



cutting through complexity

JUSTICE & SECURITY

Changing the equation

Improving police services
by reducing demand

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Foreword

Today's police forces are under incredible pressure. Many are facing the most significant budget cuts they have seen in decades and the drive for improved efficiency is stronger than ever before. At the same time, public expectations of police services have changed; shifting demographics and crime patterns, increased public participation and calls for transparency are all creating new demands on police resources.



KPMG member firms experience suggests that many police forces are already running very efficient operations and most have exhausted what they can achieve through traditional cost-savings initiatives such as headcount reductions and expense-account freezes.

It is increasingly recognized by various stakeholders in the industry that, without more innovative solutions, further cost reductions will have a severe impact on performance. As George Hamilton, Northern Ireland's Chief Constable, observed in October 2014, "With cuts of this magnitude, it is no longer possible to deliver the same level or quantity of policing service across all these demands."¹

In response, a growing number of jurisdictions are starting to look at the 'other' side of the equation: demand. By undertaking initiatives aimed at reducing, managing or preventing demand, police forces around the world are demonstrating that significant benefits can be achieved: reduced costs, improved efficiency, greater flexibility, enhanced transparency and, above all, greater public safety, to name but a few.

In this paper, we have drawn from the experience and insights of KPMG's global network of Justice & Security professionals to explore some of the more promising and visionary strategies of demand management underway in various countries.

I hope that this report adds to the body of knowledge on demand reduction and helps to inspire police forces and government leaders around the world to rethink the service-delivery equation by focusing on demand.

To discuss these ideas – or to share your own experience – I encourage you to contact your local KPMG member firm or any of the contacts listed at the back of this report.



Paul Dijcks
Global Head, Justice & Security

¹ <http://www.bbc.com/news/uk-northern-ireland-29460650>

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The forces of change

Change is inevitable. Yet the pace of change over the past 15 years has been unprecedented. Economic growth and stagnation, shifting demographics and social norms, the wide-spread adoption of social media and mobile technology, political instability and the threat of terrorism have all radically altered the way society operates.



“Today’s police services are facing some very acute pressure to modernize and become more customer-centric while, at the same time, demonstrating greater value for money and greater commitment to efficiency and effectiveness, all within a context of heightened public scrutiny.”

Ian McPherson
KPMG in the US

Police forces around the world are certainly not immune to change. As Ian McPherson with KPMG in the US notes, “Today’s police services are facing some very acute pressure to modernize and become more customer-centric while, at the same time, demonstrating greater value for money and greater commitment to efficiency and effectiveness, all within a context of heightened public scrutiny.”

The experience of KPMG member firms suggests that – while local needs, political situations and resources will differ across markets – there are two important types of pressures police forces around the world now face:

