Agenda Item No.

14

JOINT INDEPENDENT AUDIT COMMITTEE
16 APRIL 2019

SUBJECT	**VALUE FOR MONEY & EFFICIENCY PLAN**
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SUMMARY AND PURPOSE OF REPORT The report describes arrangements to secure and improve value for money.	
RECOMMENDATION	***That the Committee reviews arrangements to secure value for money and their effectiveness.***

A. SUPPORTING INFORMATION

1. One of the Committee's duties is to

   "consider the arrangements to secure value for money and review assurances and assessments on the effectiveness of these arrangements."

2. A joint value for money plan is approved annually which provides an overview of value for money arrangements. The draft Value for Money & Efficiency Plan 2019/20 is attached at Appendix A.

3. Management oversight of value for money is one of the responsibilities of the Distinctively Lincolnshire Board chaired by the Chief Constable. The Change Board will also have benefits realisation within its remit.

4. External assurance is provided by:

   - The external auditor who provides an annual conclusion on whether there are "proper arrangements to secure economy, efficiency and effectiveness in the use of resources"

   - HMICFRS which assesses value for money as part of the annual PEEL inspections. HMICFRS uses four categories for making judgements – outstanding / good / requires improvement / inadequate. The latest assessment published in November 2017 concluded that Lincolnshire Police is judged to 'require improvement' in the efficiency with which it keeps people safe and reduces crime. Specific reference was made in that report that "HMRCFRS overall judgment this year is not consistent with last year's assessment where we judged the force to be 'good' for efficiency overall. The force's understanding of demand is judged to require improvement; it is judged to be good for its use of resources to manage demand; and its planning for future demand is judged to require improvement."

B. FINANCIAL CONSIDERATIONS

There are no direct financial implications of the report.

C. LEGAL AND HUMAN RIGHTS CONSIDERATIONS

Police bodies, commissioners, chief constables and chief finance officers all have statutory responsibilities in relation to securing value for money. Current arrangement help ensure that these responsibilities are discharged effectively.

D. PERSONNEL, EQUAL OPPORTUNITIES AND DIVERSITY ISSUES

(including any impact or issues relating to Children and Young People)

None.

E. REVIEW ARRANGEMENTS

A value for money plan is approved annually and delivery of the plan is monitored through the Distinctively Lincolnshire Board and Resource Governance meetings.

F. RISK MANAGEMENT

"Failure to achieve and demonstrate efficiencies, value for money and optimum workforce productivity" is recognised as a significant risk in the PCC Risk Register with a current risk score of 16.

G. PUBLIC ACCESS TO INFORMATION

Information in this report along with any supporting material is subject to the Freedom of Information Act 2000 and other legislation.

Appendix A

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Value for Money & Efficiency Plan 2019/20

Police and Crime Commissioner for Lincolnshire

Chief Constable, Lincolnshire Police

1. Background

1.1 The Police and Crime Commissioner and the Chief Constable both have a statutory duty to make the best use of the resources available to them. The majority of the income for police and crime services comes from local and national taxpayers. The PCC and Chief Constable need to be able to demonstrate to the residents of Lincolnshire and to central government that the funding received is being used to the best possible effect.

1.2 Central government grants provide roughly half the service's income and the grant which Lincolnshire receives is well below the national average. This was acknowledged in the Home Office Core Grant Distribution Review, which considered potential changes to the police funding formula. The funding formula is being considered as part of the next Spending Review, with work to be completed by autumn 2019, consultation in 2020 for full implementation in 2021/22. This means that Lincolnshire Police will continue to face the challenge of delivering services with a lower level of funding than comparable forces receive for the next two financial years.

1.3 Based on the provisional settlement, Lincolnshire Police ranks lowest for total resource funding of all forces in England and Wales in 2019/20. This has required the force to be both innovative and collaborative in its approach to providing policing services. The force has increased cost effectiveness by outsourcing a considerable part of its back office functions to the private sector, and working collaboratively within the East Midlands forces to provide specialist capabilities. The force has reviewed its policing model to ensure it can deliver core policing services within the funding envelope but responding to increasing demand and new emerging areas of threat and crime whilst continuing to provide neighbourhood policing and maintaining visibility, will become increasingly difficult.

