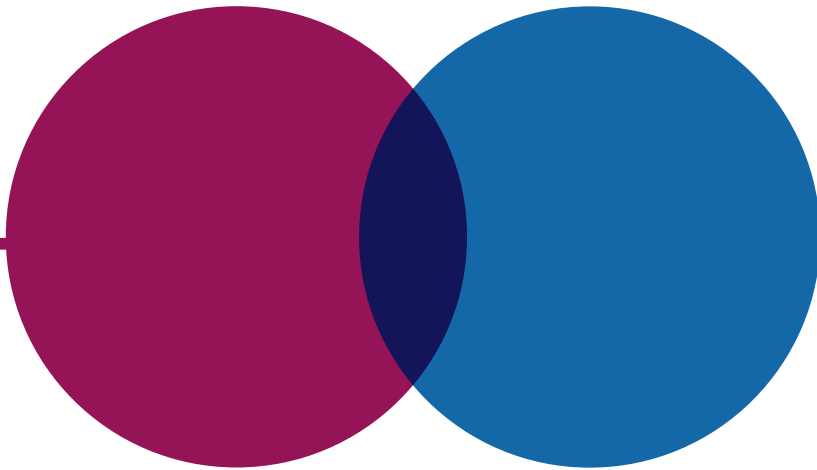




National Audit Office



REPORT

Police productivity

Home Office

SESSION 2024–2026
3 NOVEMBER 2025
HC 1380

Key facts

43

territorial police forces in England and Wales, which are operationally independent and have control over their spending decisions

1.7%

annual average real-terms increase that the government expects in total police funding over 2025-26 to 2028-29

£354mn

of potential efficiency savings that the Home Office is targeting through the Police Efficiency and Collaboration Programme over 2025-26 to 2028-29

The financial pressure on police forces is growing

- £276 million** of financial reserves drawn down by police forces in 2024-25 to help balance their annual budgets
- 60%** of police capital programmes funded by borrowing in 2024-25, forecast to increase to 71% in 2025-26

The Home Office is supporting police forces to improve their financial sustainability

- £220 million** of efficiency savings that the Home Office reports police forces have achieved between 2020-21 and 2024-25
- 53%** of potential savings in the Police Efficiency and Collaboration Programme that the Home Office has assessed as 'high' or 'medium' delivery risk

The Home Office needs to address barriers to improving productivity

- 77%** estimated amount of police funding committed to staff pay, meaning police forces have limited flexibility to make capital investments and invest in new technologies
- £50 million** of funding to support productivity improvements and the rollout of new technologies in 2025-26, compared to £105 million in 2024-25

Summary

1 The role of the police is to maintain public safety and order, prevent crime and uphold the law. There are 43 territorial police forces in England and Wales, which are accountable to locally elected police and crime commissioners and mayors. While the Home Office has overall responsibility for police forces, individual forces are operationally independent. The Home Office allocates the majority of police funding and maintains a system of local accountability, including intervening if chief constables or police and crime commissioners fail to carry out their duties.

2 As part of its 'plan for change', the government is implementing the 'Safer Streets' mission – aiming to halve knife crime and violence against women and girls over the next decade and increase public confidence in the police. To achieve this, it has introduced the Neighbourhood Policing Guarantee, which aims to increase the number of police officers, police community support officers and special constables working in neighbourhood policing roles by 13,000 by 2029. The government also intends to deliver a programme of police reform and plans to publish a white paper in 2025.

3 To support its commitment to neighbourhood policing, the government expects to increase total police funding by an average of 1.7% per year in real terms over 2025-26 to 2028-29.¹ Policing received total funding of £19.9 billion in 2025-26. The Labour Party manifesto set out how the Neighbourhood Policing Guarantee would be paid for by tackling waste through a Police Efficiency and Collaboration Programme. The Home Office is still developing this Programme.

Focus of our report

4 We reported on the financial sustainability of police forces in 2018, concluding that the Home Office's 'light touch' approach to overseeing police forces meant it did not know if the police system was financially sustainable.² This report examines how the Home Office is supporting police forces to improve their productivity and long-term financial sustainability. It covers:

- the financial pressures facing policing (Part 1);
- the Home Office's approach to improving the financial sustainability of policing (Part 2); and
- what is needed to achieve lasting improvements in police productivity (Part 3).