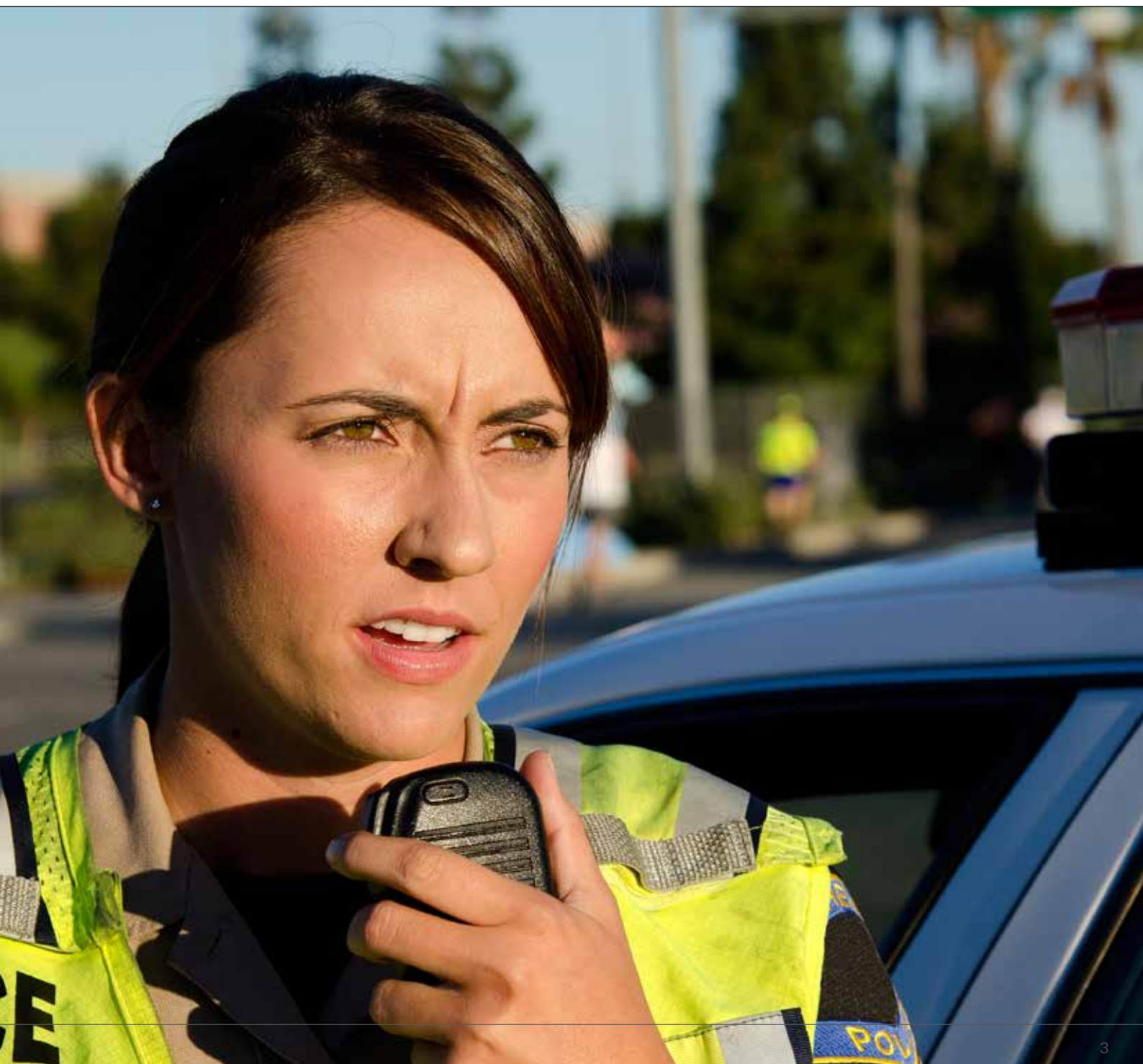
- **Budgetary pressures:** Having already faced budget cuts over the past few years, many police forces are still being asked to reduce costs.


As George Hamilton in Northern Ireland explained in October 2014, “Having already removed GBP47 million from our budget this year, we are now being asked for a further GBP51.4 million over the next six months. To give you some perspective of the scale of these cuts, the total annual budget for our biggest of eight policing districts is GBP45 million.”² Similar cuts are being asked of police forces in Australia, Canada, the wider UK and parts of the US.

In response to these financial pressures, some jurisdictions (as was the case in the Netherlands) have chosen to merge their forces and their back office processes in order to unlock more system-wide process improvements and gain cost and operational efficiency improvements³.

² <http://www.bbc.com/news/uk-northern-ireland-29460650>

³ Dutch Police: Building a case for a shared service center for the Dutch Police, June 2013, KPMG International <http://www.kpmg.com/Global/en/industry/government-public-sector/justice-security/case-studies/Pages/dutch-police.aspx>





“The nature of crime has shifted from traditional crime on the street to more digital types of crime. This requires different types of skills from police officers.”

Paul Dijcks

Global Head of Justice & Security

Many have also successfully adopted ‘Control Center’ approaches over the past decade as a way to modernize and improve efficiency of services. “In India, various levels of governments are now setting up huge command centers at both the city and the state level to improve and modernize their monitoring and control of emergent situations,” noted Navin Agrawal with KPMG in India.

