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| <b>Committee:</b>  | <b>Date:</b>                  |
| Police: Performance and Resource Management Sub Committee              | 1 <sup>st</sup> February 2018 |
| <b>Subject:</b><br>HMICFRS 2017 Value for Money Profile                | <b>Public</b>                 |
| <b>Report of:</b><br>Commissioner of Police<br>Pol 10-18               | <b>For Information</b>        |
| <b>Report Author:</b><br>Stuart Phoenix, Head of Strategic Development |                               |

## SUMMARY

In November 2017, HMICFRS published the latest annual series of value for money profiles. These profiles group 'similar' forces together to enable high relative cost or differences to be determined; however historically HMICFRS has been unable to group the City of London Police with any other force.

In 2014, the Force commissioned a firm of reputable consultants to develop a spreadsheet model that could be utilised by the force to gain greater benefit from these profiles and determine a group of forces against which comparisons could be made.

The model has been applied to the 2017 VFM profiles and forms the basis of the findings presented in this report.

Since 2014 the population of the City [resident and business workers], as published in the HMICFRS profiles, has increased 147,000 (43%) which has had a positive impact on the VFM ratios published by HMICFRS.

Whilst many of the indicators within the model show movement towards group averages, Supplies and Services costs per 1,000 population remains an outlier.

## Recommendation

That Members note the contents of this report.

## **Main Report**

### **Background**

1. Value for money profiles are published annually by HMICFRS as a tool to help forces discover areas of high relative cost or differences in performance, grouping similar forces together to facilitate comparison.
2. Historically, due to the Force's particular demographics and its location in central London, HMICFRS has been unable to group the City of London Police with any other force; this has reduced the usefulness of the profiles for Force purposes.
3. In 2014, the Force commissioned a reputable consultancy firm to develop a spreadsheet model that could be utilised by the force to gain greater benefit from the profiles and determine a group of forces against which more meaningful comparisons could be made.
4. In determining a comparator group the consultants identified forces with a similar total workforce [full time equivalent] per 1,000 population base from the 2013 HMICFRS VFM profiles. The group comprises:
  - City of London
  - Cambridgeshire
  - Gloucestershire
  - Lincolnshire
  - Northamptonshire
  - Suffolk
5. The aim of this report is to utilise this model to determine outliers and provide commentary.

### **Current Position**

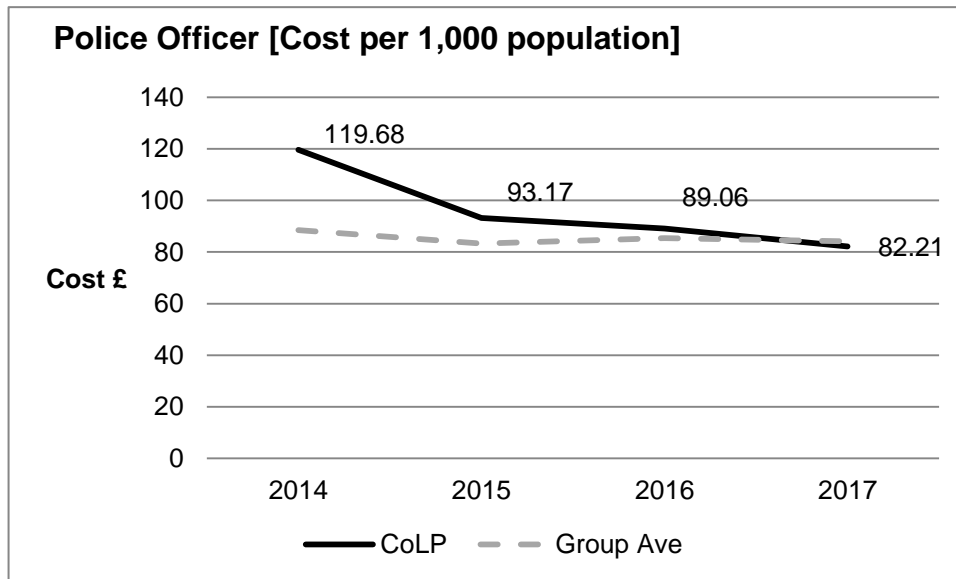
6. The model was populated with data from each of the comparator forces Value of Money profiles 2017.
7. Reference has been made to VFM profiles from 2014 to 2017 in the determination of trends for specific indicators and these are referenced within the report.
8. Within the model and to enable direct comparison with group comparators London Weighting and National Functions costs have been removed, however, this is sometimes relevant as to why costs in the Force are higher than in comparator forces.