1.4 Lincolnshire Police, like most other public bodies, has had to make substantial savings over the first austerity period. The reduction in funding, which exceeds 20% since 2011, presents a continuing challenge in that significant savings have already been achieved to balance the budget through outsourcing and collaboration. This reduces the options available to the force for finding further savings without considering reductions to the workforce and hence impacting adversely on frontline policing services.

1.5 Despite this, the force performs well against other forces in its most similar group and other forces in England and Wales in relation to outcomes in all areas of crime, relative to its size both nationally and within the most similar group. This demonstrates the effectiveness of the force's collaborative arrangements and previous efficiency measures.

1.6 HMICFRS have provided a detailed set of VFM profiles based on the Police Objective Analysis. Lincolnshire spends the fourth lowest amount per head of population across all 43 Forces; this means that in the majority of indicators, Lincolnshire is in the lowest quartile of spend.

1.7 The provisional police grant announcement and House of Commons written statement on the Police Provisional Funding Announcement were laid in Parliament on 13th December 2018. The Provisional Grant settlement for 2019/20 included an increase of 2.1% to the core police grant plus precept flexibility up to £24 per

annum for a Band D property. For Lincolnshire, this equates to approximately an 11.0% increase in precept.

1.8 The Police Grant Report (England & Wales) 2019/20 was laid before the House of Commons on 24 January 2019. The allocations are the same as set in the Provisional Police Grant Report of 13th December 2018.

1.9 Despite the flexibility to raise additional council tax income, the budget for 2019/20 has been set against considerable cost pressures, representing a £6.2m increase in costs from 2018/19, offset by £1.8m of identified cost savings. The additional income reduces the budget gap in 2019/20 but rising demand and new cost pressures will increase the budget deficit in 2020/21 unless the grant funding level is uplifted on a permanent basis. The structural deficit arising from the underfunded position of Lincolnshire Police remains and given that only £1M is available from reserves towards closing the budget gap in 2019/20, then substantial cost reductions are required to balance the budget. Despite the savings already identified, a further £3.2M of cost reductions are required in 2019/20, rising to £6.7M in 2020/21.

1.10 The budget for Lincolnshire Police will therefore have to be managed rigorously in 2019/20, given that the funding formula review will not be implemented until 2021/22. Lincolnshire Police have taken the prudent approach of assuming no additional income from the funding formula review and is formulating its plans accordingly.

2. Current Performance

2.1 A summary of Lincolnshire's performance compared with its Most Similar Group (MSG) forces is shown in the table below. This is taken from the HMICFRS value for money profiles.

PERFORMANCE OR COST INDICATOR	LINCS	MSG	LINCS DIFFERENCE
Police Officers per 1,000 population - Est. 2018/19	1.44	1.78	(0.34)
PCSOs per 1,000 population - Est. 2018/19	0.16	0.18	(0.02)
Expenditure per head of population / per day - Est. 2018/19	43p	52p	(9p)
Recorded Crime per 1,000 population - 2017/18	54.18	59.13	(4.95)
Crimes per visible officer - 2017/18	70.39	56.06	14.33
Charged/Summonsed per visible officer - 2017/18	9.82	7.49	2.33
Victim Overall User Satisfaction % (12 month average as at December 2018)	79.43%		

3. Financial Strategy

3.1 The Commissioner's Financial Strategy requires Value for Money to be a key consideration in decision making. This includes:

- Having robust business plans linking policing plans with the resources available.

- Applying a rigorous business case process for all major projects involving new revenue or capital spending. All business cases must include the Chief Finance Officer's approval of financial implications and compliance, and

assessment of risk and value for money. Benefits realisation and improved service efficiency will need to be clearly demonstrated for all new investment.

- Adopting a priority based approach to budgeting and reviewing all areas of resource allocation periodically through a planned programme of value for money reviews.

3.2 Services will continue to be delivered in partnership with other bodies where this can demonstrate better value for money including improved service efficiency and/or lower costs. This may include:

- Working collaboratively with partners, particularly other police forces in the region
- commissioning services from other bodies
- contracting out services to private sector providers

4. Priorities for 2019/20

4.1 The main emphasis of work in 2019/20 will be on:

- **Delivering planned savings for 2019/20.**
  Planned cumulative savings of over £26 million have been delivered successfully over the last six years. There are limited opportunities for the achievement of further savings without adverse impact on service delivery. The budget for 2019/20 identified £1.8m of savings from the outset but a further £3.2m were required. The savings plan to deliver the full amount will require close monitoring and management through the year.

