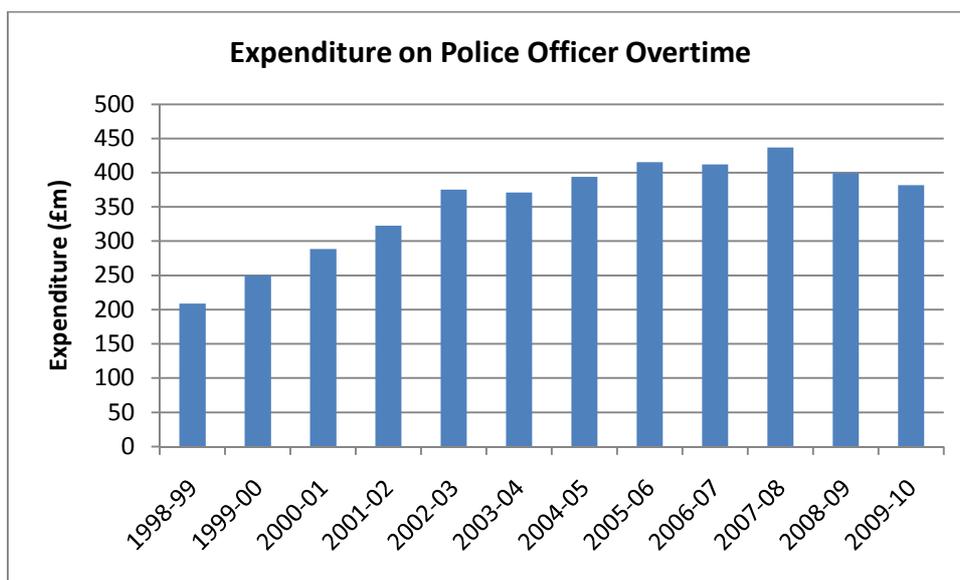


# Police Overtime Expenditure

Rory Geoghegan & Blair Gibbs

## Executive Summary

- There is a legitimate need in a flexible police workforce for overtime arrangements in order to allow for contingencies and to ensure efficient use of resources. Payments for overtime vary significantly between forces and are governed by many factors – including external demands, internal deployment and shift arrangements, and management approach.
- Overtime payments to police officers in England and Wales more than doubled between 1998-9 and 2009-10, from £208m in 1998-99 to £437m in 2007-08. In total £3.8bn has been spent on overtime in all forces 2000-2010.
- Over the same time period police officer numbers, excluding an additional 17,000 PCSOs, increased 12%, suggesting that the overtime increase has been driven by poor management rather than under-resourcing.
- Statistical analysis would even suggest that for the majority of forces, increased officer numbers led to an increase in overtime expenditure, rather than a reduction.
- One third of forces have reduced their total overtime bill in the period 2005-10, compared to 2000-05, but two thirds have not, suggesting that poor management of overtime spend remains an issue for most police forces.
- In the last two years police forces appear to have made efforts to reduce their overtime bills, with the total overtime spend falling from a peak of £437m in 2007-08 to £381m in 2009-10. This downward trend has come at a time when officer numbers have been virtually flat, supporting the idea that the police overtime bill is primarily driven by management practices rather than the level of resources or total staff.



Source: Chartered Institute of Public Finance and Accountancy

## Background

Overtime payments compensate officers (and staff) for working beyond their pre-allotted hours. Authorisation is typically the responsibility of a sergeant in a policing team. Inspectors do not qualify under current regulations.

### What triggers overtime spend?

The legitimate need for overtime arises when, at a given point in time, the supply of available officers is insufficient to meet the immediate demand for policing.



Demand for policing is lumpy, with surges in demand around major operations and the night time economy. Some of the lumpiness will be predictable (e.g. Saturday night at closing time, a large sporting fixture, etc.) while other demand will be unexpected (e.g. the response to a major incident).

The supply-side of the equation is determined by the number of available officers, which has increased by more than 12% over the last decade. This is then moderated by a number of predictable and unpredictable factors, including the level of sickness or abstraction and unfilled vacancies.