#### **Police Officer costs per 1,000 population**

9. Police Officer costs per 1,000 population from the published HMICFRS VFM profiles for the force has been falling over the period 2014 to 2017

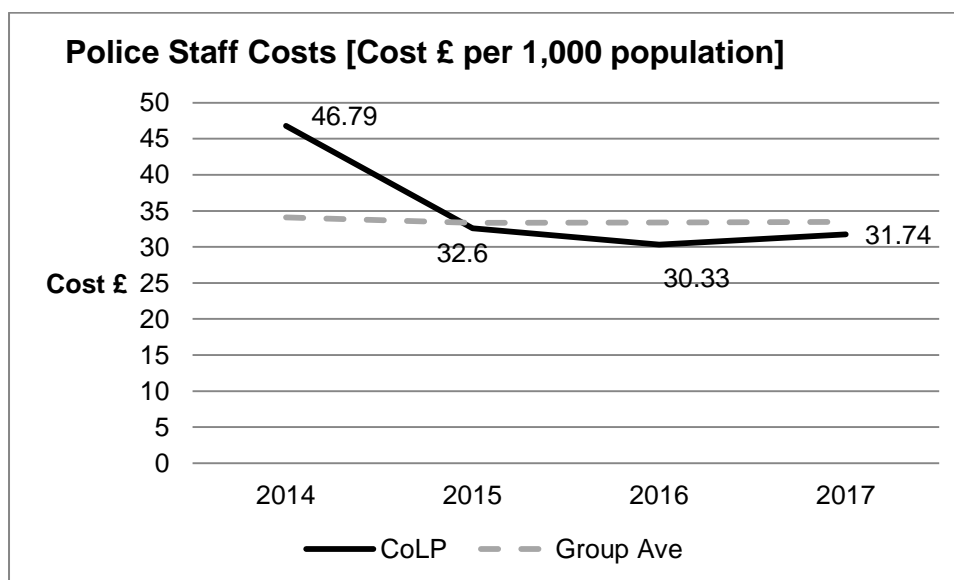
[solid black line on graph below] and is approaching the group average of £82 per 1,000 population [dashed grey line]

10. The HMICFRS VFM profile for 2014 shows officer numbers [excluding national functions] at 656 compared to 2017's 666.



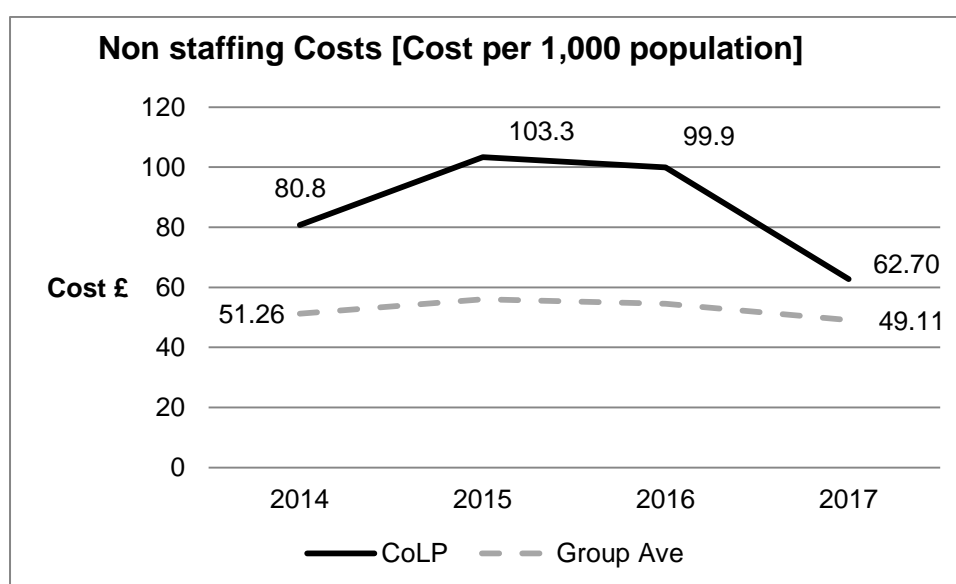
Police Staff costs, excluding PCSOs per 1,000 population