- Securing the transformational improvement being delivered through the **strategic partner arrangement** with G4S who provide the majority of back office, control room and some criminal justice services. A key part of the partnership agreement is that, in addition to providing financial savings, G4S will improve services significantly by transforming the way they are delivered. The savings plan includes target savings of £1m from the contract value and a key priority will be to work with G4S to secure the savings whilst protecting service delivery.

- Developing and implementing the projects and work streams under the change programme. The force has published its strategic plan "**Distinctively Lincolnshire**" and the Change Board oversees the programme of change required to deliver the additional capabilities outlined within the strategic plan.

- Ensuring that the expected benefits are realised in practice and that cash savings targets are delivered will also be a key feature of the programme.

5. Value for Money & Efficiency focus 2019/20

5.1 The **Mobile Data** project has provided mobile devices to frontline officers in order to replace existing paper processes and create time and financial savings through a reduction in back office functions. The project went live in January 2016 and has issued devices to approximately six hundred frontline officers. The project has delivered time savings of 30 minutes per officer per shift, evaluated using time and

motion studies. Mobile Data was rolled out to PCSOs and some Special Constables in 2017/18 and to CID response officers in 2018/19. Further developments are planned for 2019/20 to increase the number of processes which can be completed via the mobile data platform.

5.2 Linked to the above project and a continuation of the theme focussing on better use of both officer time and the force's estate, the **Agile Working** project is looking at replacing desktop IT with laptops and tablets, allowing staff to work remotely where this enables greater efficiency. A limited initial trial was conducted in 2017/18 to provide evidence as to the cost effectiveness of the investment. The rollout continued in 2018/19 and further investment is planned for 2019/20 and provided for within the capital programme.

5.3 **Book On, Book Off (BOBO)** is a project to utilise the force's Duty Management System to reduce the cost of overtime accrued by police officers and streamline the process of approval, saving approximately 80 hours of manual input per month processing requests for overtime and correcting assumed duties to actual times worked. This was implemented in 2017/18, with further rollout being completed in 2018/19. Furthermore, this will link into the new Command & Control system; the implementation project commenced in 2018/19 and will continue to completion in 2019/20 (see below).

5.4 **Command & Control** – the force evaluated and commissioned the replacement of the existing command & control system in 2018/19. The project will continue to completion in 2019/20. The force is investing in one of the market leading systems which will facilitate better analysis of demand, improved prioritisation and more efficient deployment of officers and resources. This represents a significant capital investment but with significant expected benefits realisation. The replacement system will also be compatible with the Emergency Services Mobile Communications Programme (ESMCP); see below.

5.5 A summary of the expected benefits is shown below.

Local Policing

- Tackling anti-social behaviour using geo fencing capabilities for known areas of repeated offences,
- Support for proactive preventative activities such as patrol route scheduling and tracking,
- Identification of individuals that cause reoccurring problems and crime,
- Identification of vulnerable individuals and deployment of appropriate resources,
- Improved multi agency communications and accountability hand over,
- Improved data sharing, data integration, data analytics and forecasting to better deploy and position local policing resources.

Specialist Capabilities

- By changing the way Lincolnshire interacts with their communities and staff will provide an opportunity to enhance and focus on reviewing our model for service delivery. A new system will provide an opportunity to streamline digital processes that may provide the ability to scale up specialist capabilities.

- The ability of a new system to consume significant amounts of information and present that to the user enables better identification of risk, with the ability to deploy and manage regional and volunteer resources throughout the county to maximise our opportunities to disrupt Organised Crime Groups, Terrorist threats and Cyber-crime.

Digital Policing

- A new system will deliver an agile and flexible operating system that can be scaled to manage increased demand but can also flex to manage joint mobile operating sites.
- The enhancements of a new system over the existing system will allow direct access to digital media for operational officer and managers to review 999 calls, CCTV footage and Drone deployments. This will enable commanders to assess the threat and risk in real time.
- A new system will provide multi media reporting into the force whilst maintain the traditional routes through telephone contact. Automated updates and messaging to relevant callers, witnesses and victims will increase confidence and improve satisfaction.
- Allow the force to pool all our legacy systems to allow the user to view all information held on the system.
- Based on pre-configured business rules the new application will provide suggestions on resource allocation and provide digital response plans securely within the application.

