

Her Majesty's Inspectorate of Constabulary
Unit 2, Wakefield Office Village, Fryers Way,
Silkwood Park, Wakefield, WF5 9TJ
Direct Line: 01924 237722 Fax: 01924 237705
Email: Roger.Baker@hmic.gsi.gov.uk



Roger Baker, QPM, MBA, MA
Her Majesty's Inspector of Constabulary

Mr M Burns-Williamson OBE
Police and Crime Commissioner for West Yorkshire

13 January 2014

Dear Mark

VALUING THE POLICE 3 RE-INSPECTION

I write following our recent valuing the police 3 (VtP3) re-inspection of West Yorkshire Police. The purpose of this letter is to set out formally Her Majesty's Inspectorate of Constabulary's (HMIC's) feedback from the revisit and to elaborate on the areas covered with you and the Chief Constable in the debrief.

The re-inspection was undertaken as a result of our findings during the initial VtP3 inspection last year. At that time we identified that while the force had undergone change in a number of areas and delivered savings through year on year cost reduction (including those prior to the spending review), there remained a projected savings gap of £9.4m by 2014/15. Overall, HMIC considered that West Yorkshire had missed the opportunity to grasp the challenge of the spending review and restructure the way it operates so that it was both affordable and delivered improved levels of performance.

Since the VtP3 inspection, with your support, the force has moved quickly to refocus under a clear vision for the future supported by a new operating model and underpinned by a comprehensive change programme. As a result of this the force has a plan which enables it to close the previously identified savings gap, supports improved performance and enables West Yorkshire to be better placed to respond to future funding challenges.

I will provide more detailed strategic comments against the three core questions that the VtP programme explores:

- does the force understand its financial challenge and have an effective plan to respond;
- the impact of the plan on the operating model and for keeping communities safe; and
- the management of future risk.

Financial plan and response

I was encouraged by the clear vision for West Yorkshire Police provided by you and the Chief Constable and the identification of the steps necessary to move to a 'world class police service and make your communities safer'. The Chief Constable is confident that the organisational change that contributes to this and the savings required will be delivered through the force's programme of change. This seeks to:

- develop and deliver a truly transformational operating model that ensures West Yorkshire Police is not only a financially efficient organisation but continues to deliver high quality policing services to the public of West Yorkshire;
- maintain or improve operational performance and deliver the requirements of your Police and Crime Plan;
- rebuild the force's reputation, public trust and confidence;
- deliver savings of £143m by 31 March 2017; and
- transform and embed an organisational culture that will ensure service improvement is sustainable over the longer term.

The force's medium term financial forecast (MTFF) takes account of the remainder of the current spending review period, the spending round announcement for 2015/16 and the year after. For the period to March 2015 it has identified a savings requirement of £102.3m and has developed plans to achieve £105m giving an estimated surplus of £2.7m. In addition the force's MTFF shows a significantly reduced reliance on reserves (from £31m to £7m), with no reserves planned to be used to balance the budget within the current spending review period and just a figure of £7m shown for the financial year 2016/17.

The force is continuing to pursue further savings opportunities which are yet to be included in the MTFF, which include non pay savings and reducing costs of debt. With higher than expected numbers of leavers (and those leaving earlier than planned) the force's budget shows an anticipated underspend of £17.2m for 2013/14.

During the inspection the force was able to provide a detailed breakdown of key elements of the new operating model, the savings that will be achieved, the workforce impact and the supporting business cases. This gives us confidence that the force will be able to meet the financial challenge of the spending review and be well placed for 2015 and beyond.

Impact on the operating model and keeping communities safe

Since our earlier visit the force has made much progress to fundamentally change its structures, process and culture. It has defined a high level operating model and is now working through implementation. This work will see fewer territorial areas, a smaller (but more focused) leadership team at all levels, a realignment of specialist crime and operations and greater collaboration.