Given some of these factors and the 24/7 nature of policing it is unreasonable to expect forces to completely eradicate all forms of overtime. However, increased police numbers and effective management would have been expected to bring about a reduction in total overtime spend, even if there remained some variation between different forces.

## Research Findings

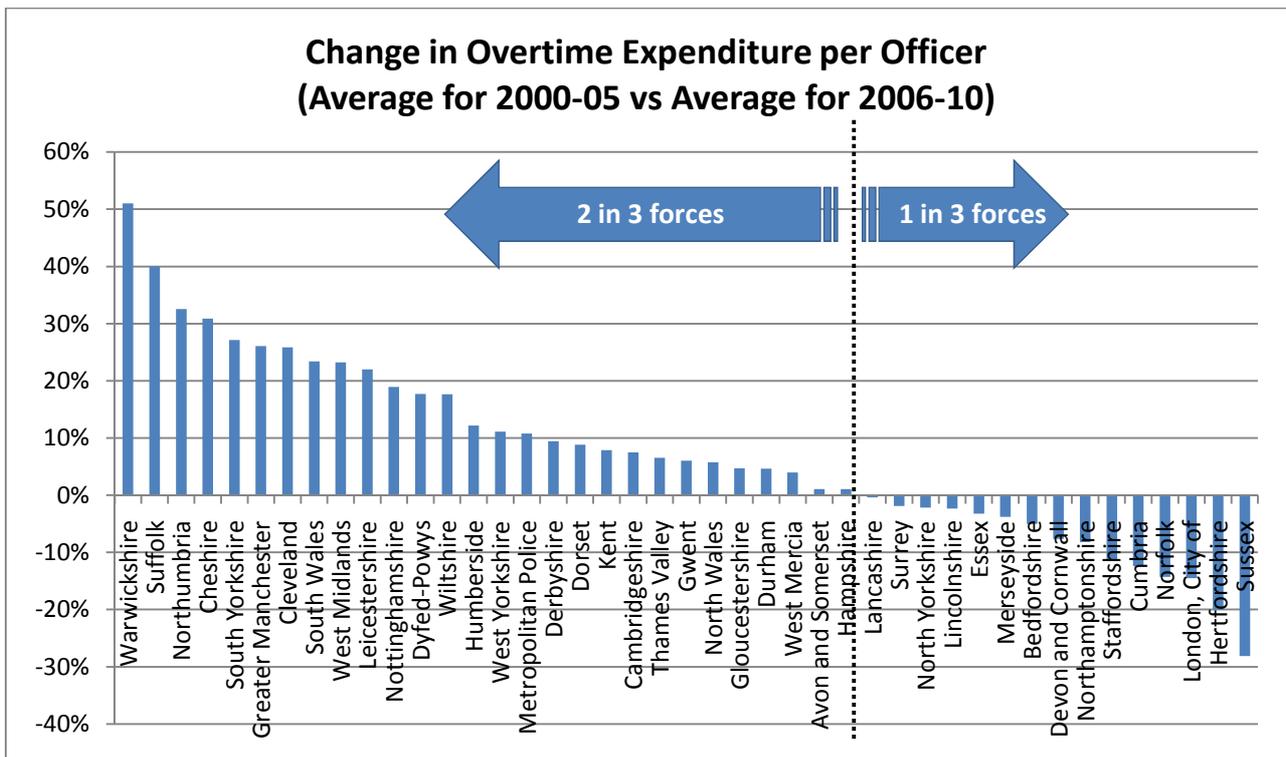
### The cost of failing to manage overtime was almost £1bn in the last decade

If every police force had been able to keep control on their overtime spend and maintain their overtime budget at 2000-01 levels over the decade, this would have freed up £911m over the ten year period. This would have been sufficient to employ an additional 1,800 police for each of the ten years.