11. Police Staff costs, excluding PCSOs per 1,000 population for the Force has been decreasing over the period 2014 to 2016. Ambitious savings were budgeted for Police Staff during this time and in 2017 budgets were reinstated for some roles to reflect changes in original savings plans; this decision has seen a slight rise in the published VFM profile 2016 to 2017 [solid black line in the graph below] but remains close to the group average [dashed grey line].



### Non staffing costs per 1,000 population

12. Non staff costs continue to be the highest within the group per population head compared to the group average of £49.11 – the lowest is £37.8 for Cambridgeshire.
13. The comparator group average cost per population head has remained comparatively constant since 2014 suggesting that forces have contained inflationary increases but not driven further efficiency savings year on year.
14. Since 2015 there has been a downward trend in CoLP costs per 1,000 population head [solid black line on the graph below], but is still higher than the group average [dashed grey line].



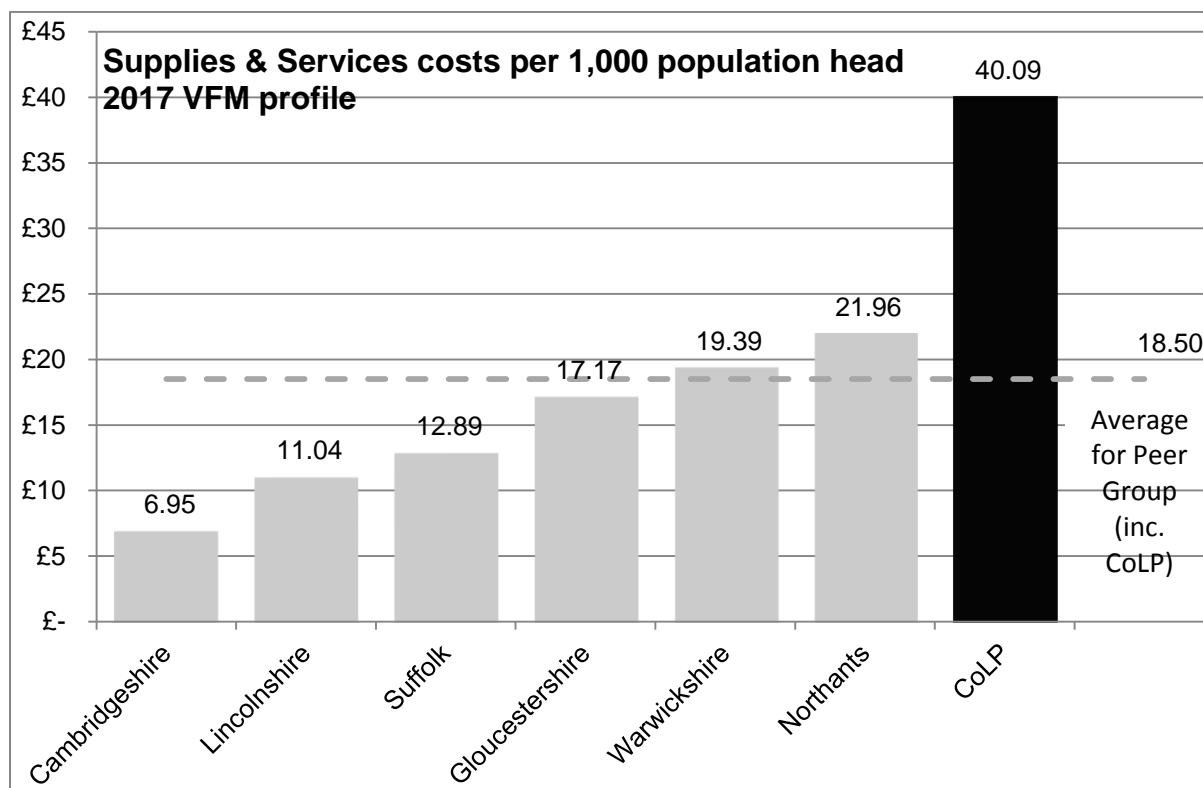
15. Within the model CoLP non staffing costs are sub divided into:

| Subjective Heading                    | CoLP           |                             |             | Group Average  |              |
|---------------------------------------|----------------|-----------------------------|-------------|----------------|--------------|
|                                       | £ per pop head | £ per pop head [Adjust pop] | £'M         | £ per pop head | £'M          |
| Supplies and Services                 | 40.09          | 57.21                       | 18.6        | 18.5           | 10.22        |
| Premises                              | 7.97           | 9.93                        | 3.7         | 6.33           | 4.2          |
| Transport                             | 4.31           | 6.15                        | 2           | 3.17           | 2.08         |
| Force Collaboration payments          | 1.08           | 1.54                        | 0.5         | 11.86          | 10.05        |
| Restructure, Training and conferences | 2.16           | 3.08                        | 1           | 0.71           | 0.32         |
| Other Employee related expenses       | 4.31           | 6.15                        | 2           | 2.85           | 1.82         |
| <b>Total</b>                          |                |                             | <b>27.8</b> |                | <b>28.69</b> |

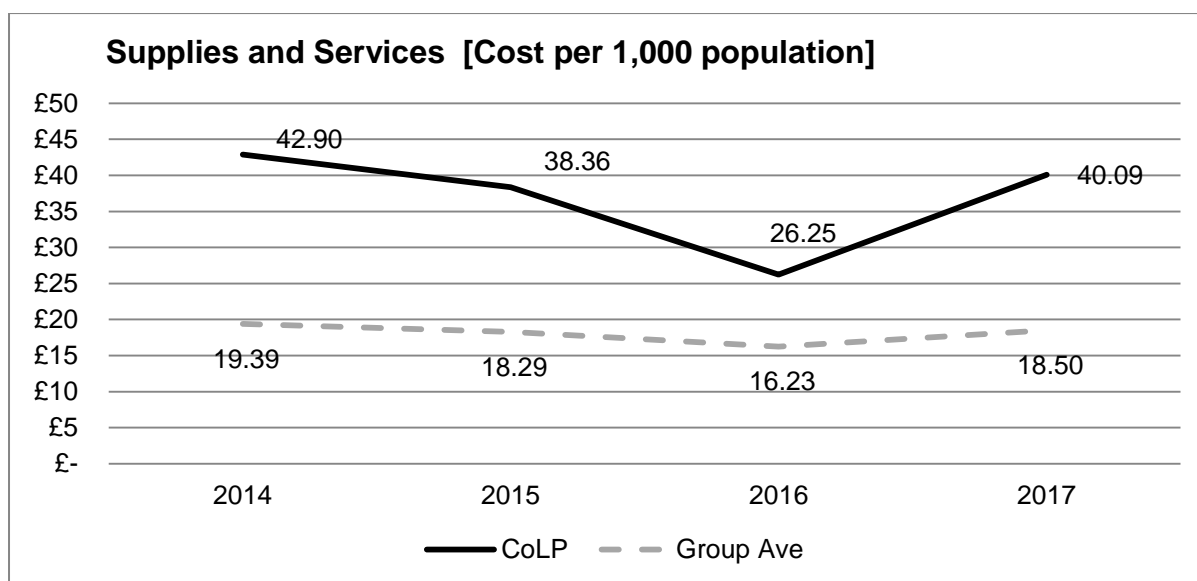
16. Notable subjective headings are detailed below:

Supplies and Services costs per 1,000 population

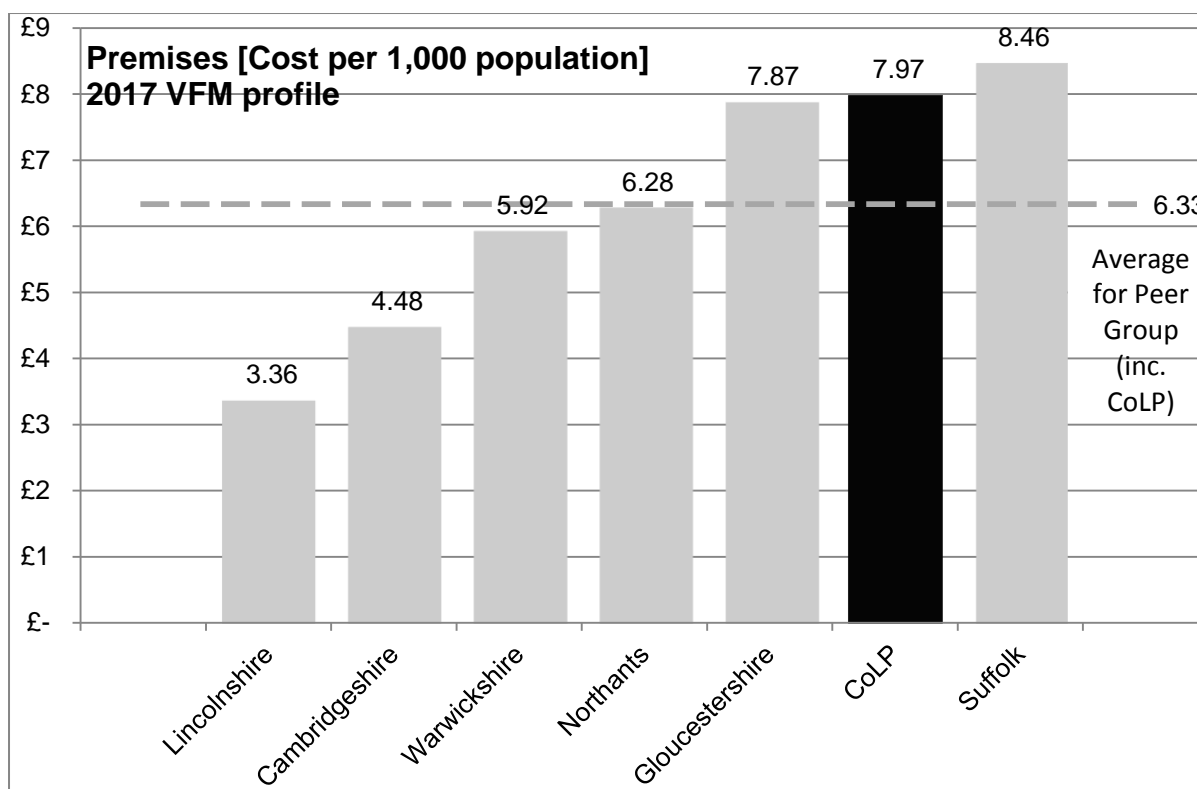
17. The 2017 group average excluding City of London Police is £18.50 per head of population. The City of London Police is currently twice this level at £40.09 per head of population up from £26.25 in 2016.



