# PEEL: Police efficiency

An inspection of the Police Service of Northern Ireland
1–5 February 2016

# Contents

# Overview – How efficient is the PSNI at keeping people safe and reducing crime?

## Overall judgment[1]

Good

HMIC found that the Police Service of Northern Ireland (PSNI) uses its resources efficiently to keep people safe, but could do more to reduce crime. The service has a good understanding of current demand and in the main matches resources to the needs of the community. The service's workforce model is not sustainable, it relies too much on overtime and long-term sickness is high. Working within restrictive annual budget arrangements the PSNI has balanced its budget and has a good track record of making savings. However, the service should improve its financial and workforce plans to ensure efficient policing in the long term.

## Summary

HMIC judges the PSNI to be good. The demands on policing in Northern Ireland are more wide ranging than those experienced by most forces in England and Wales. The PSNI understands most of the current demands it faces but has more work to do with partner organisations to understand hidden demands from people, particularly those who are vulnerable, in local communities.

The service could do more to manage demand. The focus of the PSNI and partners in the police and community safety partnerships (PCSPs) has been on traditional crime prevention aimed at 'target hardening' to reduce repeat victimisation. The service and partners are starting to use the new community planning powers to support multi-agency activity to reduce demand, but this work is in its infancy.

On the whole, the PSNI's current operating model matches resources to demand. The service uses a tiered approach to assess demand and ensure it deploys its resources flexibly, in line with its organisational priority to keep people safe. However, the current model relies heavily on overtime both to meet surge demands often associated with security and because long-term sickness levels are high in the PSNI. In the medium and longer term, the workforce's resilience is less robust. More than 20 percent of police officers are eligible to retire in the next three years and the service is unclear on the skills that will be lost or are required from its workforce in the future.

---

[1] Outstanding, Good, Requires improvement or Inadequate – see Annex A.

The PSNI balanced its budget in 2014/15 and set a balanced budget in 2015/16 adapting to in-year funding cuts through its thorough monitoring of costs. However, the PSNI's workforce planning and development of a new IT infrastructure to support efficient policing are constrained by its annual budget arrangements and its inability to carry forward underspends, build reserves or borrow money.

# Efficiency in numbers

## £ Financial position

Forecasted change in expenditure 2015/16 to 2018/19

| £M | % of Gross Revenue Expenditure |
|---|---|
| -£28.7m | 4% |
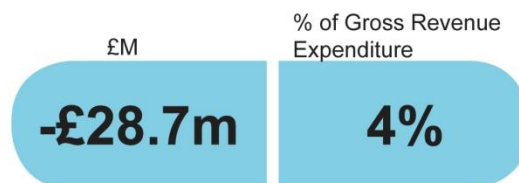
## 🔔 Providing policing

Planned change in police officer numbers 31 March 2015 – 31 March 2018

Police Service of Northern Ireland

**+1%**
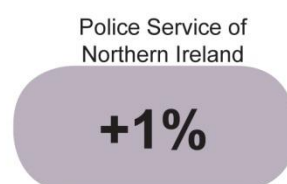
Planned change in total workforce numbers 31 March 2015 – 31 March 2018
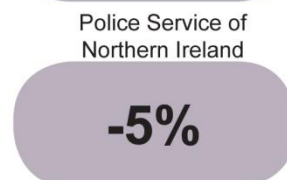
Police Service of Northern Ireland

**-5%**

Proportion of police officers on the operational frontline 31 March 2010

| Police Service of Northern Ireland | England and Wales |
|---|---|
| 89% | 89% |

Proportion of police officers on the operational frontline 31 March 2015

| Police Service of Northern Ireland | England and Wales |
|---|---|
| 91% | 92% |

Proportion of police officers on the operational frontline 31 March 2018

| Police Service of Northern Ireland | England and Wales |
|---|---|
| 91% | 92% |

# Organisation

Police officer cost per head of population compared to England and Wales 2014/15

| Police Service of Northern Ireland | England and Wales |
|---|---|
| £214 | £115 |

Workforce cost per head of population compared to England and Wales 2014/15

| Police Service of Northern Ireland | England and Wales |
|---|---|
| £261 | £165 |

# Key statistics

Changes in recorded crime 12 months to 31 March 2014 to 12 months to 31 March 2015

| Police Service of Northern Ireland | England and Wales |
|---|---|
| +2% | +3% |

**HMIC data requests were made at different times to the PSNI and forces in England and Wales. Where no England and Wales data are present in the graphic above, it is because no comparable data were available.**

**The data collections for forces in England and Wales were completed prior to the Government's comprehensive spending review announcement of no real cuts to police funding, but the PSNI provided its data after the spending review. This means that not all projected financial and workforce data are comparable.**

# Introduction

The Police (Northern Ireland) Act 1998, Section 41(2) as amended, requires that HMIC inspect and report to the Northern Ireland Department of Justice on the efficiency and effectiveness of the Police Service of Northern Ireland (PSNI) each year.

As part of its annual inspections into police effectiveness, efficiency and legitimacy (PEEL), HMIC's efficiency inspection assessed how a force makes the best use of its available resources with the overall question 'How efficient is the force at keeping people safe and reducing crime?' HMIC's effectiveness inspection assessed how well forces keep people safe and reduce crime; within that the vulnerability inspection examined the overall question, 'How effective are forces at protecting from harm those who are vulnerable, and supporting victims?'

The Minister for Justice commissioned HMIC to carry out an efficiency and effectiveness (vulnerability) inspection in 2015/2016 based upon those aspects of PEEL methodology. The inspection's objective is to inform the public, Northern Ireland Policing Board and the Minister for Justice of the service's strengths and areas for improvement using the PEEL methodology. This will enable the public to understand how the service has progressed since HMIC's 2015 report on 'Responding to Austerity' and make comparisons with the performance of forces in England and Wales for efficiency and effectiveness (vulnerability).

The methodology used is the same as that was applied in England and Wales in PEEL 2015. The inspection findings will be reported with graded judgements for efficiency and effectiveness (vulnerability). The reports will form the basis of the HMI's annual assessment of the efficiency and effectiveness of the PSNI.

In October 2010, the UK Government announced that central funding to the police service in England and Wales would reduce by 20 percent in the four years between March 2011 and March 2015. In Northern Ireland the reductions to the policing budget began in 2004. The budget for the PSNI reduced a further 17 percent between 2011 and 2015. Now, in a period of sustained austerity, the service needs to continue to make efficiencies while focusing on reducing crime and keeping communities safe.

HMIC's efficiency inspection assessed how a force maximises the outcomes from its available resources. We reviewed both the financial and workforce planning of police forces while examining wider questions of cost, capability and productivity. Our inspection focused on the overall question, 'How efficient is the PSNI at keeping people safe and reducing crime?'

To answer this question we looked at three areas:

- How well does the PSNI use its resources to meet demand?

- How sustainable and affordable is the workforce model?

- How sustainable is the PSNI's financial position for the short and long term?

During our inspection programme, we collected data and plans from forces, and conducted in-force inspections. We interviewed chief constables and the chief officers responsible for finance, organisational change, human resources and performance in each force and held focus groups of officers and staff at different grades and ranks, and made visits to police stations.

This report sets out the findings from this wide-ranging inspection of the Police Service of Northern Ireland.

# How well does the PSNI use its resources to meet its demand?

HMIC examined how PSNI understands the demand for its service, and how it allocates its staff and financial resources to meet that demand. We then assessed whether these decisions are leading to good results for the public – that the police are visible and that they attend promptly when called, that they are fighting crime and keeping communities safe, and that victims are satisfied with the service they receive.

## How well does the PSNI understand its demand?

The demands on policing in Northern Ireland are more wide-ranging than those experienced by most forces in England and Wales. The PSNI understands most of the demands it faces but has more work to do with partner organisations to understand the impact of new and hidden demands. It has also taken some steps to reduce unnecessary demand on officers, through changing its contact management processes, such as increased resolution of calls at the first point of contact with the public within the contact management centres.

The PSNI has a good understanding of the demands on current resources to investigate historic incidents and support inquests into deaths which occurred during the troubles. Its strategic threat assessment, based on the MoRiLE[2] model, demonstrates its understanding of the continuing severe threat from dissident terrorists, and high threat areas such as organised crime, child sexual exploitation, domestic abuse and cyber crime. The threat assessment also has a calendar of parades, events and centenary commemorations which enable the service to plan for the assessment and resourcing of the policing operation needed to keep people safe.

Working with a private sector company the service has also analysed what policing activity consists of in a representative 24-hour period across the whole PSNI and in a seven-day period for each district, the operational support department and crime operations department. The information gathered goes beyond the volume and pattern of calls for service and includes information on the time spent on internal processes such as transcribing audio tapes of interviews.

The service has used this work to understand demand to restructure its call management department and to determine the number and location of police officers and police staff in its new eleven-district local policing model. The service undertook

---

[2] MORiLE stands for 'Management of risk in law enforcement'. It is a College of Policing model of risk assessment which considers the likelihood and extent of harm in a given area against the capability and capacity of the law enforcement agency to manage the threat.

the work in 2014, and should further develop it to better understand the hidden or unrecognised demands from communities for visible policing and neighbourhood engagement, for example through attendance at residents' meetings and youth clubs to discuss local problems. This is particularly important in those areas which do not have a separate dedicated neighbourhood policing team.[3]

The PSNI could further improve its understanding of demand by working with other partners to identify in more detail the needs of service users and families. This is particularly important in responding to the needs of people who are vulnerable, for example, due to their age or mental health. In England and Wales this understanding has enabled the more efficient forces and their partners to provide a more tailored service, reducing demands from and improving outcomes for individuals and families who are multiple and intensive service users.

The PSNI has recognised the need to further develop its understanding of demand. The service's draft corporate plan *2016-2020 – What our world will look like in 2020* outlines how the PSNI intends to improve this by focusing on further work to better understand demands from the public, activities it carries out with partners to prevent harm, and demands generated by internal systems, policies and practice. This should help the PSNI to reduce demand and increase the resources available to meet the service's priority to keep people safe.

## How well does the PSNI match resources to demand?

On the whole, the PSNI's current operating model[4] matches resources to demand. The service uses a tiered approach to assess demand and ensure its resources are deployed flexibly to meet demand taking into account organisational priorities.

The PSNI receives 500,000 calls for service each year, which it manages through three contact management centres. Its daily management meetings at district, area and service levels ensure that resources are focused on those incidents which present the greatest threat, harm and risk to communities. This includes the policing response to tensions between communities, serious disorder and to provide security for officers conducting routine enquiries who are at risk from dissident terrorists. Demands such as these can arise without warning and the operational and community reassurance requirements are resource intensive.

---

[3] From 1 April 2015 11 new councils took over from the previous 26 under a programme of local government reform. At the same time the PSNI aligned its local policing teams with the 11 new districts. Within these districts 34 neighbourhoods were allocated dedicated policing teams, based upon crime and deprivation data, and professional judgement.