¹ In the 2025 Spending Review, the government referred to 'core spending power' and explained that this refers to the projected total police settlement funding, including projected spend from additional income such as the estimated funding from the police council tax precept.

² Comptroller and Auditor General, *Financial sustainability of police forces in England and Wales 2018*, Session 2017-19, HC 1501, National Audit Office, September 2018, available at www.nao.org.uk/reports/financial-sustainability-of-police-forces-in-england-and-wales-2018/

5 Our report focuses on the role of the Home Office, as the responsible department, but we also consider the work of stakeholders such as the College of Policing and HM Inspectorate of Constabulary and Fire & Rescue Services. Responsibility for policing is devolved to the governments of Northern Ireland and Scotland. This report covers England and Wales.

Key findings

Financial pressures facing the police

6 Police forces are managing increasing financial pressures but, to-date, the Home Office has not fully understood the implications. In 2024-25, police forces responded to financial pressures by reducing their reserves by £276 million and borrowing £632 million to help fund capital programmes. These are short-term measures, which may affect their financial resilience in the future. To live within budgets, police forces have also run high levels of staff vacancies, used more officers in civilian roles and reprioritised the services they provide. Historically, the Home Office has relied on a system of local accountability and has lacked a national view of the impact of funding pressures, including on police services. It also distributes core funding for forces using the outdated police allocation formula, which was last revised in 2013 and does not consider the full range of demands facing police, the efficiency of forces or levels of financial reserves (paragraphs 1.3, 1.9 and 1.12 to 1.16).

7 The Home Office is strengthening its oversight of police forces but there are important gaps in its understanding. In 2018 we recommended that the Home Office make better use of data to monitor the financial resilience of police forces. It has focused previously on monitoring police workforce data but in 2025 sought to improve its understanding by re-assessing the financial resilience of forces. The Home Office is also adopting a more active role in overseeing police performance and driving improvements. It has created a Police Standards and Performance Improvement Directorate, is seeking to improve its data and is developing a performance dashboard to allow it to better understand variations across forces and support accountability. While these are positive steps, the Home Office is working from a low base and there are gaps in its data and understanding. It has not yet established consistent data on police costs and has limited understanding of why some forces are under greater financial stress (paragraphs 1.15, 1.17, 1.18, 2.10 and 3.3).

8 Fully funding the government's policing commitments while managing existing pressures will require police forces to make significant savings.

The demands on policing have increased in recent years, due to the changing nature of crime and police taking on additional responsibilities. Wider criminal justice reforms, such as the sentencing review and changes to probation, are predicted to further increase demand on the police. The Home Office and policing do not have a shared understanding of the resource implications of changing demands. As at September 2025, the Home Office had not yet allocated police funding for 2026-27 to 2028-29 but the projected average annual increase in total police funding of 1.7% is likely to be absorbed by pay increases and inflationary pressures. The Home Office is seeking to achieve efficiency savings through its Police Efficiency and Collaboration Programme to help fund the government's policing commitments, identifying potential savings of £354 million over 2025-26 to 2028-29. However, it has not yet agreed how it will support police forces to meet the Neighbourhood Policing Guarantee, or the funding implications of this. In October 2025, the Home Office was working to develop an affordable delivery model (paragraphs 1.8 to 1.11 and 3.24).

Improving the financial sustainability of policing

9 There is little evidence that the Home Office's previous efficiency initiatives have led to lasting improvements in working practices across all police forces.

The Home Office has required police forces to make efficiency savings by asking them to absorb reductions to their annual grant allocations. It funded transformation programmes and established BlueLight Commercial to help forces make savings. However, the Home Office does not fully understand what its programmes have achieved and has not systematically identified lessons. Its 2015 transformation programme cost £373 million, but by 2019-20 had only led to savings of £112 million. The Home Office reported it had achieved efficiency savings of £220 million over 2020-21 to 2024-25 but could only provide details to support £25 million in 2020-21 and did not know whether these have been sustained. BlueLight Commercial has consistently met its targets for achieving efficiency savings since 2020-21 through increasing the use of national frameworks and contracts. It reported that it had achieved £112 million of direct benefits up to 2024-25. While this has supported efficiency improvements, take-up is voluntary and procurement practices across police forces have not fundamentally changed (paragraphs 2.1 to 2.4 and 2.13).