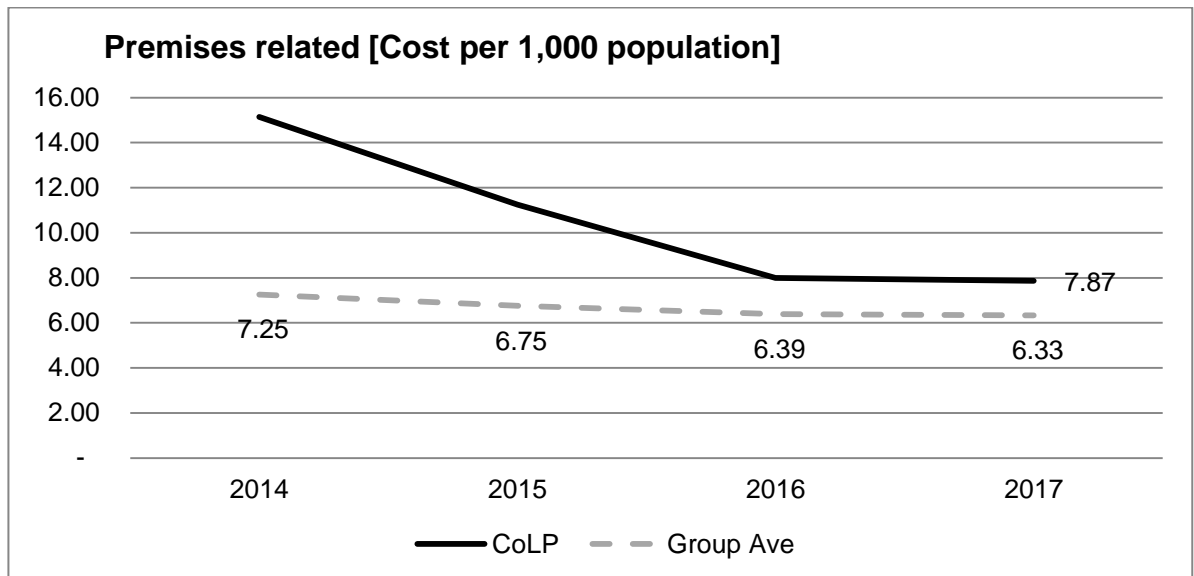
18. Since 2014 the City of London Police cost per 1,000 population had been decreasing from £42.90 to £26.25 in 2016 [solid black line in the graph below] but then increased in 2017. The group average 2014 to 2017 has remained static [dashed grey line].