[4] Operating model: the way in which a police force is structured and the processes it has adopted and operates in order to achieve its objectives.

In the main, PSNI's contact management centres answer emergency and non-emergency calls in a timely fashion. The service makes effective use of the COSTS[5] risk assessment model to decide the most appropriate response to a call for service. The call taker uses this approach to decide the priority of the call and then a dispatcher will review the call grading while sending officers to the incident. The service makes good use of a tracking system to monitor where staff are and their location in relation to any incidents occurring. The system identifies both officers and vehicles within a mapping screen which allows the operator to dispatch the nearest most appropriate resource to an incident, using the 'task, don't ask' approach. Incidents are rarely held in queues awaiting a free patrol. Where a response was delayed we found the incidents were properly assessed by supervisors who wrote on the incident record their reasons for the delay and why it was appropriate.

Based upon its analysis of demand the PSNI has developed its telephone resolution of incidents to reduce demands on frontline officers. In the main this approach is effective, but on occasions officers are still sent to speak with callers about matters which can be resolved by the contact management staff if a member of the public requests police attendance. Speaking in person with a caller does provide an opportunity for public engagement and can identify underlying issues or vulnerability.

The 11 local policing districts are now grouped into three area commands (North, South and Belfast). Each of the three areas has its own co-ordination and tasking centre (CTC), which monitors calls for service and other operational activities involving resources from the operational support and crime operations departments. The area CTCs shift resources between districts and areas when necessary. They work with the operational support department's CTC to allocate resources in response to peaks in demand from calls for service and resource-intensive operational activities such as policing serious public disorder or terrorist incidents.

During daily meetings at district level, a senior manager reviews ongoing incidents involving threat, harm and risk. This provides an opportunity to re-assess individual incidents and increase or decrease the number of officers and staff deployed bringing in specialists if required to deal with the nature and extent of the risk identified. For example, we observed incidents where additional and specialist resources were re-directed to support enquiries to locate a high-risk missing person.

Similarly, the crime operations department, which incorporates the public protection branch (PPB), has an effective formalised process to move resources between departments to meet the demands arising from complex investigations and safeguarding responsibilities.

---

[5] COSTS stands for: C - customer and community impact; O - organisational/area/district/local priorities; S - susceptibility of the caller/victim; T - threat/harm/risk/opportunity; and S - solvability.

The PSNI has changed how it provides policing services in the community. Local policing teams on each district are now responsible for answering calls for service, crime investigation, prisoner processing, file completion, visible patrol, neighbourhood engagement and problem-solving. Dedicated neighbourhood teams were the bedrock of the PSNI's previous structure; but neighbourhood teams focused on engagement and problem-solving do not now cover the whole of the PSNI area. They are targeted in 34 areas which the service, using professional judgment and data analysis,[6] has identified as in greatest need of neighbourhood resources.

The service has monitored the implementation of the new operating model, assessing how well the new approach has met the demand for policing services. In the main it matches resources to demand but the service recognised that the immediate demands generated by calls from the public, prisoner handling and file completion take priority meaning that local policing team officers are often unable to complete engagement and problem-solving commitments.

The service has responded by introducing district electoral area (DEA) cars. Officers on the DEA cars should be deployed on high-visibility policing in hot spot areas and carrying out community engagement activities. The results of this initiative to match local policing team resources more effectively with neighbourhood policing demands have been mixed. In some districts local leadership had been able to protect time for engagement activities, but in other districts officers told us that DEA cars were still frequently diverted from engagement and preventative activities to guard crime scenes, escort prisoners or respond to incidents reported by the public.

The PSNI faces a considerable challenge to resource unmet demand from neighbourhood engagement, prevention and local problem-solving. The service recognises that these often hidden policing activities are important to its legitimacy.

## How well are the PSNI's services meeting the demand from the public?

To assess the PSNI's response to public demand, HMIC considered crime figures and rates in Northern Ireland; victim satisfaction levels; and whether the service is using different ways to communicate with and engage the public.

Although police recorded crime is by no means a complete measure of the totality of demand a force faces, it does provide a comparable performance indicator across all forces. Crime rates are reported as a number of crimes per 1,000 population in each force area to enable comparison between areas. Total police recorded crime is made up of victim-based crime (e.g. theft) and non victim-based crime (e.g. possession of drugs). Two-thirds of forces showed an annual increase in total police recorded

---

[6] The PSNI bases its data analysis on its community prioritisation index.

crime in the year ending 31 March 2015. In England and Wales this increase in police recorded crime may have been affected by the renewed focus on the quality and compliance of crime recording since HMIC carried out a national inspection of crime data integrity in 2014. In the same inspection in Northern Ireland the PSNI demonstrated that the service had high levels of crime data integrity and the increase is more likely to be the result of a greater willingness among victims to report crime or more crime being committed.

In the 12 months to 31 March 2015 Northern Ireland had a victim-based crime rate of 50.5 and a non-victim-based crime rate of 5.5 offences per 1,000 population. This represents a decrease (9 percent) in the victim-based crime rate and a decrease (13 percent) in the non-victim-based crime rate since the start of the spending review in 2010. In the last 12 months victim-based crime in Northern Ireland rose slightly (by 1 percent) though it should be noted that this may be due to increased reporting and/or recording. During the same period England and Wales had a victim-based and non-victim-based crime rate of 55.2 and 6.9 per 1,000 population respectively. This represents a decrease in both crime rates by 15 percent and 19 percent respectively since the start of the spending review.

**Figure 1: Total police recorded crime rate (excluding fraud) per 1,000 population, 12 months to 30 September 2015**
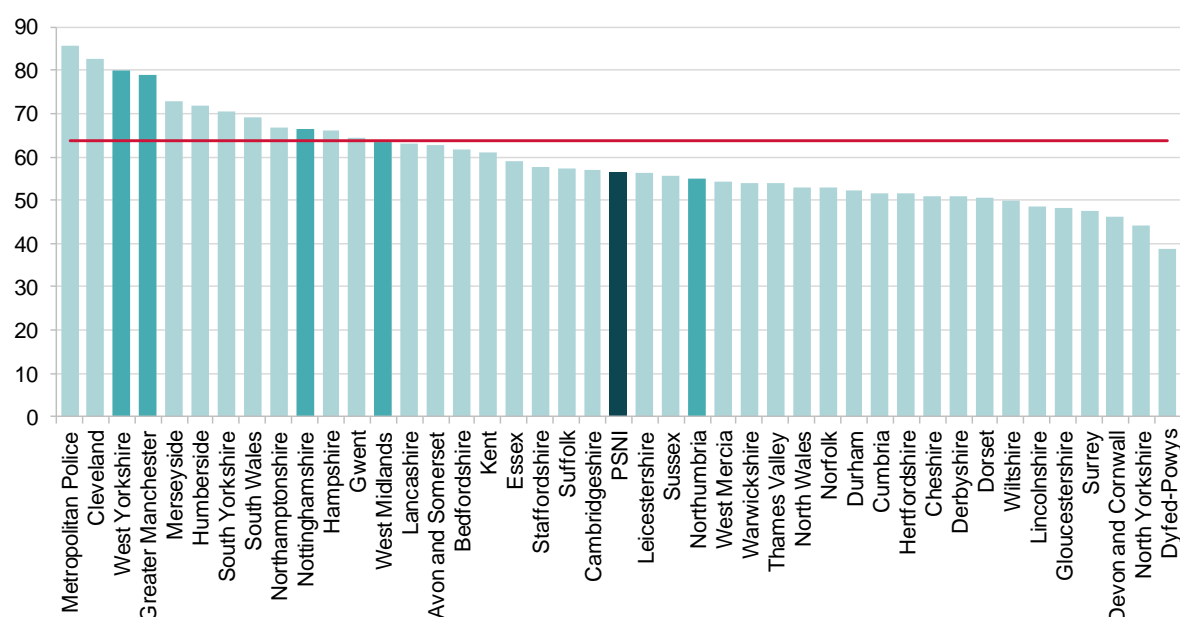


**Data for City of London Police is not shown because the transiency of the population within the City of London force area disproportionately skews this force's data.**
**Source: Home Office crime statistics and Office for National Statistics mid-2013 population estimates (2013 population data are used across multiple years to reveal actual change in police recorded crimes, rather than changes due to population change)**

Compared to forces in England and Wales there is a relatively low level of crime recorded in Northern Ireland. However, the value (as an indicator of total demand) of total crime recorded is limited, because it does not take account of the relative

seriousness of offences committed or the broader demands increasingly faced by forces around vulnerability in victims, witnesses and offenders. In Northern Ireland, in particular, the number of crime reports does not take account of the complexity of demands from current investigations into historic incidents, support to inquests in deaths related to the Troubles, the severe threat from dissident terrorists or the resources required to police contentious parades and protests. These core demands for policing in Northern Ireland are reflected in the higher per household costs for the service in comparison to forces in England and Wales.

**Figure 2: Total net revenue expenditure per head of population (£)**
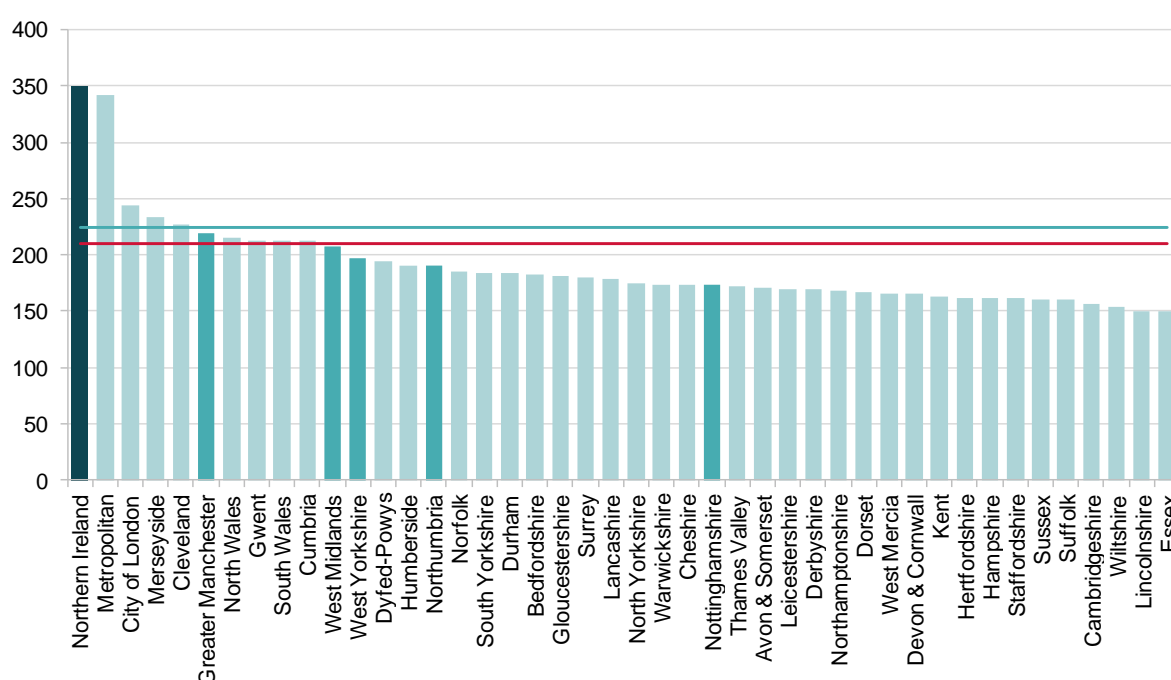


**Source: Police objective analysis of data and Office for National Statistics mid-2013 population estimates (2013 population data are used across multiple years to reveal actual change in police recorded crimes, rather than changes due to population change).**

Of those who have been the victim of a crime in Northern Ireland, 82 percent were satisfied with their whole experience with the police in the 12 months to 31 January 2015.[7]

The PSNI receives around 500,000 calls for service every year. The PSNI's analysis of demand concludes that only 16 percent of incoming calls are reports of crime, with the remainder falling into public safety, anti-social behaviour and transport categories. The PSNI provides to the public a generally good call-answering service. The PSNI's call management centre statistics up to 31 December 2015 show that

---

[7] The PSNI reports that the way it gathers data and calculates figures does not provide a confidence interval. Comparison to forces in England and Wales is not possible due to the difference in methodology implemented by the PSNI.

over the preceding 12 months it answered 93.6 percent of emergency calls and 90.8 percent of non-emergency calls promptly with 1.1 percent and 2.9 percent drop-out rates[8] respectively.

