

# Cost Effectiveness Diagnostic

## Supporting the police service to deliver cash savings

### Overview

The NPIA Cost Effectiveness Diagnostic allows forces to draw on the collective experience of the police service and the NPIA to rapidly develop cash-releasing savings opportunities.

By undertaking analysis of the force's people, systems, processes and structures, the Diagnostic identifies those functions most likely to yield significant cash savings. A set of predefined savings strands are then reviewed to identify and calculate savings opportunities. The strands are grounded in work undertaken within NPIA and across the service, including:

- workforce planning
- process improvement
- collaboration
- information and communication technologies
- procurement.

This approach allows a force to assess 80%+ of its cost base. It can be used to identify potential future savings activities or to validate existing savings plans and approaches. Combined with the application of a change readiness questionnaire, the Diagnostic produces two outputs for the force to consider:

- A table of sustainable **savings opportunities**, including projected financial benefits, cost of implementation and an assessment of impact to resilience.
- A **change readiness assessment**, an assessment of the barriers to change and what can be done to remove or minimise them. NPIA implementation support will be offered where relevant. The assessment is available in workbook form from the Cost Effectiveness POLKA community - <https://polka.pnn.police.uk> - or by emailing the team (see overleaf).

### What will be achieved?

The Diagnostic is service-owned and led, and is delivered jointly by the NPIA and the commissioning force. It allows forces to prioritise and commission future savings work. This approach is designed to increase preparedness within the police service to deliver sustainable cash savings.

Work undertaken through the Diagnostic should support learning across the service. Accordingly, forces that have implemented opportunities will be encouraged to share their experience to assist other forces engaged in savings exercises.

## What does the Diagnostic offer?

- The Diagnostic provides an intelligence-led approach to prioritising and commissioning savings initiatives.
- It can typically be applied within six to eight weeks, depending on the size of the force and the scope of the work.
- It allows forces to review 80%+ of their cost base in a short period of time to identify savings opportunities.
- Other than providing staff to the analysis team, there is no cost to forces.
- The Diagnostic supports a sustainable approach to delivering savings.

## What are the benefits to policing?

The Diagnostic supports forces in taking a sustainable, evidence-based approach to delivering cash savings by:

- identifying cash-releasing savings opportunities
- undertaking analysis of risk, resilience and capability
- validating existing savings programmes
- providing access to NPIA subject matter experts
- facilitating knowledge sharing between forces
- identifying and promoting good practice.

## Partnership

The NPIA is working to ensure that the diagnostic is aligned with priority areas for action identified by HMIC:

- **Cost Control** – The Diagnostic outlines savings opportunities across the force's spend profile. 'Quick-win' cash reducing measures are identified to support sustainable, long term options.

- **Staff Availability** – The Diagnostic looks at workforce planning across the force, providing tools to improve cost effectiveness and increase visibility.
- **Preparedness** – The Diagnostic provides forces with a more complete understanding of risk and resilience in the context of cost reduction.
- **System Architecture** – The Diagnostic promotes a 'continuous challenge' approach, providing tools for process improvement.

## How will you measure success?

The NPIA Cost Effectiveness Programme supports the police service in delivering more than £1bn of savings by March 2015. The Diagnostic contributes to this target by driving a sustainable approach and providing a route for forces to access NPIA support.

## Where do I get more information?

Forces that wish to apply the Diagnostic should contact the NPIA's Cost Effectiveness Team to commission an initial proposal and agree terms of reference.

To find out more, please email:  
**[cost.effectiveness@npia.pnn.police.uk](mailto:cost.effectiveness@npia.pnn.police.uk)**