However, an increasing number of police organizations are finding that they have nearly exhausted their ability to drive further cost improvements through traditional approaches without negatively impacting service levels and public safety. “By and large, most police forces have already plucked the low-hanging fruit they could reach through internally-focused cost-reduction methods such as process efficiency and headcount reductions,” noted Andy Lea with KPMG in the UK. “Many of the forces we work with are running rather efficient operations already and will need to become more innovative in their approach for further cost reductions.”

- **Shifting demands:** The demographics of our societies are evolving dramatically, and the demand on police services is changing simultaneously.

Rapid urbanization in the developing world, for example, has often created social upheaval in urban areas. The increasing global threat of terrorism, requires a lot of time and capacity of the police and other security forces. This leads to increased demand for police services, not only for enforcement, but also to manage protests and demonstrations. The recent two-day Nuclear Security Summit in 2014 in The Hague in the Netherlands, for example, required an estimated 13,000 police officers per

day to ensure the safety of 58 world leaders.⁴

At the same time, many police organizations have experienced a shift in the type of expectations they are facing. “On top of their enforcement duties, today’s police forces are increasingly expected to play the role of ‘problem solvers’, fulfilling a wider social cohesion purpose and delivering a broader suite of services to the public,” noted Andy Lea with KPMG in the UK.

Crime patterns – and public sensitivity to certain crimes – are also shifting

⁴ <http://www.politie.nl/nieuws/2014/januari/27/00-mobiliteit-en-veiligheid-tijdens-nss.html>

and a greater emphasis is being placed on protecting those that are most vulnerable. The move towards community-based care for mental health issues in some countries, for example, has led to a significant increase in demand for police services in those jurisdictions over the past few years.

Changing expectations not only influence the types of services police forces offer, but also their modus operandi. As Paul Dijcks, Global Head of Justice & Security practice noted, "The nature of crime has shifted from traditional crime on the street


to more digital types of crime. This requires different types of skills from police officers." The Dutch police have recently formed a special police unit which only focus on digital crime, he pointed out.

The increased use of social media has also acted as a catalyst to intensify public scrutiny of police and their activities. "Quite rightly, the public has become more questioning about police services, and their expectations of service standards and transparency are very high," said Ian McPherson with KPMG in the US.



Changing the equation

Against the backdrop of these ‘forces of change’, a growing number of leading police forces are now starting to adopt new, innovative approaches. As the Victoria Police (Australia), Blue Paper argues: “It is clear that Victoria Police needs to change the way it operates – substantially, and in some cases, radically.”



“With more budget cuts coming and little room left to maneuver, the only real way for police organizations to change the equation is by looking at demand and taking action to prevent or shift demand in the first instance.”

Andy Lea
KPMG in the UK

In many countries, the time for transformational change has arrived. “Continuing to administer substantial cost reductions ... is likely to place the viability of some forces in jeopardy within the next three to five years,” states a recent report by Her Majesty’s Inspectorate of Constabulary (HMIC) in the UK. “Now is the time for a considered and open debate about how policing is best funded and organized in the future.”

With this in mind, a number of police authorities are now testing new strategies and solutions that focus on the root causes of demand and leverage new approaches in order to reduce it. “With more budget cuts coming and little room left to maneuver, the only real way for police organizations to change the equation is by looking at demand and taking action to prevent or shift demand in the first instance,” argues Andy Lea with KPMG in the UK.

From these emerging strategies, KPMG professionals have identified five approaches that are aimed at better managing and reducing the demand for police services. We recognize that the setting in which police forces operate can differ significantly due to specific local conditions which, in turn, can have a huge impact on the effectiveness of an approach.

As such, this paper aims to provide practical advice and actionable insights aimed at helping police forces to influence those conditions that can determine whether or not an approach will be successful. Some, such as functioning government institutions, rule of law and the absence of armed conflict, for example, are clearly outside of the domain of influence of police forces and are therefore not examined in this paper.



Other enablers however, are firmly within the reach of police organizations and can help to proactively create the right environment for demand reduction approaches to succeed. We believe that

the following approaches present useful insights for police organizations seeking to change the equation of service delivery.