Control room supervisors have responsibility for early resolution call back. This is a questionnaire of 10-12 questions, which the service uses to check if the caller was happy with the service he or she received. The PSNI reports that it receives positive feedback from 95 percent of people answering the survey.

HMIC monitored how the service engages with the public as part of our inspection. Figure 2 below shows that PSNI uses a range of methods (including Facebook, Twitter and email) to engage with the public.

**Figure 3: Methods of PSNI public engagement used in the 12 months to 31 December 2014**

| | |
|---|---|
| Facebook | Yes |
| Twitter | Yes |
| Email | Yes |
| Text message | Yes |
| Web forum | No |
| Local phone | Yes |
| Instagram | No |

**Source: HMIC efficiency data collection**

Forces are exploring different ways in which the public can access policing services at a time where austerity requires that overheads are minimised. In the PSNI this has meant working with the Northern Ireland Policing Board (NIPB) to reduce the size of the estate. The continuing security threat means that the remaining and any new police estate needs additional physical security. This makes co-location with other services, including access points in shopping and city centre locations extremely difficult. The service has compensated for this in part by increasing its social media presence and is planning an interactive website in the future.

## How well is the PSNI managing demand?

The PSNI has a clear approach to managing and responding to demand, in 'real time'. Staff in the communication centres supported by managers, supervisors on district and area tasking centres use mapping systems to identify and despatch the most appropriate resources to incidents, identified threats and changes in demand.

---

[8] The drop-out rate is the percentage of calls that were ended by the caller before being answered by the call management centre.

The PSNI does not have a crime prevention strategy. The focus of PSNI and partners in the police and community safety partnerships (PCSPs) has been on traditional crime prevention aimed at 'target hardening' and personal protection to reduce repeat victimisation and victimisation of vulnerable people. This is important in the support of victims, but needs to be underpinned by work with partners to address the broader causes of criminality and victimisation.

The service understands that more effective joint work with partners to prevent crime and reduce harm could over time reduce the demands on police and partner resources. A further statutory basis for closer co-operation between the PSNI and its partners came into effect on 1 April 2015.[9] The legislation requires local authorities to make arrangements for continuous improvement and put in place a community plan.[10] This offers the service an opportunity to work effectively with partners to reduce and manage demand. Each district council is required to prepare an improvement plan containing improvement objectives, which includes the strategic objectives for 10 to 15 years ahead set out in the community plan.[11] Community planning focuses on achieving better outcomes for citizens through the collaborative working of organisations to improve service provision and improve the economic, social and environmental wellbeing of citizens.

The service and partners are starting to use the new community planning powers to support multi-agency activity to reduce demand, but this work is in its infancy. In Derry and Strabane district, the PCSP is facilitating a multi-agency group including representatives of the district council, social and health services and the PSNI. This group will collectively agree which individuals and families in the area are the most vulnerable and need most partner resource, and develop multi-agency intervention plans. The group is in the process of finalising an information sharing agreement between the agencies involved. The PSNI aspires to use this approach in the other ten districts as a model of partnership working to improve safeguarding and manage demand.

The continuing tensions in Northern Ireland place significant demands on the PSNI and also limit its ability to engage effectively with some young and vulnerable people in some communities. The service has focused its dedicated neighbourhood resources in these areas and engagement is improving. One example of this is a

---

[9] Local Government Act (Northern Ireland) 2014, available at: www.legislation.gov.uk/nia/2014/8/contents

[10] *Statutory Guidance For The Operation of Community Planning*, Department of the Environment circular LG 28/2015, October 2015, p22. Available at: www.niccy.org/media/1682/community-planning-guidance-oct-2015.pdf

[11] A successful community plan will consist of a long-term vision for a local area, underpinned by a set of outcomes identified for key themes, with clear accountability and interim performance measures. The community planning process aims to achieve better integration of public sector services and investment resulting in performance improvements for organisations involved.

secondary school where for the first time, in 2016 NPT officers were permitted to enter the school in uniform. They explained to pupils the role of the police, but there are still further barriers to overcome as crime prevention advice focusing on children's vulnerabilities (such as online safety) is not permitted. Officers are still not welcome in the associated primary school. To overcome this NPT staff meet pupils at alternative venues.

The policing experience in these two schools provides an insight into some of the challenges the service faces in engaging with some communities and providing crime prevention advice to keep young people safe. The PSNI has rolled-out its crime prevention programme to the majority of schools across Northern Ireland.

The resources on districts intended to focus on operational crime prevention are often diverted to carry out other activities, such as dealing with missing persons and attending emergency calls. Each police district has a support team (consisting of one sergeant and seven constables) whose primary role is to conduct prevention activity, including intelligence-led searches to disrupt organised crime activity and drug supply, and intelligence gathering in relation to counter-terrorism. The continued diversion of these teams to support day-to-day calls for service limits their ability to conduct these preventative activities reducing the resources actively engaged in managing and reducing demand in the PSNI.

## How well does the PSNI monitor and understand outputs, outcomes and costs?

The PSNI has robust arrangements in place to monitor costs, which have enabled the service to meet its reduced budget in 2015/16 and to make further in-year cuts to planned spending as a result of the more austere financial position of the Northern Ireland Assembly. The service has effective systems in place to monitor and understand how it is performing against the measures set out in the NIPB's *Policing Plan 2015/16*.[12]

The PSNI recognises the continuing need to find savings and protect frontline services. During 2015, the service established a priority-based resourcing (PBR) team. Its aim is to systematically review existing services the PSNI provides to the public and between departments. The team scrutinises why services exist, what value they offer to the public, how they benefit the community, what they cost and which objectives they are achieving. Each service or programme is assigned a score based on its contribution to desired results so that resources can be allocated to those with the greatest priority. As the funding available for policing changes, both in-year and from year to year, PBR should help the service to provide the most

---

[12] *Policing Plan 2015/16*, Northern Ireland Policing Board and PSNI, 2015. Available at: www.nipolicingboard.org.uk/final_pdf_-policing_plan_2015-16__web_version_.pdf

important services within its financial budget. The PSNI is still at an early stage of implementation. A number of forces in England and Wales (for example West Midlands Police and Cheshire Constabulary) have used a form of PBR to improve their services.

To begin the PBR process, the service is carrying out a time analysis survey to assess daily demand on individual officers and staff. However, HMIC found that at this early stage, PBR was not well-understood by staff. The service had not properly explained the time analysis survey and had only trained those taking part halfway through the process. The categories used in the survey to describe work carried out were too broad and did not correctly reflect the work staff were doing. For example, most staff used a generic 'admin' category to describe their activities. The survey is also being completed at different times by different groups within the workforce, which may distort the results. For example, when some police staff completed the survey, the timing coincided with the submission deadlines for individual performance reviews and with the end of leave year resulting in a higher than average absent rate than at most other times of the year. This means that the survey results may not represent accurately the work undertaken by police staff across the year. The absence of representative and detailed data will reduce the value of the information gathered by the survey at the assessment phase of PBR.

PSNI is developing a better understanding of how it uses its resources and the associated pay costs of those resources through data analysis. The service has developed software that can extract and analyse information from the command and control, duty management and officer location systems. The time spent by officers and staff on each incident, the associated cost and a proportion of the running costs, such as equipment vehicles and training, is then allocated to one of three categories of activity: the demands of 'normal' policing,[13] 'Northern Ireland specific activity',[14] and 'violent extremism'.[15] For example, where three officers are allocated to a report of burglary in an area of specific threat to officer safety from dissident terrorists, one officer has a duty state on the system showing enquiries and the two others are shown providing protection for the officer. This indicates that the cost to the PSNI of guarding its crime investigators can be as much as double the cost of the PSNI's investigation of the crime itself. At the time of inspection the PSNI had three months' data. When the costs of individual activities are added together the cost of 'normal'

---

[13] 'Normal' policing activity is defined by the PSNI as the "sort of delivery that would be common in any of the UK policing services."

[14] 'Northern Ireland specific activity' is defined by the PSNI as the "additional activity above 'normal activity' that specifically deals with policing Northern Ireland. Examples include, legacy of the past, sectarianism, interface problems, parading, the ongoing policing operations at Twaddell and any other similar activity considered unique to Northern Ireland."

[15] 'Violent extremism' is defined by the PSNI as the "additional activity relating to violent extremism, including terrorist and paramilitary crime which is above 'normal activity' and 'NI specific activity'."

policing activity represents 62 percent of the total policing budget, 10 percent of the budget is spent on Northern Ireland-specific activity and 28 percent is spent on dealing with violent extremism. This developing work should give the service a good understanding of security costs and the opportunity to look for areas where it can make savings by changing how it manages and resources security threats as a part of the PBR process.

The PSNI has similarly analysed missing person data. The service had 11,156 reports in 2014/15 and in 2015/16 (up to 31 December 2015) had received 6,716. PSNI quantifies the cost of dealing with missing persons as £27m per annum. This analysis provides senior managers with detailed information about incidents involving missing persons and should allow the service to identify opportunities for partnership or joint working with other agencies to increase safeguarding and reduce demand.