Wiltshire, Lincolnshire, Cumbria and Surrey are all forces that in 2009-10 spent less on police officer overtime than they did in 2000-01, demonstrating that with effective management and deployment practices it is possible to keep overtime under control.

### Two thirds of forces failed to keep a grip on overtime in spite of increased numbers

The story of the last decade is one in which few forces have managed overtime in an effective manner. Over the last five years (2005-10), only a third of forces (15) have managed to achieve an overall reduction in overtime per officer compared to the previous five year period (2000-05). The remaining two thirds of forces have all seen an increase in overtime expenditure per officer.



Source: Chartered Institute of Public Finance and Accountancy, Home Office Police Strength

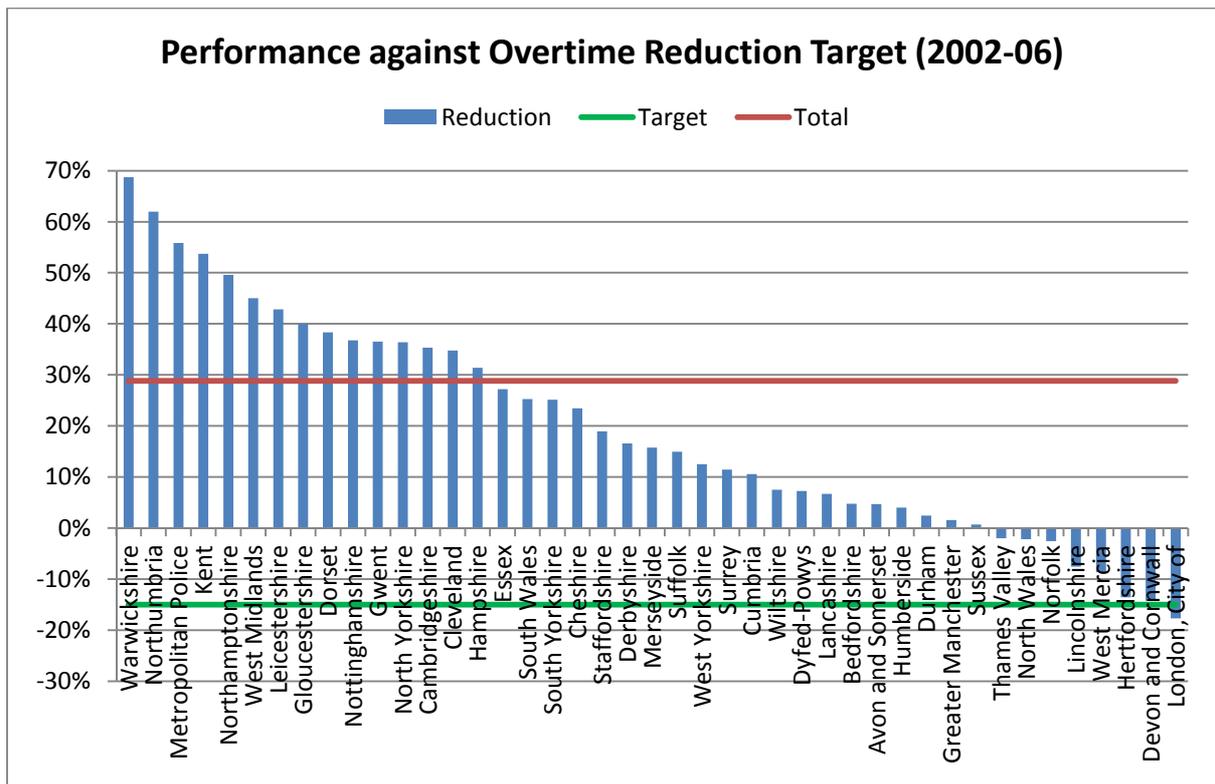
Sussex Police managed to reduce overtime per officer by 28%, providing an average reduction of £864 per officer, with Hertfordshire delivering a reduction of 20%. Warwickshire Police saw an increase in overtime per officer of 51% equating to an additional £1,036 per officer. Suffolk, Northumbria and Cheshire Police all saw overtime per officer increase by more than 30%. In a time of rising officer numbers and given improvements in communications technology it is clear that the majority of forces failed to keep a grip on overtime.

