2,017	y
Neighbourhood policing	Local policing	PCSO cost	£14,153	£4.80	£6.78	-£1.98	-£5,840	£5.44	-£0.64	-£1,884	y
Police doctors etc.	Crim. just. arrange.	Non-employment costs			£2.16	-£2.16	-£6,377	£0.99	-£0.99	-£2,934	y
Serious and organised crime	Investigations	Non-employment costs	£436	£0.15	£2.52	-£2.37	-£6,999	£1.01	-£0.86	-£2,551	y
Pensions and exit costs	Central costs	Other employment costs	£5,601	£1.90	£4.40	-£2.50	-£7,379	£2.94	-£1.04	-£3,082	y
Central comms. unit	Deal w/ the public	PO cost	£419	£0.14	£3.55	-£3.41	-£10,055	£2.23	-£2.09	-£6,174	y
Central comms. unit	Deal w/ the public	Other staff cost	£14,074	£4.77	£8.83	-£4.06	-£11,988	£8.81	-£4.04	-£11,915	y
Incident /response mgt.	Local policing	PO cost	£66,896	£22.67	£39.31	-£16.64	-£49,089	£30.30	-£7.62	-£22,497	y