The PSNI monitors its performance across a range of measures. However, it is not clear that these measures enable the service to evaluate meaningfully performance and improvement in services in line with its strategic priorities. Within its policing plan, the Northern Ireland Policing Board (NIPB) set a number of targets to assess the PSNI's performance. In addition, the PSNI reports to the NIPB on performance across all crime types and on the long-term objectives for policing as set out by the Minister of Justice. Service level targets are monitored on a monthly basis by the NIPB and PSNI. In some areas the targets are devolved down to individual officers who are held to account for their contribution to achieving the overall targets by supervisors and district management. In those areas the target monitoring sheet for LPT officers includes:

- the number of stops and searches;

- intelligence reports;

- bail checks;

- warrants executed;

- summonses served;

- referrals to partner agencies; and

- outcomes (including discretionary disposals, penalty notices for disorder (PNDs), cautions, community engagement meetings and DEA patrols).

This focus on a high number of numeric targets is at odds with the service-wide shift to keeping people safe by policing with the community. The ethos of the service is moving towards the understanding and assessment of threat, risk, harm and opportunity, and evidence-based policing. Within the policing plan, the targets are related to desired outcomes such as 'reduced harm caused by drugs and

drug-related criminality' and 'reducing crime and keeping people safe'. However, reporting to the performance and assurance service executive team (PASET) and local meetings does not make the connection from target to overall outcome.

The majority of forces in England and Wales have dispensed with numerical targets. The Home Office acknowledges that setting numerical targets for individual officers can lead to unintended and perverse activity as officers feel pressure to achieve targets.[16] The PSNI should assure itself that the current target-driven culture is not undermining the integrity of individuals or the organisation and that it is assisting in achieving improvements for communities.

## How well is the PSNI using new working methods to improve services?

The PSNI does not have a single clearly defined coordinated change programme aimed at making the best possible use of its resources for efficient policing. Change has been largely reactive and designed to fit annual budgets and respond to in-year cuts. This approach does not support transformational change in workforce development or the use of ICT to support better and more efficient service delivery.

The service has developed an information technology strategy, which aims to improve the efficiency of officers through remote working opportunities, evidence gathering capability (body-worn video cameras), enhanced management information and greater engagement with communities. However, the one-year budget cycle and in-year cuts inhibit effective ICT planning. The 2016/17 budget for PSNI will require two percent cuts across the service; the bulk of these savings are to be found from non-pay costs. This will further reduce the ability of the service to increase the pace of its ICT developments. As a result implementation of the strategy is in the earliest stages. Rather than introduce a new command and control system, at a cost of £6.8m, the service will have to extend the support for its ten-year-old system until at least August 2017. Changes which could improve the efficiency and effectiveness of the service the PSNI provides to communities will be delayed.

Technology available for officers is limited. For example, officers manually complete DASH[17] forms, then telephone them through to the contact management centre, where another officer manually enters them onto the PSNI's IT system. Internet forms for crime reporting are filled in online by the public but are then required to be retyped into the crime recording system.

---

[16] *The use of targets in policing*, Home Office, December 2015. Available from: www.gov.uk/government/publications/the-use-of-targets-in-policing

[17] DASH (domestic abuse, stalking, harassment and honour-based violence) is a widely-used tool which aims to assist the service to respond positively to incidents of domestic abuse, to assess risk and vulnerability, and to implement immediate safeguarding actions.

The PSNI is taking some steps to increase the efficiency of its policing operations. The service plans to introduce body-worn video cameras across the service in 2016/17 following a pilot in which it identified improved evidence-gathering capability, particularly at scenes of domestic abuse.

The PSNI is also replacing the current mobile devices its officers use. The service has used BlackBerrys since 2006 and is now exploring use of a handheld device plus a keyboard and remote screen. The intention is to improve compliance with the completion of documents such as risk assessments and reduce duplicate entries, making better use of officer time and improving visibility.

The service has explored opportunities for collaboration but the constraints set out below mean that collaboration continues to be difficult and limited. A range of factors individually and in combination make collaboration in many areas unrealistic, including:

- geographic isolation, in particular the absence of a land border with another UK police force;

- the lead-in time for mutual aid from police forces in England and Wales means that the service needs to retain its own surge capacity to make sure it can keep people safe during outbreaks of public disorder. Mutual aid is available from forces in England and Wales, but the arrangements necessary for travel, accommodation, briefing and deployment mean that these resources are not immediately available to respond to spontaneous disorder. Mutual aid works better for planned operations such as the policing of the G8 summit rather than the rolling response to disorder; and

- the additional armed officers PSNI must contribute to a public order team from England and Wales to provide firearms cover, which reduces the cost saving to PSNI from mutual aid.

The effect is that the PSNI has to maintain sufficient resources of its own to allow it to act independently in response to serious disorder and cannot cut officer numbers or reduce police support unit (PSU) training in the same way that English and Welsh forces can through collaborated units and mutual aid arrangements.

The PSNI does not have a collaborative arrangement with its counterpart in Ireland, the An Garda Síochána (AGS), for service provision or policing arrangements. The PSNI does have some joint information-sharing agreements in place with the AGS but formal collaboration, as seen in England and Wales, is legislatively not possible.

# Summary of findings

**Good**

The demands on policing in Northern Ireland are more wide ranging than those experienced by most forces in England and Wales. The Police Service of Northern Ireland (PSNI) understands most of the current demands it faces but has more work to do with partner organisations to understand hidden demands from residents, particularly those who are vulnerable, in local communities.

On the whole, the PSNI's current operating model matches resources to demand. The service uses a tiered approach to assess demand and ensure it deploys its resources flexibly in line with its organisational priority to keep people safe.

The service should improve how it manages demand. The PSNI does not have a crime prevention strategy. The focus of the PSNI and partners in the police and community safety partnerships (PCSPs) has been on traditional crime prevention aimed at 'target hardening' to reduce repeat victimisation. This is important in the support of victims, but needs to be underpinned by work with partners to address the broader causes of criminality and victimisation. The service and partners are starting to use the new community planning powers to support multi-agency activity to reduce demand, but this work is in its infancy.

The PSNI has robust arrangements in place to monitor costs, which have enabled the service to meet its reducing budget in 2015/16. The service has effective systems in place to monitor and understand how it is performing against the measures set out in the NIPB's policing plan.

The PSNI does not have a single clearly-defined coordinated change programme aimed at making the best possible use of its resources for efficient policing. Change has been largely reactive and designed to fit annual budgets and respond to in-year cuts. The PSNI is taking some steps to increase the efficiency of its policing operations. The PSNI plans to introduce body-worn video cameras across the service in 2016/17 and is upgrading the current mobile devices used by officers.

### Areas for improvement

- The force should improve its 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.

# How sustainable and affordable is the workforce model?

HMIC examined how the PSNI has structured its workforce (i.e. its mix of police officers, staff and part-time reserve officers, and the proportion of all these groups working in frontline positions), and assessed whether this was affordable and sustainable as the service responds to its financial challenges. We also considered what the service is doing to ensure the workforce has the right skills and capacity to fight crime and keep communities safe now and in the future.

## How well does the PSNI's current workforce model match demand, organisational and financial requirements?

The PSNI forecasted a total savings requirement over the four-year period between 2011/12 and 2014/15 of £135m, the equivalent of 17 percent of the 2010/11 gross revenue expenditure for the service. Savings were made in both the pay and non-pay budgets.

Since 2010, the PSNI has seen a reduction of 524 police officers, 80 staff and 189 part-time reserve officers full-time equivalent (FTE) posts, as shown in figure 4. During this period the proportion of officers in frontline roles has increased from 89 percent in 2010 to 91 percent in 2015. The service expects to maintain this proportion looking forward to 2018.

**Figure 4: Planned changes to police officer full-time equivalents (FTEs) in operational frontline, operational support and business support roles in the PSNI, 31 March 2010 to 31 March 2018**
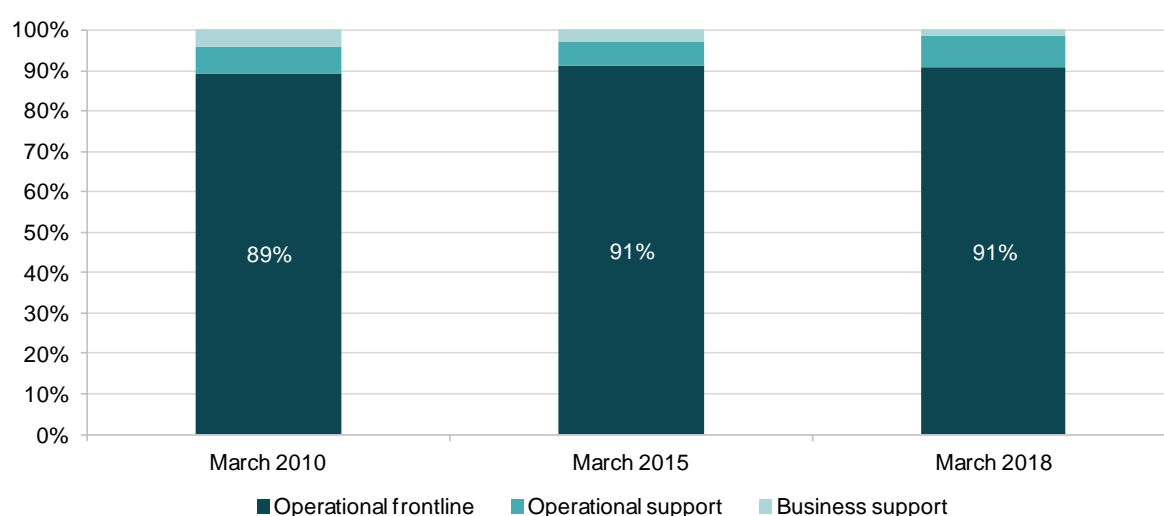


**Source: HMIC efficiency data collection**
**For further information about the data for figure 4 please see Annex B**

The PSNI's workforce model broadly matches demand from the public and the organisational and financial requirements for current policing activity. However, the service relies on a substantial overtime budget to police contentious parades and protests, and to manage the threats to the safety of officers and the public from dissident terrorists.

The current workforce model is not sustainable. The service recognised this in its review of resilience and capability, dated 7 August 2013. The report identified that the establishment of 6,953 officers was insufficient to meet the prevailing demands on policing without an over reliance on excessive overtime. The PSNI noted that the amount of overtime worked by officers in the preceding financial year meant that the service was breaching the working time directive for more than 20 percent of its officers, and demands were such that more than half of the officers the PSNI surveyed in 2012 reported that they had been refused annual leave on at least one occasion in the preceding twelve months. The review also acknowledged a correlation between the levels of overtime worked and the high levels of sickness among police officers in Northern Ireland. Health specialists identified the two biggest causes of long-term sickness as stress arising from workload and long hours, and physical injury caused by wearing heavier body armour with ballistic protection for prolonged periods while seated in vehicles.

In the intervening period between publication of the resilience and capability review and our inspection the demands on the PSNI have remained high and the level of threat from dissident terrorism has remained at severe. At the same time, the budget for the service has been reduced; the number of officers in the PSNI in March 2015 fell to 6,853. The service has taken steps to protect the number of officers on frontline duties. For example, it has cut non-pay costs, including a reduction in the size of the estate, reduced its police staff numbers and expanded the contract through which a private company provides services such as security duties.