I was encouraged to see how the supporting change work is being integrated with finance and human resources. This gives greater assurance on the robustness of the approach and likelihood of success. The savings requirement and the necessary workforce reductions are clear and provide focus for the developing work. The force has identified that workforce reductions of 2,242 full time equivalents (from a baseline of March 2010) will be necessary by 2017 (1,312 police officers, 891 police staff and 39 police and community support officers). The force is committed to maintaining 4,500 police officers (actuals). Encouragingly it is working within its change programme to try to exceed this to a level of 4,700 police officers.

A key element of the new operating model is to pursue further collaboration. The force is currently consolidating much of the existing collaboration activity within a lead force model. Since our inspection the force has been able to revise upward the projected contribution of collaboration towards its required savings. Collaborative savings amount to £10.7m to 2014/15 or 11% of the force's total savings requirement, which is higher than the 7% figure for England and Wales.

I was encouraged to hear the renewed focus in support of further regional collaboration and the impetus on this from the discussions taking place between the respective PCCs and also the chief constables. There is clearly an appetite for further collaboration and to benefit from the opportunities this brings in terms of savings, other efficiencies and operational resilience. This early progress is most welcome but the real test is to translate this ambition into agreement and firm plans. The earlier this is achieved the greater the potential savings that can be accrued to meet future shortfalls and to maintain resources in local policing and protecting the public from

harm. We will revisit this as part of VtP4, in particular to look at the progress you have made and your plans for further collaboration.

Since our earlier inspection the force has put in place revised arrangements to drive performance improvement. It has changed the performance management and accountability structures, ensured a focus on leadership and visibility and through 'Operation Viper' is embedding a fundamental change to the way the force delivers business on a day to day basis. It was able to report improved crime reduction performance and this early progress is very welcome. I was encouraged to see the integration of the change programme with strategic performance improvement and this should enable the force to maintain its focus as it progresses the plans. HMIC will continue to maintain close contact with the force as it continues to embed activity that leads to sustained performance improvement.

Management of future risk

The MTFF clearly sets out the financial challenges ahead to 2016/17 based upon the force's best assessment of funding, inflation and other cost pressures.

The force is clear on the savings requirement to 2016/7 and now has well developed plans to achieve £50m of the £68m required. The force has also identified through benchmarking and application of 'lean process' the potential for further savings within the frontline, operational support and business support. However, this is subject to formal reviews, modelling and the development of new processes and technology.

Including the force's use of reserves it is now able to show a balanced budget to 2016/17.

The prudent approach to showing savings, the cautious but realistic assumptions and financial governance provides the force with clarity on the financial challenges beyond the current spending review. This forward focus is important as the force continues to develop to meet and stay ahead of the challenges in the forthcoming years.

VtP4 will provide an opportunity for you to update us on the proposals, provide more detail on the implementation plan and timescales, and highlight any early savings achieved and raise any potential risks/issues that may have arisen.

Summary

During the re-inspection the force was able to demonstrate that it had addressed the principal concerns identified in our earlier VtP3 inspection. It was able to set out plans to close the previously identified gap, had a clear vision of the future operating model (integrated with workforce and budget plans) and was driving forward on implementation to move the force to this new model. In addition the force has been able to demonstrate very welcome early improvements in performance and was confident that these would be built on.

We look forward to returning to West Yorkshire as part of the all force VtP4 inspection where we will pick up on the continued progress, in particular:

- the progress in implementing the new operating model;
- progress on furthering collaboration opportunities; and
- continued performance improvement based on embedded effective practice.

I would like to take this opportunity to thank you, the Chief Constable and force for supporting the re-inspection and hope that you also found it a valuable process to inform the developing programme.

I have purposely kept the feedback to key strategic areas but I am happy to speak with you in more detail and both Stuart Eckford and Mike Gallagher are also available to you and your staff.

Yours sincerely

A handwritten signature in black ink, appearing to read 'Roger Baker', with a large, sweeping flourish above the name.

Roger Baker
HM Inspector of Constabulary