Understand the nature of demand and focus on core services

Many police forces around the world have – over the years – assumed a number of responsibilities that are ‘non-core’ to the police portfolio. “In India, police are tied up not only providing services like VIP security, but also in more process-oriented tasks such as verifying passport credentials for the Ministry of External Affairs,” explained Navin Agrawal with KPMG in India. Clearly, reducing demand on policing services can be achieved, in part, by seeking to ensure that resources are better aligned to essential tasks.

Other non-core tasks are also being closely scrutinized. In Germany, for example, police organizations have been looking at everything from the procurement of uniforms through to the integration of back office systems

as potential opportunities to exit or consolidate non-core tasks. “At this point, police forces should be focused on ensuring that all of their resources are dedicated to achieving the key fundamental responsibility of police: to uphold the law and protect the public safety,” suggested Frank Thomé with KPMG in Germany. “Police organizations should be examining any resources that are not helping achieve that goal in some way.” In the Netherlands, for example, the handling of accidents on the highway has recently transferred from the police to the Department of Public Works. In recent debates of the Dutch parliament, close attention was paid to the issue of core and non-core tasks of the Dutch police.

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Frank Thomé
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“Many municipalities in India now use intelligent traffic management solutions which have allowed forces to reduce resources dedicated to traffic and re-task them towards other critical tasks.”

Navin Agrawal
KPMG in India

Set priorities

A new approach is needed to the process of determining priorities. As Andy Lea with KPMG in the UK pointed out, “Police forces first need to understand the nature of their demand and how they allocate resources to meet that demand. They can then make informed decisions about what is a core service or reprioritize their resources to tackle the biggest drivers of demand.”

Neil Greenfield with KPMG Australia noted that a number of police forces are now creating ‘service catalogues’ to help them understand and prioritize the tasks they perform. “The question then becomes whether they are providing the right level of service in the right way and with the right efficiency to succeed in that task, or whether there is someone else better placed for the job,” added Greenfield. Whether through developing a formal ‘service catalogue’ or simply as a review exercise, police leaders must start by understanding the nature of the demands they face.

Utilize available technologies



Smart use of technologies can help police forces focus on their core tasks. The reality is that some aspects of the models of policing we use today do not always meet the needs of a 21st century community. This reinforces the view that police forces need to make better use of today’s technological innovations. In the Netherlands, for example, the Dutch judiciary has undertaken a modernization program (KEI) which places a high focus on the digitalization of communications and processes within the justice chain.⁵

In India, technological advancements provided a solution for the inefficient passport-verification processes. As Navin Agrawal noted “technology is helping improve the situation; for example, the Ministry of External Affairs recently took the passport verification process online which has largely freed up these resources to focus on other more essential duties.”

Another example from India shows that – with great advances being made in both consumer and security-related technology over the past decade – a growing number of forces are making use of new innovations to improve not only service efficiency but also effectiveness. “Many municipalities in India now use intelligent traffic management solutions which have allowed forces to reduce resources dedicated to traffic and re-task them towards other critical tasks,” pointed out Navin Agrawal.

In addition, jurisdictions are starting to consider how they might leverage consumer technology such as mobile phones, tablets and even wearable video cameras to improve the effectiveness of their front-line police officers. “There is certainly an aspiration to enable front-line officers with the appropriate mix of technologies to allow them to access the information they need – when they need it – to make better decisions,” noted Neil Greenfield with KPMG Australia. The Victoria Police plan suggests that this type of technology enablement could allow officers to increase their time spent in the community from 54 percent to around 80 percent.

⁵ <http://www.rijksoverheid.nl/onderwerpen/rechtspraak-en-geschiedenis/vernieuwing-in-de-rechtspraak/programma-kwaliteit-en-innovatie-rechtspraak-kei>



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Developing preventative programs such as “predictive policing” for those communities disproportionately impacted upon by crime and anti-social behavior can provide a huge return on investment when targeting with overall demand and increases in levels of confidence.