Despite the PSNI's attempts to bolster its frontline we found that the ability of the current workforce to meet demand and organisational requirements continues to rely heavily on overtime, cancelled rest days and the refusal of annual leave. Sickness levels are high reducing substantially the number of officers available for deployment significantly and adding to overtime costs for cover. Short-term sickness levels amongst officers and staff are similar to forces in England and Wales. However, the number of days lost to long-term sickness is substantially higher. The service identifies this as one of its most serious corporate risks.

**Figure 5: Short and medium-term sickness in the PSNI and England and Wales, 31 March 2015**
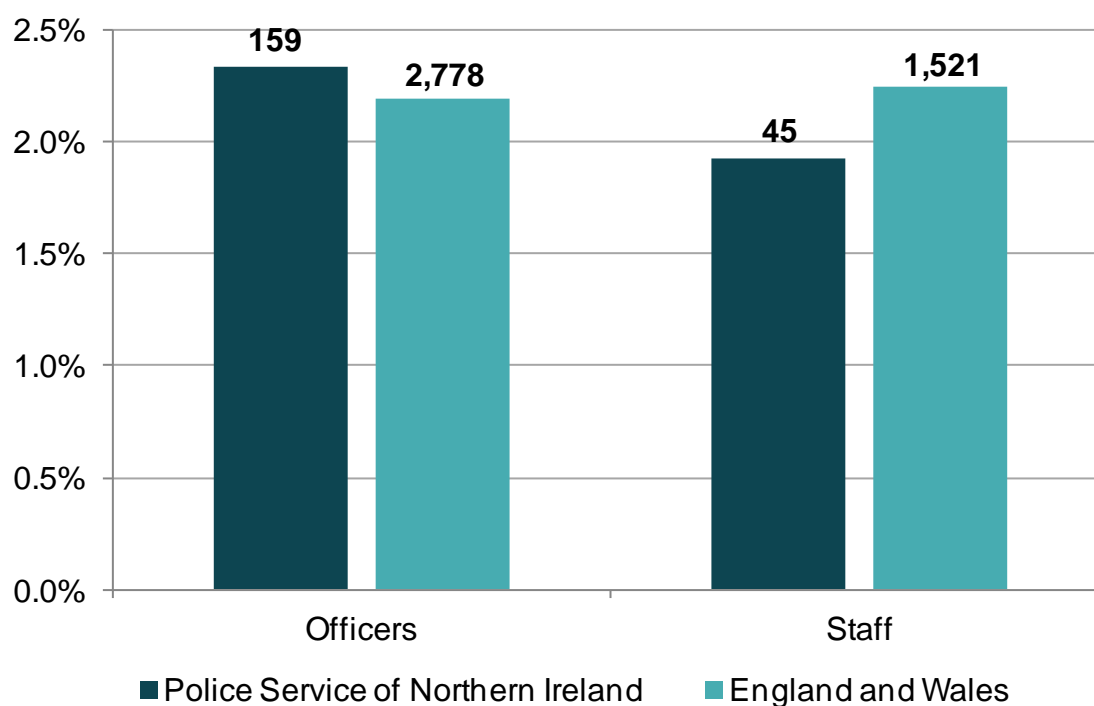


**Figures above the bars denote total number of instances of short and medium-term sickness**
**Source: Annual data requirement for England and Wales data, PSNI data provided by the PSNI**

**Figure 6: Long-term sickness in the PSNI and England and Wales, 31 March 2015**
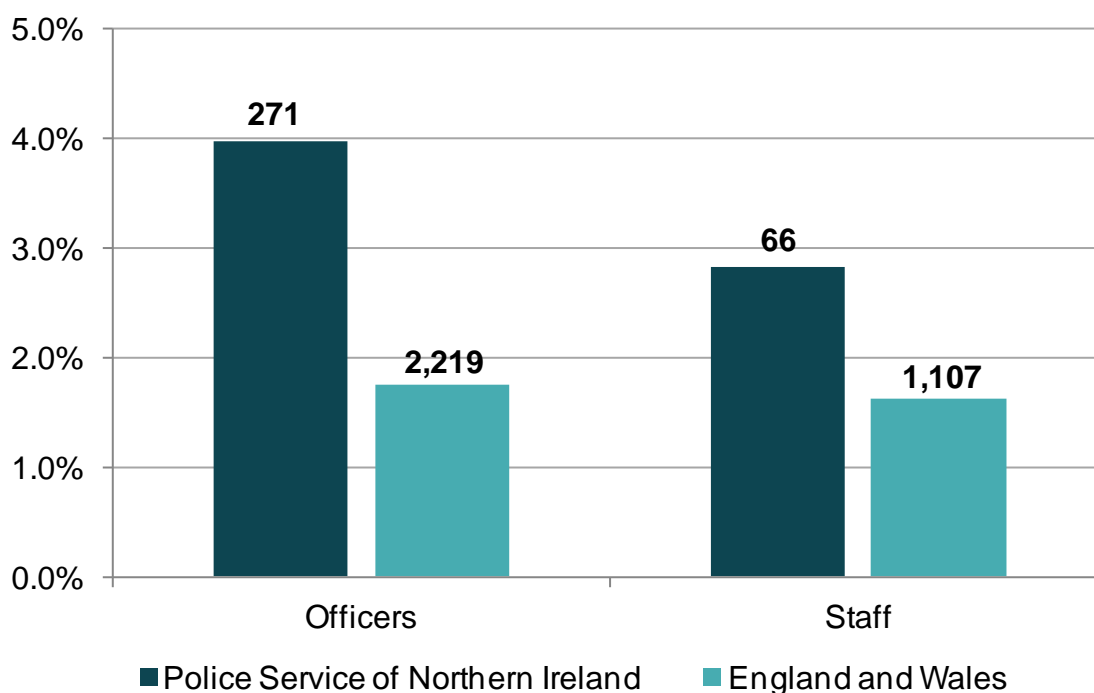


**Figures above the bars denote total number of instances of long-term sickness**
**Source: Annual data requirement for England and Wales data, PSNI data provided by the PSNI**

The service has a wellbeing plan. It held a wellbeing conference to develop and share best practice in the management of sickness and to highlight the support available to police officers and staff. It has reviewed its sickness policy ensuring principal managerial responsibilities such as home visits and return to work plans are put into practice. The service is also in the process of identifying a substantial number of posts in the organisation suitable for police officers returning to work on restricted and recuperative duties.

The PSNI needs to do more to give officers and staff confidence in the fair and consistent application of its sickness management policy. Officers and staff have conflicting perceptions about the application of the policy. Some officers, their supervisors and managers expressed their concerns about colleagues who they felt reported sick without good reason and managers who felt that they were not supported by the service to manage such sickness robustly. In contrast we were also told that the service was sometimes harsh in its treatment of officers and staff, particularly those injured while on duty, who after six months' sickness were sometimes moved to half pay. The service does consider the circumstances in each case individually, before moving an officer to half or no pay, but the perception of unfairness persists in the organisation.

Some police staff also felt that the sickness management policy worked against them. The recuperative roles identified for officers restricted from operational duty are often roles filled by police staff. At a time when police staff numbers are reducing through voluntary departure and many police staff do not feel valued this change in workforce mix causes concern. It is important that the service continues to properly use recuperative duties to support officers' return to operational duties and should communicate clearly the reasons for this to staff.

Improved sickness management is important for morale, the wellbeing of officers and staff and should result in increased attendance. However, a substantial improvement in sickness rates relies upon a reduction in excessive working time and increasing the resilience of officers and staff. The projected demands on PSNI suggest that the requirements for overtime to support the resource-intensive policing of contentious parades, events and protests and to respond to threats to officer and public safety will not decline in the short term.

The service has considered different ways of working to reduce the demands on officers and staff, but given its geographic isolation, its options are limited. The PSNI has used mutual aid from forces in England and Wales, for example to police the G8 conference in 2013 and this remains a tactical option for the service. However, the mobilisation, briefing and deployment times mean that officers from England and Wales cannot meet the demands from unpredictable incidents of disorder requiring an immediate surge in resources. The deployment of staff from England and Wales to Northern Ireland in advance of events that might trigger outbreaks of disorder is difficult to justify given the scale of the costs and logistical challenges involved.

The benefits of mutual aid are also diluted by the need to embed PSNI staff among unarmed teams from England and Wales to respond to the firearms threat to officers during public disorder.

Demands on police resources from serious public disorder will not change in the short and medium term, which means that the PSNI cannot alter substantially the number of officers it needs to respond. The service has sought to streamline its support functions and maintain the levels of officers on the front line.

*The Stormont House Agreement*[18] in December 2014 provided funding to reduce the number of civil servants in Northern Ireland under a voluntary exit scheme (VES). The PSNI made a successful business case to the Department of Justice and the Department of Finance and Personnel for VES funding to be made available to the PSNI to reduce the numbers of police staff. The PSNI secured £20m over 2 years to fund up to 400 staff leaving the service, in four tranches, to enable greater efficiency in the support to frontline policing.

However, to take advantage of the VES fund within the required timescales, the service did not have time to develop the most effective strategy for managing police staff leaving the service on this scale. The structure of VES means that the service could not restrict those who were eligible from applying for voluntary exit. The scheme offers higher benefits to those staff with longer service and those on upper pay grades.

The final voluntary leavers will depart under the scheme in September 2016 combining both the third and fourth tranches of voluntary leavers. The service knows how many police staff will remain following VES but not who will remain; it cannot be certain, at this stage, that the skills and expertise that remain in the reduced police staff workforce will be sufficient to meet future needs. The service is developing a plan to use the remaining staff and their skills to help provide effective policing services and to recruit to specialist roles should there be a gap in capability following the completion of VES in September 2016.

The VES process is having a negative effect on the morale of some the police staff who remain, many having to pick up additional workloads without training required to perform the additional tasks and duties, as colleagues depart from the organisation. This has been made worse by the very visible activity within the service to recruit large numbers of new police officers, albeit these are only replacing leavers and retirees, with police officer numbers overall remaining static.

---

[18] *The Stormont House Agreement*, Northern Ireland Office, December 2014. Available from: www.gov.uk/government/publications/the-stormont-house-agreement

In addition to the concerns raised by police staff, the Police Federation of Northern Ireland carried out a survey in 2015. This identified low morale among police officers with the principal issues being:

- flexible working;

- rest days;

- performance reviews;

- changes to pensions; and

- injury on duty.

The service has recognised these concerns among its workforce. We welcome that the PSNI is working with Durham University to carry out an employee engagement survey, used by several forces in England and Wales, to improve staff and officer engagement, and address and better understand the concerns of police officers and police staff.