#### Previous efforts to reduce overtime spend during a time of increasing resources failed

Even in 2002, the issue of police overtime was recognised as a growing problem. At the time, the Police Negotiating Board (PNB) set a national target for a 15% reduction in police overtime by March 2006. The 15% reduction was to be set against the 2000-01 overtime spend of £284m [1]. The PNB felt that: *“The increasing police numbers in most of the United Kingdom – and, in particular, the Crime Fighting Fund in England and Wales – will mean that police officers should not have to work overtime to make up for gaps in police numbers.”* (PNB Circular 02/18)

In addition to increasing police numbers, a number of changes at a national level were made to improve the ability of forces to manage overtime. These included (a) The change from 12 month to 3 month shift rosters, included in the PNB agreement – this would better enable managers to schedule duties to accommodate planned events and officers’ domestic responsibilities; and (b) the change from 8 days to 5 days for the higher rate of overtime payment for working on rostered days.

In 2006, 25 forces reported to HMIC that they had achieved their overtime reduction target [2]. However, analysis of the actual overtime spend for each force tells a very different story from the self-reported figures supplied to HMIC.

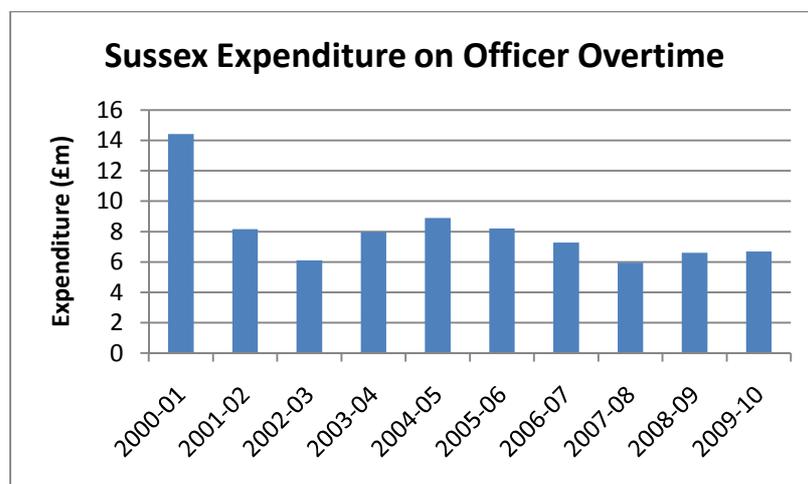


Source: Chartered Institute of Public Finance and Accountancy

Only 8 forces achieved any reduction in overtime spend between 2001-02 and 2005-06. Only the City of London Police exceeded the 15% target, with the next best performers being Devon and Cornwall and Hertfordshire, who both achieved reductions of 14% [3]. It is a indictment of police management and the effectiveness of the target setting process that during this period the total overtime bill for forces increased by 29%.

Some forces have taken control and begun to properly manage overtime...

Sussex Police had an overtime bill of more than £14m in 2000-01, which they managed to reduce by 43% in the course of one year, and have recently been successful in keeping around the £6m level.