Ian McPherson
KPMG in the US



Reinvigorate preventative measures

“Sadly, the majority of crime is committed by a disproportionately small number of people and certain locations suffer disproportionately higher crime rates than others,” said Ian McPherson with KPMG in the US. “Developing preventative programs such as “predictive policing” for those communities disproportionately impacted upon by crime and anti-social behavior can provide a huge return on investment when targeting with overall demand and increases in levels of confidence.”

In the UK, for example, the government has set up the Troubled Families program which aims to identify, assess and

then ‘turn around’ some 120,000 UK families who fall within the ‘troubled families’ criteria (which includes having family members involved in crime and antisocial behavior). Funding for the program is results-based and intended to “encourage local authorities and their partners to grasp the nettle; to develop new ways of working with families, which focus on lasting change.”⁶

Harness data and analytics

Analyzing data and records will help identify communities or individuals that create the most demand for police services. Predictive analytics can also be used to identify those most at risk

⁶The Troubled Families programme, UK Government, 2011

of becoming victims which enables police to proactively work with them to improve security or take preventive measures⁷. After identifying these bottlenecks, targeted programs can be developed (taking into account all relevant data privacy requirements).

In India, for example, the National Crimes Record Bureau has started to

leverage Data & Analytics approaches to review crime records and provide local law enforcement with predictive data on where and when crimes are more likely to occur. "These types of early-intervention tools and approaches are being adopted now and there are certainly plans to start using Data & Analytics across all of India's 36 states," added Navin Agrawal with KPMG in India.

Improve cross-agency activity

Increasingly, police organizations are recognizing that traditional approaches to policing may not always solve the root problem of individual crimes. Other factors, such as domestic violence, relationship breakdown, mental or physical health problems and isolation often influence the potential for crime and drive demand.⁸

In response, many police organizations are starting to advocate for greater collaboration between agencies, departments and non-governmental actors in order to start tackling the root causes of crime. An integrated approach between the police and other government and non-government agencies is essential to preventing these problems as much as possible, and to respond to them in a way that meets all the needs of an individual. Many documents from different governmental organizations around the globe are focusing more and more on these kind of approaches as well.


In New Zealand, police have achieved significant success in driving down demand by working with government and community partners to focus on not only the direct drivers of crime – drug and alcohol abuse for example – but also the social factors such as poor access to education or inadequate healthcare.⁹ KPMG member firm experience suggests that significant improvements can be uncovered by

sharing experiences, insights and challenges with peers to identify new approaches or leading practices that could be adapted locally.

Integrate (IT) systems

"The challenge is that most police forces are operating very old systems that are often fragmented and lead to data silos which makes technology enablement much more complex and – potentially – costly," noted Neil Greenfield with KPMG Australia. Integrating disparate systems and data across multiple forces and agencies will greatly facilitate efforts to improve cooperation and information-sharing, a significant driver behind the recent merger of the Dutch Police, noted Paul Dijcks, Global Head of KPMG's Justice & Security practice.

India boasts one of the largest initiatives of this type, led by the Ministry of Home Affairs. The project, known as the Crime and Criminal Tracking Network System (CCTNS), endeavors to facilitate the collection, storage, retrieval, analysis, transfer and sharing of data and information at the station, regional, state and national level¹⁰. By the end of 2014, more than 58 percent of all stations involved in the project had digitized their data and more than three-quarters had completed system commissioning.



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Neil Greenfield
KPMG Australia

⁷ <https://www.gov.uk/government/news/home-secretary-vulnerable-people-need-better-support-and-care>

⁸ *The Troubled Families programme, UK Government, 2011*

⁹ NEIL GREENFIELD IN AUSTRALIA

¹⁰ <http://ncrb.gov.in/cctns.htm>



Build relationships of trust

Sharing objectives, goals and information requires police forces, governmental and non-governmental actors to collaborate in new ways and to build new relationships and partnerships to achieve common goals. Essential to the effectiveness of such networks is the establishment of mutually trusting relationships. "One of the greatest issues in sharing data comes down to trust. You can actually achieve quite significant improvements by sharing very little data but first you need to overcome that trust and collaboration issue. It's often a much bigger barrier than technology or data integration," added Andy Lea with KPMG in the UK.