The PSNI's approach to training has been constrained by the annual and in-year changes to the budget. As a result of the savings requirements and in-year budget reductions, the service made cuts in non-operational training, management training, promotion opportunities, and how it identifies and develops talented individuals. In the last 18 months the PSNI has reviewed all its training provision. This entailed a review of all 492 courses to ensure that the service only provides mandatory training. Travel for police officers and staff to training courses is funded through district policing and some areas have struggled to find the funding for this which is a contributing factor to poor attendance on some courses. The service recognises that the situation where only mandatory training is provided is not sustainable.
The one-year budget settlement also limits the service's ability to plan for ongoing staff training and development. There is a risk that training development will not keep pace with the skills and knowledge required within the workforce to prepare officers and staff for the future.

The PSNI is currently recruiting police officers and aims to reach officer strength of 6,900 by the end of March 2016. The service is unlikely to reach this target. The start of recruitment and training was delayed by the need to tender for a new recruitment contract. Also, the service had to identify the trainers, and then release them from current roles and re-instate them. To achieve the 6,900 target 51 newly-appointed constables needed to start their initial training every five weeks over the recruitment period, however the service is only achieving 30-40 entrants per intake.
This, alongside a high sickness rate, significant reductions of police staff, and insufficient organisational understanding of the skills and capability the service needs in the medium term makes HMIC concerned about the future sustainability of the workforce.

# How well does the PSNI's projected workforce model match demand, organisational and financial requirements?

The service identified the projected workforce model necessary for the effective discharge of its duties in its 2013 capacity and capability review. The review identified 6,963 officers (including externally-funded posts) supported by 2,601 police staff as the minimum number needed to provide policing services and keep the community safe. The service has since reviewed its police staff numbers and following voluntary exit anticipates there will be 1,994 police staff supported by a private sector provider of support services, such security guards, contact management and custody office staff.

**Figure 7: Actual and planned changes in workforce FTE from 31 March 2010 to 31 March 2018 for the PSNI**

| | PSNI | | | | | | | |
| --- | --- | --- | --- | --- | --- | --- | --- | --- |
| | 31 March 2010 | Change | % | 31 March 2015 | Change | % | 31 March 2018 |
| Police officers | 7,367 | -524 | -7% | 6,843 | +71 | +1% | 6,914 |
| Police staff | 2,438 | -80 | -3% | 2,358 | -458 | -19% | 1,900 |
| Part time reserves* | 703 | -241 | -34% | 462 | -117 | -25% | 345 |
| Workforce total | 10,508 | -845 | -8% | 9,663 | -504 | -5% | 9,159 |

**\*Part-time reserves data is for the financial years ending in 2011, 2015 and 2018**
**Source: Home Office annual data return and HMIC efficiency data collection**
**For further information about the data for figure 7 please see Annex B**

**Figure 8: Actual and planned changes in workforce FTE from 31 March 2010 to 31 March 2018 for forces in England and Wales**

| | England and Wales | | | | | | | |
| --- | --- | --- | --- | --- | --- | --- | --- | --- |
| | 31 March 2010 | Change | % | 31 March 2015 | '15 adjusted | Change | % | 31 March 2018 |
| Police officers | 143,700 | -16,900 | -12% | 126,800 | 122,900 | -7,400 | -6% | 115,400 |
| Police Staff | 83,200 | -15,500 | -19% | 67,700 | 62,400 | -3,500 | -6% | 58,900 |
| PCSOs | 16,900 | -4,600 | -27% | 12,300 | 11,900 | -1,300 | -11% | 10,600 |
| Workforce total | 243,900 | -37,000 | -15% | 206,800 | 197,100 | -12,200 | -6% | 185,000 |

**Source: Home Office annual data return and HMIC efficiency data collection**
**For further information about the data for figure 8 please see Annex B**

In the medium and longer term, we consider that the PSNI's preferred workforce model is difficult to achieve within the budget available; and planning to achieve this workforce is complicated further by annual budget settlements and the risk of in-year cuts. The impact of VES on police staff capacity and skills is not yet fully understood. Contractual funding for a private company to provide a full range of support services may not be available resulting in the PSNI having to use staff and officers in functions such as custody or call handling. This would reduce the number of officers on the frontline fulfil roles in the organisation that do not require warranted powers.

In addition, the service has completed a strategic analysis of the workforce, which identifies the following principal risks:

- the workforce is ageing;

- sickness levels are high;

- the workforce relies on overtime; and

- the service has only just re-commenced recruitment.

Over the three years from December 2015, 1,438 officers will become eligible for retirement, more than 20 percent of the workforce. As the PSNI does not comprehensively understand likely future demand on its services, or the capability it requires in the future, it cannot evaluate the effects that the loss of the experience and skills held by these officers will have on the PSNI's capacity and capability should they choose to retire. Furthermore, while the number of people applying to join the PSNI is strong, the rate at which recruits are currently being trained will not replace the officers who could retire and will not, even if the funds were available, enable the service to employ up to 6,963 officers.

The service has relied upon excessive overtime, cancelled rest days and limitations on leave to meet current demands using its current and projected workforce model. It anticipates that the threats and demands which have placed such high requirements on the workforce are unlikely to reduce in the short and medium term. The service has no clear plan to meet these demands in ways that reduce the pressures on officers and staff. HMIC considers that without new ways of working it will be difficult for the PSNI to sustain its workforce model.

The service recognises that it has more work to do to ensure its workforce reflects its communities more accurately. In addition to the work it is doing to improve the recruitment of a diverse workforce, the service needs to improve its retention of officers and staff from under-represented groups. The service has increased its proportion of female and Roman Catholic officers since 2001. However, both female and Roman Catholic officers continue to be under-represented and are most likely to leave the service before retirement; the service needs to better understand why and take appropriate steps to address this.

Figures 9a and 9b on the next page compare actual and planned changes in workforce between the PSNI and forces in England and Wales.

**Figure 9a: Actual and planned changes in PSNI workforce FTE from 31 March 2010 to 31 March 2018**
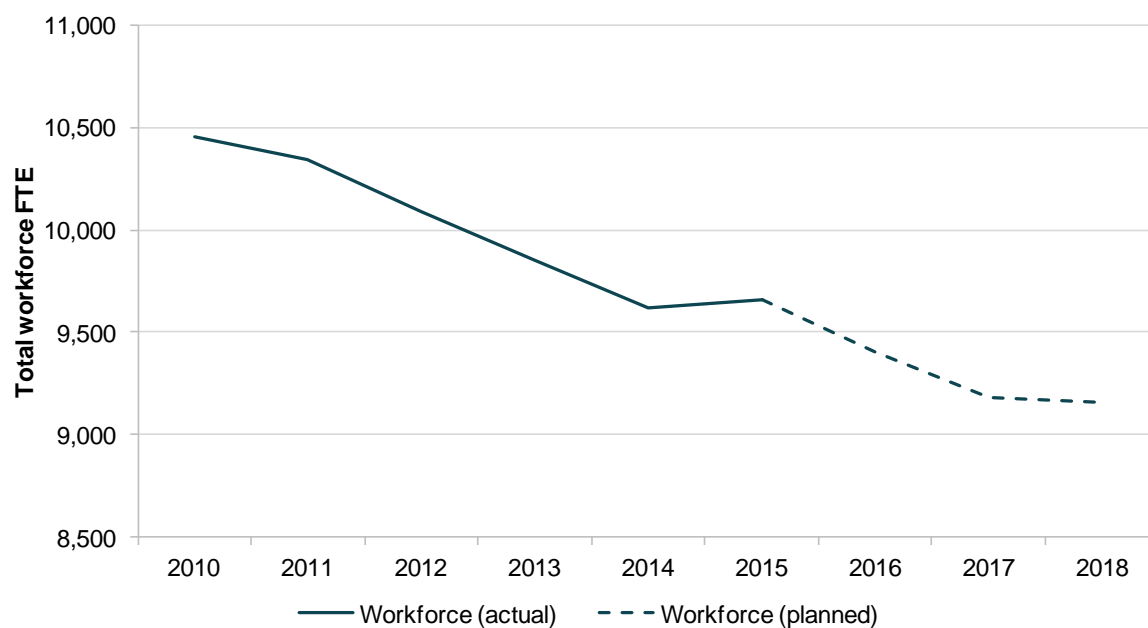


Source: Home Office annual data return and HMIC efficiency data collection
For further information about the data for figure 9a please see Annex B

**Figure 9b: Actual and planned changes in workforce FTE of England and Wales forces from 31 March 2010 to 31 March 2018**
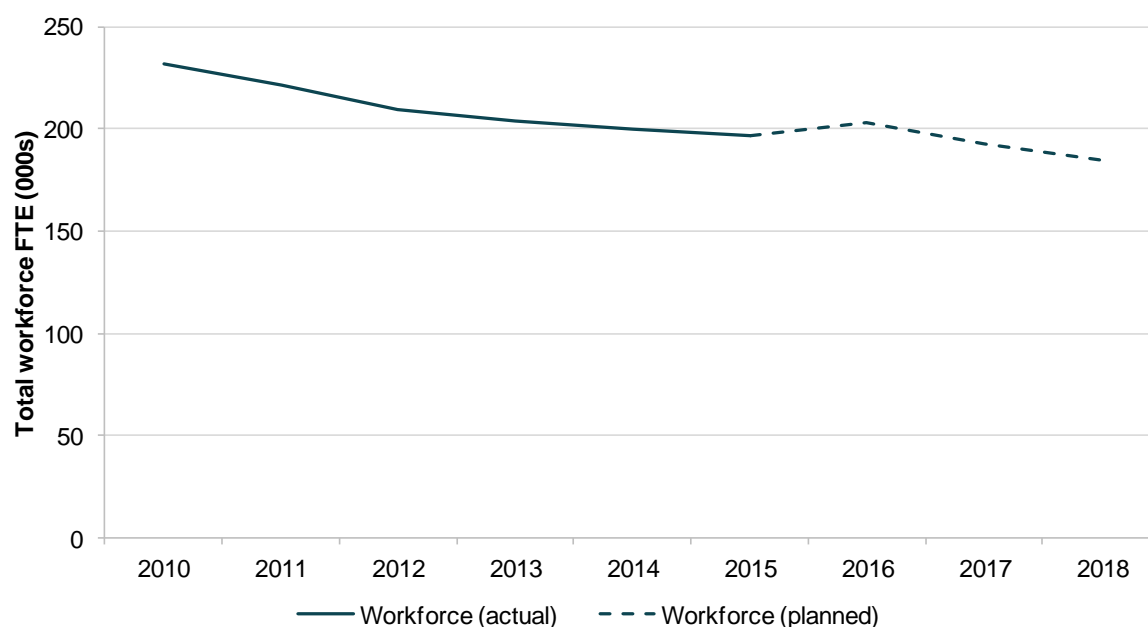


Source: HMIC efficiency inspection data collection and Home Office workforce statistics
For further information about the data for figure 9b please see Annex B

# Summary of findings

**Requires improvement**

The workforce model of the Police Service of Northern Ireland (PSNI) broadly matches demand, organisational and financial requirements for current policing activity.