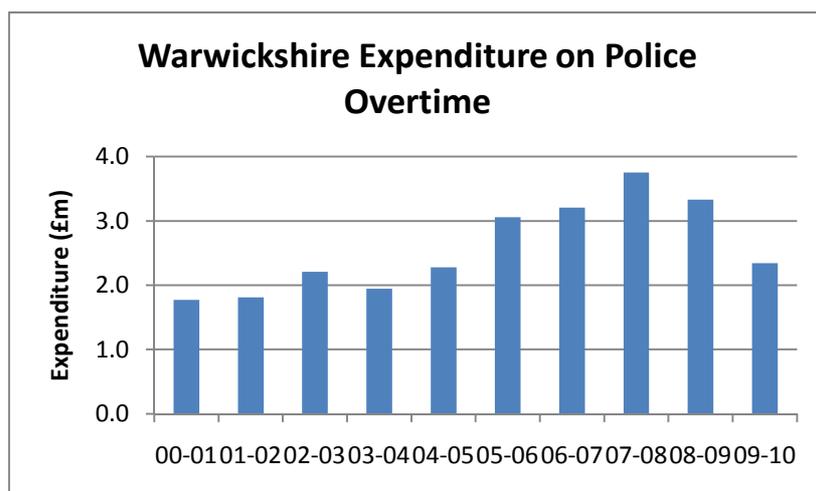


Source: Chartered Institute of Public Finance and Accountancy

The success of Sussex in reducing and keeping control of police overtime has been attributed to embedding of overtime management into the organisation. This included running sessions with supervisors to ensure that they were aware of the need to manage overtime and the development of a web-based overtime management tool.

...other forces have come late to the game but demonstrate the scale of reductions possible

The recent performance of Warwickshire Police demonstrates that significantly reducing overtime spend is possible, especially where a culture of ever-increasing overtime has become entrenched.



Source: Chartered Institute of Public Finance and Accountancy

Since 2007-08, Warwickshire has achieved a reduction in overtime of 37% (£1.4m). This saving equates to 28 additional officers [4]. Warwickshire like many other forces can and should be expected to go further in reducing the overtime bill.

Average overtime payments per officer vary significantly between forces

Based on FTE data for forces, figures supplied to Parliament reveal significant variation between forces on annual overtime claimed per officer:

#### Average Overtime per Officer

Force	2009-10	Force	2009-10
Avon and Somerset	£ 1,889	London, City of	£ 2,749
Bedfordshire	£ 3,274	Merseyside	£ 2,403
Cambridgeshire	£ 2,291	Metropolitan Police	£ 4,271
Cheshire	£ 2,126	Norfolk	£ 1,822
Cleveland	£ 1,918	Northamptonshire	£ 1,834
Cumbria	£ 1,098	Northumbria	£ 1,944
Derbyshire	£ 1,703	North Wales	£ 1,922
Devon and Cornwall	£ 1,438	North Yorkshire	£ 2,686
Dorset	£ 1,755	Nottinghamshire	£ 2,514
Durham	£ 1,777	South Wales	£ 1,963

<b>Dyfed-Powys</b>	£ 1,957	<b>South Yorkshire</b>	£ 3,119
<b>Essex</b>	£ 2,139	<b>Staffordshire</b>	£ 2,442
<b>Gloucestershire</b>	£ 2,688	<b>Suffolk</b>	£ 1,685
<b>Greater Manchester</b>	£ 2,562	<b>Surrey</b>	£ 2,579
<b>Gwent</b>	£ 2,296	<b>Sussex</b>	£ 2,080
<b>Hampshire</b>	£ 2,159	<b>Thames Valley</b>	£ 2,428
<b>Hertfordshire</b>	£ 2,659	<b>Warwickshire</b>	£ 2,406
<b>Humberside</b>	£ 2,720	<b>West Mercia</b>	£ 2,034
<b>Kent</b>	£ 1,840	<b>West Midlands</b>	£ 2,081
<b>Lancashire</b>	£ 1,919	<b>West Yorkshire</b>	£ 2,170
<b>Leicestershire</b>	£ 1,954	<b>Wiltshire</b>	£ 1,401
<b>Lincolnshire</b>	£ 2,065	<b>Average</b>	<b>£ 2,656</b>

*Source: CIPFA for Overtime Expenditure; Home Office Police Strength Bulletin for Officer Numbers*

## Initial Recommendations

The preceding analysis is an overview of one significant feature of the pay and management arrangements in police forces in England and Wales today. There is some anecdotal evidence that inappropriate use of overtime may be due to the culture in the police service and staff expectation, in addition to poor management and planning [5].