Align objectives

To ensure that everyone is 'pulling in the same direction', police and

government leaders will need to adjust departmental performance indicators to enable alignment not only with new goals such as demand reduction, but also with other departments and agencies. "One department may have a performance indicator that is about detection while another is working towards performance metrics related to diversion and those do not easily meld together," said Ian McPherson with KPMG in the US.

As Paul Dijcks, Global Head of KPMG's Justice & Security practice pointed out, there is sometimes tension around focus areas between local government and national government in the Netherlands. "In some cases, the mayor may want to focus on burglaries while the national government would prefer to prioritize terrorism and internet crime," noted Paul Dijcks.



“One of the issues police typically face is a lack of engagement at beat meetings. But more recently, sentiment analysis technology has emerged to help police understand a community’s concerns. Some forces are also exploring crowdsourcing platforms as a way to engage the public in service redesign.”

Involve the community

“In an ‘always-on’ 24-hour society, citizens no longer see themselves simply as passive recipients of information but rather want to be actively engaged in their community,” argued Frank Thomé with KPMG in Germany. “When the Autobahn is closed for hours because of a State Visit, police stations get bombarded with calls and complaints that could have otherwise been diverted through close communication with the community.”

Once again, technology is helping reduce and manage demand by providing new channels through which police forces can interact and serve citizens. From creating ‘self-service’ portals where citizens can set up appointments or home-visits

with police, through to proactively communicating with citizens through social media, police forces around the world are actively adopting new communications channels.

Use social media

Examples of police brutality displayed and distributed via social media channels are well-known to everyone in the sector. However, social media can also be a very useful instrument for police forces to involve the community. “One of the issues police typically face is a lack of engagement at beat meetings. But more recently, sentiment analysis technology has emerged to help police understand a community’s concerns. Some forces are also

Andy Lea
KPMG in the UK

exploring crowdsourcing platforms as a way to engage the public in service redesign,” noted Andy Lea with KPMG in the UK.

In the UK, for example, businesses can now use ‘Facewatch’ – a privately developed app – to submit digital evidence (such as security footage) to police as part of their crime report. The app also aims to help prevent crime by allowing businesses to share risk information with other businesses in their local community.¹¹ In India, the Mumbai Police (in partnership with KPMG) developed and launched

a consumer app that can send SOS messages with GPS positioning to police in case of an emergency and provides helpful tips on crime prevention and personal protection¹².

Another example is eCall, an EU initiative aimed at providing rapid assistance to motorists involved in a collision anywhere in the EU. An eCall-equipped car can automatically call the nearest emergency center.¹³ This shows how smart use of technology could broaden the reach of emergency centers.

Collaborate with political stakeholders and decision-makers

A sustainable approach to drive down demand and improve efficiency is through participation in the wider civic and policy decision-making process. This not only allows the police organization to proactively align their services and resources to the shifting needs of the population, it also opens the door for police leadership to influence those policy-decisions that have a direct impact on the work of the police.

“The challenge comes when police and policy making are not in alignment, as is sometimes the case in jurisdictions where police oversight is managed by elected officials,” Frank Thomé continues. “We frequently see elected officials make policy decisions – such as the decriminalization of certain drugs – that have a direct impact on how police conduct their day-to-day duties and can either drive up or drive down demand considerably.” Clearly, closer cooperation and coordination between

the two realms will deliver significant benefits.

Understand power structures

“The Mayors of some cities like London and – to a large extent – New York enjoy immense power to oversee and drive major change programs, whereas those jurisdictions with more fragmented governance models have often struggled to come to a consensus on the future direction of police services,” noted Andy Lea with KPMG in the UK. Knowledge about lines of leadership, decision-making processes and governance are critical to generating support and engendering real change in the public service. Police forces should engage in policy debates and discussions with government authorities and the public with the aim of ensuring close cooperation with the most critical stakeholders.