The new operating model created three area commands, and districts are now aligned with the eleven local authority boundaries. Dedicated neighbourhood teams have been established in 34 neighbourhoods selected based upon the community prioritisation index and professional judgement. The capacity of district policing staff to fulfil engagement activities meaningfully is dependent on the prevailing calls for service; officers in some districts are more likely to have this capacity than in others.

The service does not currently have the level of police officers (6,963) and staff (2,601) that it identified in its capacity and capability review as necessary for the effective discharge of its duties. The current model relies heavily on overtime both to meet surge demands often associated with security and because long-term sickness levels are high in the PSNI.

In the medium and longer term, the workforce picture looks difficult and is complicated further by the annual budget settlements and the risk of in-year cuts. Some 1,438 officers are eligible for retirement over the next three years from December 2015, more than 20 percent of the workforce. The service does not fully understand the skills it may lose or the capabilities it will require in the future. The number of recruits being trained will not replace the officers who could retire and will not, if the funds were available, enable the service to employ up to 6,963 officers.

The service recognises that it has more work to do to ensure its workforce reflects its communities more accurately. Part of that work is in retention as, currently, female officers and Roman Catholics are most likely to leave service before retirement.

The service understands the number of police staff it will have following the voluntary exit scheme and is developing a plan to use their skills to help provide effective policing services.

## Areas for improvement

- The service should develop a sustainable plan for its future workforce that is aligned with its overall demand and budget. The plan should include future resource allocations and the mix of skills required by the workforce.

# How sustainable is the PSNI's financial position for the short and long term?

HMIC examined how the PSNI has achieved savings over the spending review period, the saving plans the service has developed for the future, and the assumptions the service has made in the understanding of the financial challenges ahead. We also assessed whether the service has good financial controls and governance, and if its spending reflects the priorities outlined in the policing plan.

Unlike forces in England and Wales, PSNI is funded wholly by the Northern Ireland Executive out of its block grant from HM Treasury. In common with other public sector bodies in Northern Ireland, the PSNI cannot raise funds through a local precept (council tax), nor borrow funds, maintain strategic reserves or have the flexibility to carry forward surplus efficiency savings or underspends. It has access to short-term funding for long-term security needs but no separate funding for inquiries into historic offences or to support current inquests into deaths which occurred during the Troubles.

Under the devolved arrangements for policing and justice, PSNI comes within the Department of Justice (DoJ) and accounts for 70 percent of the departmental funding. In the regular departmental monitoring rounds, PSNI is required to contribute to the overall departmental budget position.

*The Stormont House Agreement*[19] and *A Fresh Start – the Stormont Agreement and Implementation Plan*[20] include measures to address the longer-term structural financial challenges in the Northern Ireland budget. One of the consequences is that the Northern Ireland Executive will have to set challenging cost reduction targets for each department for each year of the forthcoming spending review period. It will also examine how divisions in society have an impact on the provision of goods, facilities and services, and how best to reconfigure service provision in a manner consistent with a shared future.

The service had a four-year settlement from 2011-2015 (although this consisted of four separate annual budgets with no carry forward or flexibility from year to year). In addition, in-year savings were required in 2014/15. In 2015/16, due to Northern Ireland Executive budget pressures only a one-year budget was provided. This was then subject to in-year cuts. For 2016/17 again, with Northern Ireland Assembly elections in May 2016 a one-year budget will be provided as part of a new

---

[19] *The Stormont House Agreement*, Northern Ireland Office, December 2014. Available from: www.gov.uk/government/publications/the-stormont-house-agreement

[20] *A Fresh Start – the Stormont Agreement and Implementation Plan*, Northern Ireland Executive, November 2015. Available from: www.northernireland.gov.uk/publications/fresh-start-stormont-agreement-and-implementation-plan-0

*Programme for Government*. Nine new executive departments are to be created after the 2016 election replacing the current twelve and it is unclear whether further budgets will be allocated on an annual basis. This uncertainty over funding for the police service has impaired the PSNI's ability to effectively plan how it will provide policing services.

## Has the PSNI achieved its saving requirements and balanced the budget for the spending review period and 2014/15?

PSNI forecasted a total savings requirement over the four-year period between 2011/12 and 2014/15 of £135m, the equivalent of 17 percent of the 2010/11 gross revenue expenditure for the service. Over this period savings were made in both the pay and non-pay budgets, so as to balance budgets by 2014/15. Over the same period all forces across England and Wales forecasted a total savings requirement of £2.53bn, the equivalent of 18.2 percent of the 2010/11 gross revenue expenditure for England and Wales.

The PSNI balanced its budget for 2014/15. Initially, the service had £11.0m (or 1.5 percent) deducted from its opening 2014/15 budget as well as £4.3m removed for savings generated from changes to police officer terms and conditions following the Winsor Review. In addition, the DoJ imposed a further £36.1m budget cut during the year, resulting in a total budget reduction of £51.4m (or 7.0 percent) for 2014/15. This cut was subsequently offset by an allocation of £13.0m following the devolved government's review of departmental spending, followed by a further £3.5m cut, which resulted in a net in-year cut of £41.9m (or 5.7 percent).

The service developed three principles to guide resourcing allocation while assuring financial sustainability and operational viability in what was an extremely fluid financial position:

- Principle 1: The PSNI is committed to keeping people safe today, while acknowledging statutory responsibilities to investigate the past.

- Principle 2: The PSNI is committed to maintain operational capacity and capability, with officer numbers (6,963) reflecting findings of the resilience review.

- Principle 3: The PSNI is committed to delivering a sustained reduction in baseline spending by continuing to invest in enabling technology and processes.

The service targeted several areas to achieve its 5.7 percent saving. These included general support budgets, police overtime, staff substitution, police officer and staff recruitment, managed service contracts and transport services.

HMIC considers that the PSNI has faced a particularly difficult funding challenge since 2010. The service is totally reliant on central funding, with no local funding or ability to hold reserves or carry forward any underspend, unlike other forces in England and Wales. This means that central funding cuts since the spending review in 2010 have a greater impact compared with other forces in England and Wales. Despite this, the PSNI has a strong track record of achieving required savings.

## Has the PSNI achieved a balanced budget for 2015/16?

The PSNI achieved a balanced budget for 2015/16. The service made further reductions of 8.4 percent in 2015/16 based on the same principles it used in 2014/15. It was also reliant on an additional contribution of £20m from the Northern Ireland Executive to achieve the balanced budget.

The PSNI's budget for 2015/16 was uncertain and changed during the financial year. The opening budget was £756m,[21] £40.4 million lower than the opening budget in 2014/15. The service then had to achieve further cuts of £26.2m (3.4 percent) in-year. In total the budget was reduced by £66.6m (8.4 percent) on the 2014/15 baseline.

## How well has the PSNI maximised other funding opportunities?

The PSNI's has extremely limited access to external funding and income generation opportunities. The service receives some funding through the European Training Partnership. Under the national guidance for charging, the PSNI finds recharging for sporting events and concerts to be difficult, and cannot recharge for Northern Ireland Executive events. PSNI can and has applied to the Northern Ireland Executive for additional funding where required to address emerging security and criminality issues; asset recovery money is also available. The VES scheme is supported by £20m from the Northern Ireland Executive's public sector reform and restructuring transformation fund.

The service is considering alternative sources of income to meet the demand from legacy investigations. *The Stormont House Agreement* proposed a historical investigations unit which would consider all historical inquiry cases which have not yet completed. *Fresh Start – the Stormont Agreement and Implementation Plan* did not reach a final agreement on the establishment of new bodies. The service's resource plan for 2016/17 assumes the continuation of its legacy investigation branch within the existing budget.

---

[21] The £756m includes additional security funding from HM Treasury and the Northern Ireland Executive.

The service submitted a bid to HM Treasury and the Northern Ireland Executive for additional security funding for five years from 2016. The security resource requirement for 2016/17 is £50.6m (£28.5m from HM Treasury and £22.1m from the Northern Ireland Executive).

The service has also bid to the Northern Ireland Executive for additional funding to tackle serious and organised criminality (£4.4m in both 2016/17 and 2017/18, £4.6m in 2018/19 and £4.7m in 2019/20). This is for overt intelligence, investigative, and operations capacity. Although *A Fresh Start – the Stormont Agreement and Implementation Plan* indicates that the funding has been agreed, it is not yet clear how or when this might be allocated to the service.

There are other limited opportunities for income generation where the PSNI provides services to private sector companies. For example, the service provides security escorts for explosives being transported to mines. No costs are recovered for this service which is provided free of charge.

## How well does the PSNI control expenditure?

The PSNI has thorough governance arrangements. The planning cycle for the policing plan is from July to March when the policing plan is agreed by the NIPB and published. The service reports to the NIPB, DoJ and Northern Ireland Executive. The Northern Ireland Audit Office audits PSNI's performance against the policing plan and also carries out value for money reviews of the PSNI.

Historically the PSNI has had a devolved finance and HR service, with business managers based in each of the districts. This changed with the reform of public administration (RPA). From April 2015, the PSNI has centralised these functions giving it greater control of salary and costs with budgets coming in on target. The centralised human resource function has also been helpful in completing the strategic workforce analysis and identifying the delays in recruitment because fewer people than expected have successfully completed the process. The new structure will be led by a director of resources, appointed in April 2016, who will have responsibility for all enabling functions including finance and HR.

The PSNI is in a unique position in that it cannot hold reserves within its budget, or carry forward any underspends. This, along with the one year budget settlement, encourages a 'spend or lose' position. Any underspend at the end of the financial year is the subject of detailed discussion with the DoJ and the Northern Ireland Executive to understand the circumstances leading up to the situation. The PSNI contributes to DoJ monitoring rounds and can be required to contribute to other areas of the DoJ spending such as the legal aid bill.

Overtime currently presents an in-year financial risk to the PSNI. The service relies on overtime to meet demands, such as serious public disorder and large scale protests, which require a surge in resources. Spending on overtime for police officers

was £43.9m in 2014/15. Officers were owed over 33,000 modified rest days which are allocated in lieu of overtime. At the time of inspection, the PSNI projects its overtime costs to be £42.5m for 2015/16.

As part of the PSNI's plans for a balanced budget in 2016/17, a reduced amount £35.9m is allocated to police overtime. It plans to achieve this reduction by close monitoring and management, but given the severe level of threat to members of the police service and other public sector workers including the judiciary and prison officers, continuing tensions over parades and upcoming centenary commemorations, this reduction in overtime expenditure will be hard to achieve.

The service has the ability to go back to the DoJ for additional funding if the threat of disorder endangers lives, but within the PSNI's medium-term resource plan for 2015/16 and its resource plan for 2016/17, there is no contingency or provision for pressures such as:

- any deterioration of the security or public order situation;

- any increase in part-time reserve costs in future years following the Working Time Directive case in 2014/15;

- the increase in national insurance rates of 3.4 percent (additional cost of £1.4m for police staff and £7.7m for police officers);

- not achieving the VES leavers target;

- sustainability of additional security funded posts beyond 2016/17; and

- inability to fund a fully-managed service across all functions.