Further analysis of the drivers behind growth in police overtime and the most effective management approaches to restrain unnecessary growth and properly allocate overtime is required. However, the latest data provides sufficient evidence for some initial recommendations:

### What can police forces do to reduce overtime?

- Forces need to embed overtime management into their organisation. It is clear that effective management has not been exercised in enough of the police forces during the period in question. This management deficit cannot be explained by poor training or information, since the information necessary to make decisions is readily available to the vast majority of commanders and supervisors: a Home Office report found that 97% of area commanders and 87% of supervisory grades have access to information on overtime, including level of payment, officer names, day and time of overtime and reason for overtime [6].
- There would appear to be a growing recognition for the importance of overtime management, with 33 forces having made changes to overtime authorisation/management procedures in the past two years, according to the same Home Office report [7]. Those forces who have yet to introduce effective controls on their overtime spend should study their counterparts to learn good practice and to ensure policing resources are not misspent.
- There will continue to be a need for overtime, but if the public are to receive effective policing then forces must ensure that, as budgets are reduced in the years ahead, overtime is one area of focus where they can achieve savings – even within the current regulations – simply by practicing better management.

## References

<sup>1</sup> PNB Circular 02/18 – <http://www.lge.gov.uk/lge/aio/53433>

<sup>2</sup> 'Understanding overtime in the Police Service', February 2010, Home Office Productivity Unit, p.3

<sup>3</sup> The targets did provide forces with a certain amount of flexibility. Those forces that had already taken action to reduce overtime and were able to demonstrate this were able to secure lower target reductions of 10%, however even allowing for this, only 3 forces (City of London, Devon and Cornwall and Hertfordshire) reached this level of reduction.

<sup>4</sup> We take the approximate annual cost of a police officer to be £50,000.

<sup>5</sup> In evidence to the forthcoming independent Winsor Review of police pay and conditions, the Head of Crime & Justice at Policy Exchange said:

*"I think the point was made that the total spend on overtime is declining. I think that may be true over the last couple of years ... but I think we have to accept it is declining from a high base and it has increased quite dramatically over the last ten years. So there is clearly a problem there. I think we would all appreciate there are pressures, for example with events, as has been mentioned, that demand that kind of flexibility .... But I would tend to, from my discussions with police officers, support the view that overtime for reasons of management control has become more normalised and has become more of an accepted part of an officer's job with an expectation that in a team the authorisation will be given – expected and given. And we might need to question whether that culture is part of the problem rather than the actual pressure of events"*

(See: <http://www.homeoffice.gov.uk/publications/police/police-remun-and-conditions/police-review-seminars/seminar-deployment?view=Binary>)

<sup>6</sup> 'Understanding overtime in the Police Service', February 2010, Home Office Productivity Unit, p.6

<sup>7</sup> Ibid., p.8

Figures in this policy briefing were compiled from official sources. Data on overtime was taken from Chartered Institute of Public Finance and Accountancy, as reported in Parliamentary Questions. More detail is available in supplementary tables upon request.

### About the Authors

Rory Geoghegan is a Research Fellow in Policy Exchange's Crime & Justice Unit. Prior to joining Policy Exchange, Rory has worked developing web-based applications for the criminal justice system and with a business partner set up an online marketing business and supporting call centre. He has also worked for the Institute for Government in 2009 covering MoJ transformation and the development of strategies to reduce re-offending in Swansea and improve partnership working and for PwC Strategy from 2007-9. Rory read PPE at Trinity, Oxford.

Blair Gibbs joined Policy Exchange in June 2010 as the Head of Crime & Justice policy. He has edited the Policy Exchange reports *Bringing Rights Back Home: Making human rights compatible with parliamentary democracy in the UK* (February 2011) and *Fitting the Crime: Reforming Community Sentences* (November 2010). He has also been a regular commentator on current policing and criminal justice topics, writing numerous articles for the national print media. Prior to joining Policy Exchange he worked (2007-10) as Chief of Staff and policy advisor to the Policing and Criminal Justice Minister, Rt Hon Nick Herbert MP.

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