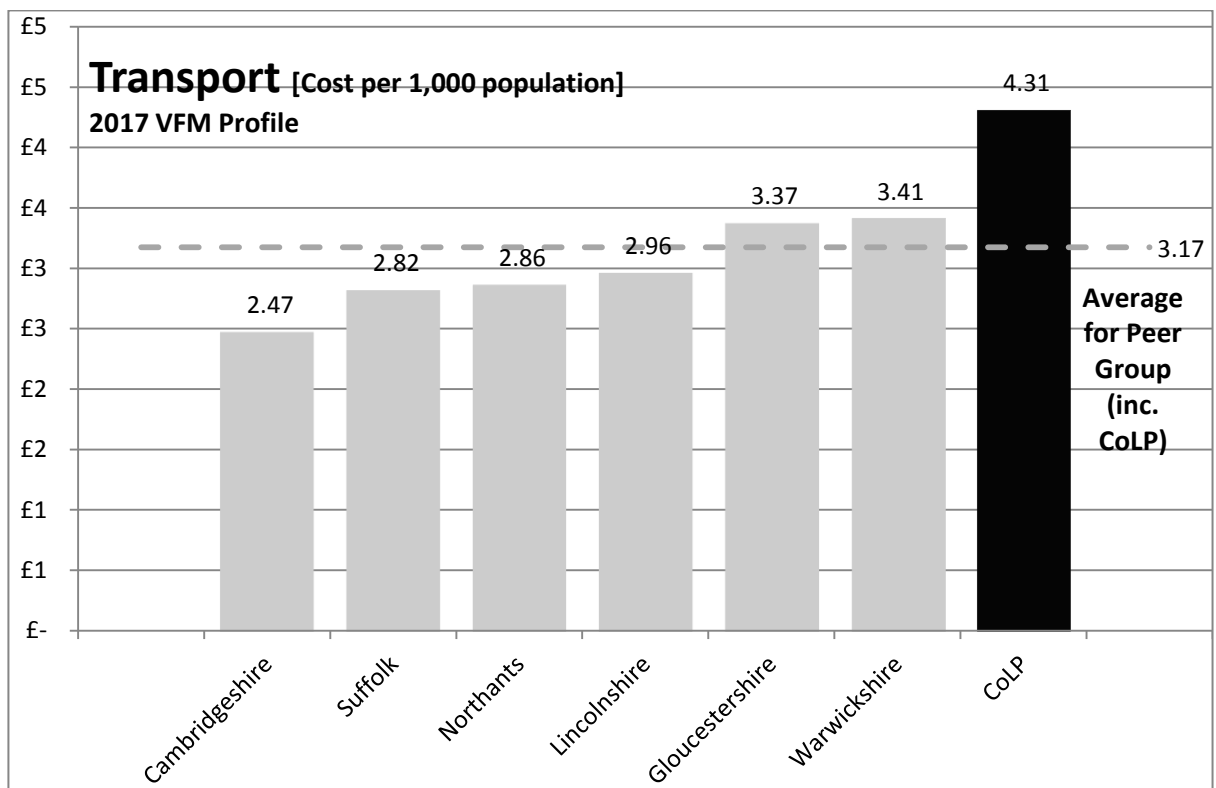
#### Premises costs per 1,000 population



19. Premises costs per 1,000 head of population have been decreasing for the City of London Police as published in the HMICFRS VFM profiles to a point where it is approaching the comparator group average.