10 The Home Office's planned efficiency savings programme for police forces will be challenging to achieve. The Home Office consulted extensively with police stakeholders – including BlueLight Commercial and the National Police Chiefs' Council – to assess the scope for efficiency savings. It is targeting potential savings of up to £354 million over 2025-26 to 2028-29 through its Police Efficiency and Collaboration Programme. As at September 2025, the Home Office had not yet decided how to meet this ambition. It had assessed over half of these savings as 'high' or 'medium' risk and had not established what funding is available to deliver the potential savings. The scope to achieve savings also varies across police forces – who are under no obligation to use national frameworks – and some of the potential savings may require new legislation. (paragraphs 2.7 to 2.9).

11 The Home Office has focused on achieving cashable savings but there is significant potential to improve police productivity. It is focusing on achieving cashable efficiency savings to help fund the government's policing commitments, while considering wider police reforms. There have been previous efforts to improve productivity, but these have not been sustained. For example, in 2023, the Policing Productivity Review made 26 recommendations to improve police productivity, identifying the potential to save 38 million hours of police time over five years. The previous government set out its approach to implementing the Review, with a focus on new technology, and the Home Office has supported its implementation. However, HM Treasury withdrew investment funding that was originally provided to help implement the Review and improve productivity from 2025-26, and there has been limited progress in achieving the potential benefits. In 2024-25, the Home Office allocated £105 million to support the rollout of new technologies across police forces to help transform working practices, but has reduced this to £50 million in 2025-26. There is also potential for significant productivity improvements from streamlining police processes and managing demand. The College of Policing plans to issue a diagnostic tool for police forces to self-diagnose and identify opportunities to increase productivity (paragraphs 2.13 to 2.15 and 3.20).

Improving police productivity

12 The Home Office has not yet established an approach to measuring police productivity. We reported in 2015 and 2018 that the Home Office had limited data and analysis of police productivity. It does not yet have an agreed definition of productivity, nor a standard methodology for measuring it. The Home Office is working with the Office for National Statistics to define the activities to be measured and identify the data needed. The College of Policing is also developing a productivity methodology focusing on crime response, public safety and crime prevention. It aims to allow forces to assess how productivity has changed over time, although it is not designed to support comparisons between forces. The data necessary to build an understanding of productivity are also fragmented and inconsistent. To help achieve improvements in productivity, the Home Office will need to develop reliable measures on the relative productivity of forces and identify the drivers of improved productivity (paragraphs 3.1 to 3.4).

13 The planned police reforms present an opportunity to address some of the structural barriers to improving police productivity. There are many examples of individual police forces adopting new approaches and using technology to improve performance, but, overall, the roll-out and adoption of new initiatives at a national level has been slow. The government's planned reforms, including the creation of a National Centre of Policing, have the potential to address some of the barriers to improving productivity. While implementing these reforms will take time, we have identified the main barriers to improving productivity (paragraphs 3.5 to 3.21).

- An insufficient understanding of how new working practices could benefit forces due to inconsistent evaluations of pilots and lack of evidence on benefits.
- Slow progress in adopting new approaches due to the absence of a framework for scaling innovation, short-term funding allocations and insufficient focus on embedding changes.
- The lack of standardisation across the 43 forces and absence of collective decision-making has discouraged the adoption of new technologies, led to duplication of working practices and weakened forces' negotiating position with suppliers.
- The government's focus on maintaining officer numbers means police forces have less flexibility in how they use resources and often do not have the capabilities needed to support transformation programmes and embed new technology. Police officers' terms of employment also restrict forces' flexibility and means they are more likely to reduce their civilian staff to make savings.
- Insufficient exploitation of digital and AI opportunities. The adoption of new digital technologies is critical to improving the productivity of policing. The Home Office has not yet determined the level of funding available from 2025-26. The complex governance and delivery arrangements can also lead to a lack of prioritisation and insufficient support for rolling out technology with the greatest potential.