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¹¹ <https://www.facewatch.co.uk/cms/>

¹² <http://www.kpmg.com/in/en/pages/mobile-apps.aspx>

¹³ <http://ec.europa.eu/digital-agenda/en/ecall-time-saved-lives-saved>



Managing the transition

As this paper illustrates, today's police forces can leverage a number of different strategies to help reduce demand. Some – such as reprioritizing resources towards core services and focusing more attention onto preventative measures involve a high level of internal change within police organizations. Others, such as creating stronger and more collaborative relationships with other stakeholders are much more externally focused. However, all require police forces to re-assess the services they offer, the actors they collaborate with and their position in contemporary society.

Developing and implementing a (massive) change program in today's cost and resource-constrained police services environment is not easy. Even in cases where improvements can be achieved for relatively low cost, it may take some time to gather support and create consensus on the need for a shift towards demand reduction and management. Here are some key notes for management to consider during this transition:

Focus on internal culture

With past budget cuts and concerns about future job security already affecting police moral in many

jurisdictions¹⁴, it is critical that police leaders focus on creating a culture that is receptive to change within their organizations and partners. "Even more than with other organizations, internal culture is often an integral element of the functioning of police forces and one that is often combined with a strong sense of historical pride. Given that the success of organizational change initiatives in the police sector almost always depends on the degree to which these changes are accepted by employees, the cultural aspect of change initiatives in the police sector often requires even more attention than elsewhere," noted Ian McPherson with KPMG in the US.

¹⁴ <http://www.walesonline.co.uk/news/wales-news/rising-demand-increasing-cutbacks-leave-7629017>



Generate political support

Policy and regulation can either create the right climate for change, or it can hamper it. In Germany, for example, stringent data privacy regulation creates significant barriers to information-sharing, an essential component of the network approach. “Data privacy and security are of paramount importance to Germans but – in practice – it means that German police is not able to easily share data across jurisdictions or even tap into external sources of data such as private security cameras,” noted Frank Thomé with KPMG in Germany.

“All too often, we’ve seen valuable initiatives and programs stall or fail because political support shifted or new parties were elected into office,” argued Neil Greenfield with KPMG Australia. “These types of change programs can span multiple political cycles and therefore require a high level of political certainty to succeed.” Police forces and politicians must work hand in hand to create broad consensus on

the need for change and then commit to sustaining the program.

Create incentives for investments

While every police force likely wants to develop and deploy new programs and technologies to influence demand, the problem is that such programs almost always require money and resources at first; scarce items for many of today’s police forces. As a result, some jurisdictions are structuring compelling incentive programs to help encourage investments. The Trouble Families program in the UK, for example, is structured as a results-based scheme that covers up to 40 percent of the cost of any extra interventions created by local authorities under the program.¹⁵ Police forces should also try to create stronger awareness about the financial and economic benefits of demand reduction which, in turn, requires closer ties with budget holders and politicians.

“Data privacy and security are of paramount importance to Germans but – in practice – it means that German police are not able to easily share data across jurisdictions or even tap into external sources of data such as private security cameras.”

Frank Thomé
KPMG in Germany

¹⁵ Troubled Families programme, UK Government, 2011



CHANGING THE EQUATION



A final note

Clearly, many police forces today will need to take a new approach if they hope to meet the growing pressures they now face from budgetary constraints and shifting demand.

As this report illustrates, many forces are now starting to ‘change the equation’ by developing and implementing innovative programs aimed at better managing, reducing – and in some cases eliminating – demand for police services.

The emerging strategies, approaches and insights provided in this report reflect the experience of dozens of police forces around the world. Yet it is important to recognize the unique environments that each police force operates within and so, rather than trying to provide a ‘one-size-fits-all’

blueprint for demand reduction, this paper focuses instead on identifying the enablers that are likely to be required to successfully influence demand for police services.

We hope that – by combining practical advice based on first-hand experience with keen insights from KPMG’s global network of Justice & Security professionals – this paper adds to the body of knowledge on demand reduction and helps police forces and policy makers rethink the service-delivery equation by focusing on demand.

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