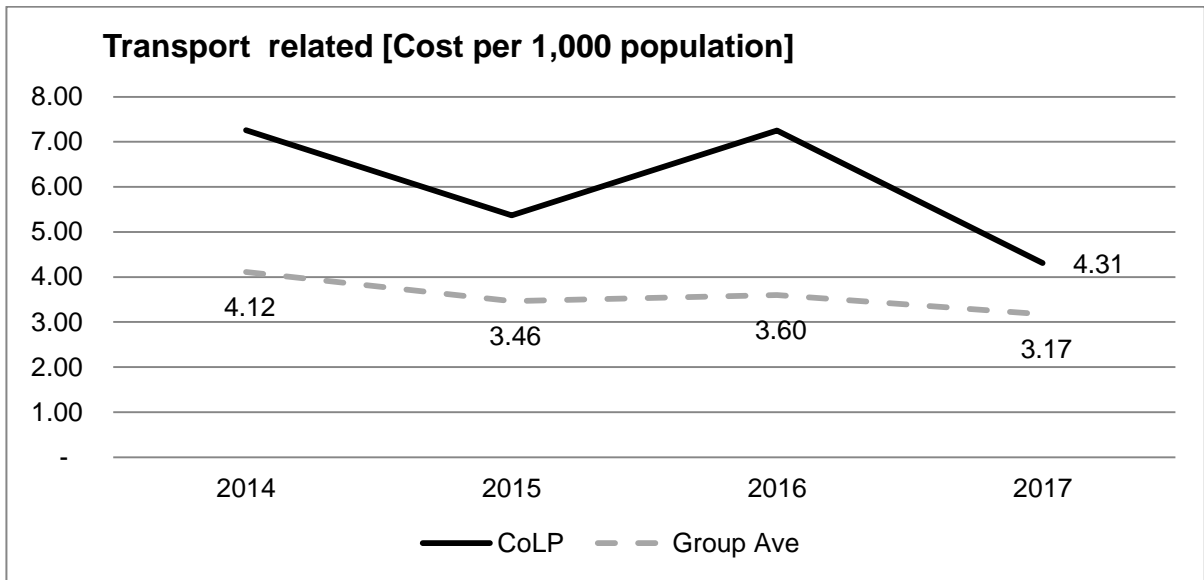


#### Transport costs per 1,000 population



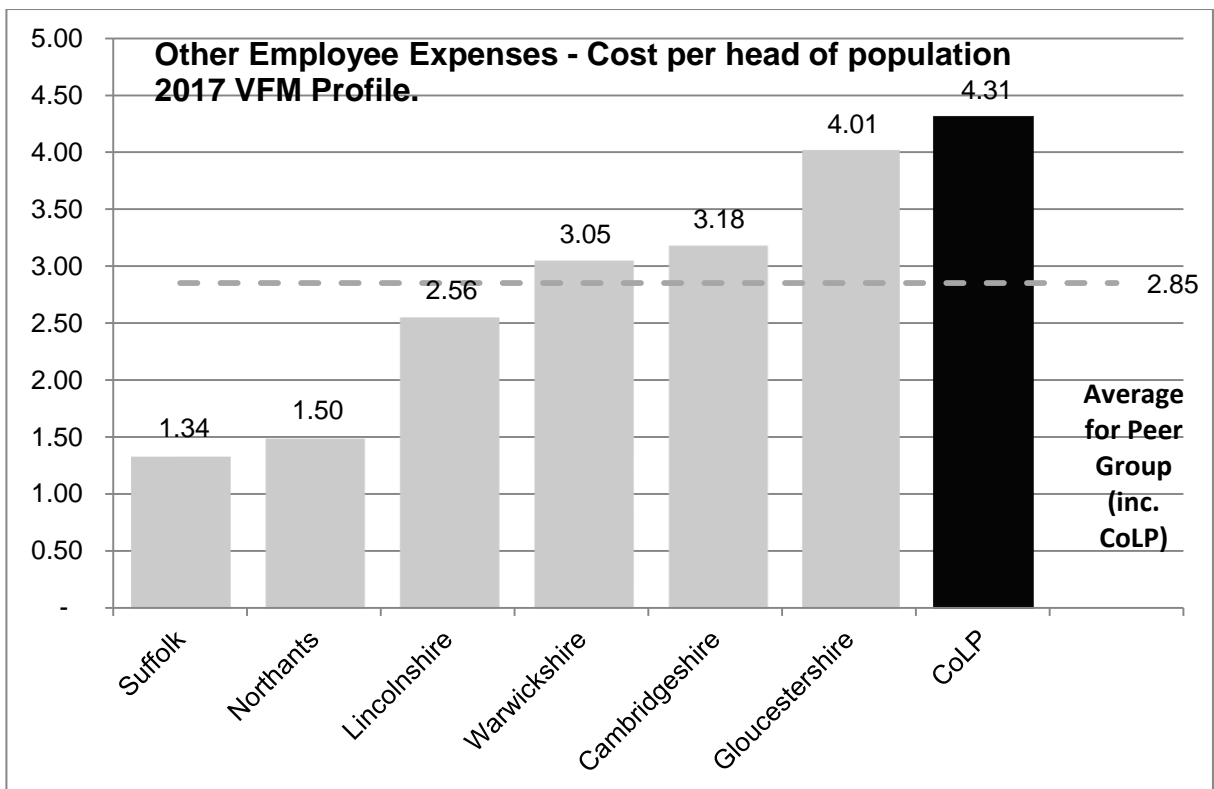
20. Transport costs per 1,000 head of population have been decreasing for the City of London Police but the force remains the highest cost per 1,000

population within the comparator group [solid black line in the graph below].



Other Employee Expenses costs per 1,000 population

21. Other employee costs per 1,000 population is the highest within the comparator group £4.31 compared to the group average of £2.85 within the 2017 VFM profile.





## **Recommendation**

23. That Members note the contents of this report.

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