The PSNI manages its non-pay costs well. It has achieved savings through renegotiation of contracts and better procurement arrangements. It monitors all contracts on a matrix plotted against the contract value/spend and contract life.

## How well do the PSNI's financial plans reflect the objectives set out in the NIPB's policing plan?

The PSNI's financial plans are consistent with but do not specifically address the wide-ranging outcomes, performance indicators and performance measures included in the policing plan set by the Northern Ireland Policing Board (NIPB) for 2015/16.[22]

The NIPB is an independent public body established by the Police (Northern Ireland) Act 2000. It is made up of ten political members who are all Members of the Northern Ireland Assembly and nine independent members appointed by the Justice Minister,

---

[22] *Policing Plan 2015/16*, Northern Ireland Policing Board and PSNI, 2015. Available at: www.nipolicingboard.org.uk/final_pdf_-policing_plan_2015-16__web_version_.pdf

one of whom is appointed chair. The main statutory duties of the NIPB include to secure an efficient and effective local police service, set priorities and targets for police performance and monitor how well police perform against the targets. The NIPB sets a policing plan for each financial year in accordance with Section 28 of the Police (Northern Ireland) Act 2000. The plan is the principal means by which the NIPB holds the police service to account.

The 2015/16 policing plan does not set out clear priorities for the PSNI. It identifies 11 outcomes, 16 performance indicators and 41 associated performance measures which encompass a range of policing processes and activities from the broader outcomes sought such as "improved quality of service" to narrower outcomes, for example "reduce the number of road deaths and serious injuries". This does not assist the service to structure its financial plans in accordance with readily identifiable and achievable priorities.

The number and spread of the performance measures also encourages a performance management culture which we have observed to skew policing priorities and practice in forces in England and Wales, where officers are asked to chase easily measurable targets, rather than encourage activities which address threat and risk in complex areas of policing such as safeguarding vulnerable people.

It is notable that none of the outcomes, performance indicators or performance measures in the policing plan apply directly to the activities undertaken by the service to counter the threat from dissident terrorist activities, to police contentious parades and protests or to investigate historic incidents. This means that there is a significant gap between the policing plan, and activities which are integral to the PSNI's priority to keep people safe and take up more than 30 percent of the time spent by officers on duty. The PSNI's financial plans necessarily address these important policing activities but they do not align with the policing plan.

## How well does the PSNI provide timely and relevant financial information to the NIPB, and are shared assumptions used to develop current and future plans?

The PSNI is unique among police forces in the United Kingdom in its governance arrangements. There is a tri-partite relationship between the PSNI, the NIPB and the DoJ. In May of each year, the PSNI shares strategic projections with the DoJ and the NIPB. This includes types of funding coming into the organisation, liabilities, and significant assumptions such as headcount. These projections are used to develop future plans.

Each month the PSNI submits a budget report to the NIPB and the DoJ setting out in-year and anticipated full year expenditure. The Northern Ireland Audit Office also analyses, audits and reports annually on the service's performance and continuous improvement arrangements to the NIPB, the chief constable and the DoJ.

## How well developed are the PSNI's plans for possible further savings?

The PSNI has a strong understanding of its current financial position. It has projected its possible financial position to 2019, including scenario planning for five and ten percent cuts using an integrated planning process and allocating resources to achieve a balanced budget. It has carried out a strategic analysis of its workforce and understands the number of potential leavers through retirement and voluntary exit over the next three years. It has not clearly set out how it will achieve its aspiration for 6,963 officers when an establishment of this size is not supported by its current or projected budgets, or how a lower establishment would meet demand more efficiently.

Strategic financial planning is challenging for the PSNI. It has no reserves for long-term investment projects, and cannot raise funds through borrowing or increase its income by raising the local precept. We found uncertainty in-year and on a year-by-year basis around the budget and financial settlement the PSNI will receive from HM Treasury.

In this context the PSNI has identified three principles to guide its future resource allocation:

- Principle 1: The PSNI is committed to keeping people safe today, while acknowledging its statutory responsibilities to investigate the past.

- Principle 2: The PSNI is committed to maintain operational capacity and capability, with officer numbers (6,963) reflecting findings of the resilience review.

- Principle 3: The PSNI is committed to achieving a sustained reduction in baseline spending by continuing to invest in enabling technology and processes.

The PSNI's medium-term resourcing plan identifies a significant budget gap of £73.2m in 2016/17 growing to £81.6m in 2018/19 if its principle to attain and maintain 6,963 officers is to be achieved. The PSNI predicts zero growth in funding and relies heavily on the success of the priority-based resourcing process to achieve savings that allow the service to increase the number of police officers to 6,963. However, determining necessary police officer numbers is complex and requires an understanding of demand, capability and available resourcing. This resource planning is not assisted by a fixed number of police officers. It restricts the service's development of the best workforce mix which means it constrains flexible resource planning in this difficult financial environment.

Irrespective of whether increasing the number of officers to 6,963 is desirable, it will be difficult for the PSNI to achieve and sustain. In addition to the difficulties of

achieving savings in non-police officer costs there are no contingency funds available to offset major risks for the organisation, such as:

- sickness;

- the efficiency of the workforce;

- the loss of skills through VES and retirement;

- outdated information technology systems;

- significant protest and public disorder; and

- the ability to cope with new demand (such as cyber-crime and human trafficking).

The PSNI's draft corporate plan *2016-2020 – What our world will look like in 2020* makes it clear that the service has a long-term outlook. The plan sets out its vision and commitments while meeting its financial challenges. The plan describes how the PSNI intends to contribute to the political, social, legal, organisational and economic life of Northern Ireland. It describes how the potential scale and scope of future budget pressures will demand a fundamental rethink of how it provides policing to keep people safe. Part of that rethink must include further consideration of whether the target strength of 6,963 officers is achievable or desirable.

## Summary of findings

 **Good**

PSNI achieves financial sustainability in the short term by meeting the requirement to balance its budget. It has met its savings requirement for the spending review period, and set a balanced budget for 2015/16. Good financial management is in place which allows the service to respond to in-year changes to the annual policing budget.

The annual budget and in-year changes constrain the ability of the service to plan effectively for the workforce, IT systems and estate necessary to support a modern police service, and encourage short-term financial management.

The service considers opportunities for income generation and additional funding but so far the return is limited. Force to force collaboration is limited by its geography, and with councils and other first responders by the continuing threat to law enforcement from violent extremists.

The PSNI has an established approach to continuous service improvement. It is using this alongside a number of other tools such as priority-based resourcing (PBR). Its use of PBR is at an early stage; further development of the process will

improve its understanding of how it provides services and the resources that are required. An ICT strategy is in place; however, what is achievable depends upon confidence that capital budgets will be available in the medium term in an annual budget cycle.

PSNI's draft corporate plan *2016-2020 – What our world will look like in 2020* makes it clear that the service has a long term outlook. The plan describes how PSNI intends to contribute to the political, social, legal, organisational and economic life of Northern Ireland. It describes how the potential scale and scope of future budget pressures will demand a fundamental rethink of how policing is delivered to keep people safe.

**Areas for improvement**

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

# Annex A – HMIC judgments

The categories are:

- outstanding;

- good;

- requires improvement; and

- inadequate.

Judgment is made against how efficient the force is at keeping people safe and reducing crime. In applying the categories HMIC considers whether:

- the efficiency of the force is good, or exceeds this standard sufficiently to be judged as outstanding;

- the efficiency of the force requires improvement because it is not yet performing at a good level, and/or there are some weaknesses in the organisation; or

- the efficiency of the force is inadequate because it is considerably lower than might reasonably be expected.

# Annex B – Further information about the data

## Figure 4: Planned changes to police officer full-time equivalents (FTEs) in operational frontline, operational support and business support roles in the PSNI, 31 March 2010 to 31 March 2018

The data used in figure 4, for 31 March 2010 and 31 March 2015, is taken from the Home Office annual data return 601 and does not include workforce allocated under category '62 other' whereas the data used in figures 7 and 8 for 31 March 2010 and 31 March 2015 is taken from the Home Office annual data return 502 and is inclusive of this category. Therefore totals data may not match exactly.

## Figures 7 and 8: Actual and planned changes in workforce FTE from 31 March 2010 to 31 March 2018 for the PSNI compared to England and Wales

The figures are rounded to the nearest whole person, full-time equivalents (FTEs), and therefore may differ slightly from the exact figures quoted within the report.

For data as at 31 March 2010 and 31 March 2015 we have used Home Office annual data return data which is an 'actual' FTE. In figure 8, the 31 March 2015 adjusted figure was calculated by removing forces which were unable to provide full projections to 31 March 2018 during the PEEL inspections.

Projections for 31 March 2018 are budget-based projections, taken from the force data collection template, likely to take into account a vacancy rate depending on a force's planning strategy. In some instances therefore an increase in budgeted posts may not actually indicate the force is planning to increase its workforce going forwards. In other cases, forces may be planning to reduce their workforce but have a current high vacancy rate which masks this change.

The complex and continually evolving picture of workforce collaboration between neighbouring forces means that not all changes in workforce figures equate exactly to changes to the workforce available. Involvement in strategic alliances and/or regional organised crime units (ROCUs) would be an example of where changes over time are likely to be skewed. Therefore sharp increases or decreases over time need to be considered with caution as they may simply represent accounting changes related to how staff are allocated to forces, not actual changes in staffing levels.

At the time of the inspection, the future financial climate was uncertain. Several forces did not have finalised plans for workforce projections. It is important to note that many figures are unconfirmed estimates provided to assist HMIC in our

inspection programme and should not be seen as a concrete plan for the future landscape of policing.

Additionally for figure 7, in March 2010 PSNI had 643 agency staff so the table may not be a full reflection of the overall reduction in the police staff workforce from 2010. HMIC require forces to record temporary workers as contract staff - in PSNI's case the roles these agency staff were fulfilling are not the same roles that are now undertaken under the support services managed service contract.

## Figures 9a and 9b: Actual and planned change in workforce from 2010 to 2018, for the PSNI and England and Wales

Figure 9a shows how the workforce in the PSNI has changed from 2010 to 2015 and how the service plans to change its workforce in the years to 2018. Figure 9b shows the same actual change and planned change over the same periods for England and Wales.

For data as at 31 March 2010 and 31 March 2015 we have used Home Office annual data return data which is an 'actual' FTE, whereas projections for 31 March 2018 are budget-based projections likely to take into account a vacancy rate depending on a force's planning strategy. In some instances therefore an increase in budgeted posts may not actually indicate the force is planning to increase its workforce. In other cases, forces may be planning to reduce their workforces but have a current high vacancy rate which masks this change.

As has been previously mentioned the financial climate changed during the course of these data being considered. Planning assumptions were made for forces in England and Wales prior to the announcement of the spending review at the end of 2015 whereas the data collection was completed by the PSNI after this announcement. Caution should be used when comparing the two data sets.