14 The Home Office and other departments do not always have a shared understanding of the impact of wider policy decisions on police resources. While the government's collective decision-making process means that the implications of wider policy decisions on policing are considered, there is more limited analysis of the impact on police resources. For example, the 2025 Independent Sentencing Review acknowledges possible implications for policing but does not quantify the impact of additional demands. The Home Office has assessed the potential impact of the Neighbourhood Policing Guarantee on the criminal justice system but has recognised there is scope for more detailed assessments of the impact of policy changes on policing and other parts of government (paragraphs 3.24 to 3.25).

Conclusion on value for money

15 The pressures facing policing are growing and current approaches to managing these pressures risk damaging the services that police forces provide. Improving the productivity of the police is crucial to helping them manage financial pressures while supporting their ability to respond to changing demands. The Home Office's previous attempts to improve efficiency and productivity have not led to sustainable long-term change across the 43 police forces. A limited understanding of what works, lack of standardisation across forces and patchy adoption of digital technology have all hampered the pursuit of greater productivity.

16 We have previously identified the risks inherent in a 'light touch' approach to overseeing the policing system, and the Home Office is now adopting a stronger central role in overseeing the resilience and performance of the police. It is working to better understand the challenges facing police and is shortly to publish a white paper on police reform. While any structural changes may take time, there are steps the Home Office can take now to lead the policing system to address the barriers to productivity and support better value for money from police funding.

Recommendations

17 These recommendations are intended to support the Home Office in addressing the barriers to improving police productivity.

On improving the Home Office's oversight of the financial stress facing police forces:

- a** The Home Office should build on its recent analysis of police forces' financial resilience to improve its understanding of the scale and causes of financial stress and risks faced by forces. To achieve this, it should:
 - agree a standardised template with policing to collect consistent and timely financial and performance data, focusing on key risk indicators; and
 - repeat its financial resilience work and compare forces with similar characteristics to help identify the root causes of financial stress, including developing a view on variations in financial management capability across forces.

- b** The Home Office should work with the NPCC and other key policing partners to conduct horizon scanning to identify potential changes that might affect policing, including changes at the local government level. Where potential new demands are identified, it should ensure that the potential impact is quantified and based on reliable data.

On improving the financial sustainability of policing:

- c** In taking forward its plans for police reform, the Home Office should review its approach to funding forces. It should use this review to set out a trajectory for moving to a funding approach that takes account of forces' current operational context and their capacity to meet the full range of government priorities. It could consider, for example, the proportion of funding that commissioners receive from local taxation, levels of demand, the relative efficiency of forces and levels of financial resilience.
- d** To achieve more ambitious savings and embed new working practices to improve police productivity, the Home Office should develop and embed an evaluation strategy in the Police Efficiency and Collaboration Programme. It should establish a programme of portfolio, thematic and longer-term evaluations to identify areas with the greatest potential to harness opportunities to improve police efficiency and productivity, and identify the conditions needed to achieve lasting changes in working practices across the 43 police forces.

On improving police productivity:

- e** The Home Office should build on its work to better understand the factors influencing police performance and productivity, by:
 - establishing what aspects of police productivity are most relevant to the overall objectives it has set for policing;
 - bringing relevant data together to provide consistent, up-to-date data to better measure productivity within forces, including re-running the police activity survey; and
 - incorporating productivity measures into its framework for measuring police performance.

- f** The Home Office should support police forces to accelerate the benefits from adopting innovative practices and technology by:
 - working with the College of Policing and other stakeholders to:
 - strengthen its evaluation of potential new working practices and technologies to provide better information to police forces on the benefits, risks and practical steps needed to support adoption; and
 - roll out the new diagnostic tool in 2026-27 to all 43 police forces to test the potential to streamline police processes and make better use of data and analytics to manage demand.
 - working with police forces to conduct an audit of the skills required to enable faster implementation of new technologies and use of AI;
 - consolidating existing funding streams and reviewing mechanisms to support longer-term funding commitments; and
 - reviewing the feasibility of greater mandation to increase standardisation across police forces in order to create the conditions for more efficient procurement and adoption of new working practices.