Distinctively Lincolnshire and PCC Police and Crime Plan

In addition to the benefits described above in alignment to the national strategy for future policing the new system is expected to deliver specific benefits aligned to local plans for Lincolnshire.

- The enhanced capabilities of a new system will enable Lincolnshire to better understand our demand and become more flexible about our use of resource to meet it. This will be achieved through the flexible configuration of the system to specifically identify patterns of reporting and utilise the flexibility of the reporting functionality to analyse that demand. This will reduce the time and effort required to scrutinise the data so we can react more effectively to changing circumstances and resolve them before they become an issue.
- The new system will allow for automated tasking and messaging reducing the time taken to update callers whilst recognising their history of contact any vulnerabilities. This will be achieved through the design of the application where present messages can be stored and a person's contact details are directly linked to the application and communications network to allow seamless interaction without the need to endlessly seek the caller's number.
- The force will be able to pre-plan its response based on policing demands ensuring an automated and swift response. The ability to geo fences an area and recognises linked calls from those specific locations. This ability will allow us to manage and respond to incidents such as hare coursing in a more effective and efficient manner.
- The capabilities of the application will enable the force to engage with its communities digitally, ensuring capture of contacts in a consistent and reusable fashion. This will be achieved through a contact management application which will have mandated fields for consistency and integrate

with our existing telephone system providing the capabilities of communicating through web chat, e-mail or social media.

- The new system will enable the force to provide digital update to officers on matters of risk and harm in real time with the ability to track and capture their responses through standardised recording in a digital format. This will be achieved through the command mobile unit where officers will be altered based on information held in our core RMS. The system will know where the officer is located through the system tracking software and can provide pictures, intelligence reports on an automated basis without the intervention of an operator. For example if an officer is on enquiries and is near to a wanted sex offender. The system would alert the officer by message, provide a photo, provide the details of the arrest and provide the suspects address. Without this notification the officer may never have known they were in the vicinity of and wanted person.
- The solution will provide staff with an intuitive application that will assist and support them in their role. Providing a single picture of information and reducing double keying of data. The will be achieved through the integration with the regional Niche RMS platform. The Contact management system and the command and control system will push and pull data from our core system ensuring we reuse and update information in a connected fashion. This will provide officers a consistent single message without the need to multi search systems.
- The application will be integrated through core applications, providing a single book off book on process of resources with Crown DMS, an integrated mobile application through Pronto and reuse the data with our core records management system Niche.
- The application will sit on a more stable infrastructure and will be fully agile with the ability to run a command and control function from a laptop anywhere in the county.

5.6 **Emergency Services Mobile Communications Programme (ESMCP)** – this is a national programme to replace the current Airwave communications network with a new Emergency Services Network (ESN). Significant savings are expected to be realised through the implementation as running costs for the new network are forecast to be half the current running costs. In order to be ready for the implementation, the force will need to replace some of its IT infrastructure in addition to purchasing the new mobile communication devices. This has been planned into the capital programme fro 2019/20.

5.7 The force is currently engaged in a **Bluelight Collaboration Programme**, which will create a shared Headquarters and Control Room for Police and Fire and Rescue, and a tri-service campus in the City of Lincoln for all three emergency services. As part of the programme, agencies are examining the shared estate to maximise the opportunities and efficiencies of co-location. This project commenced in 2016/17 and continued in 2018/19 with completion scheduled in 2019/20.

5.8 **Fleet** – two projects were commenced in 2018/19 and will continue to completion in 2019/20.

- **Telematics** – the force are currently evaluating the implementation of telematics in the operational vehicle fleet. Early indications are that improvements in vehicle usage and efficiency have the potential to realise net savings of circa £150k per annum.

- **Fleet vehicle specifications** - procurement of fleet related products and services are directed by national and regional collaborative purchasing contracts which bring together the combined purchasing power of other police forces and emergency services. These contracts ensure maximum value for money is achieved. Lincolnshire Police will continue to support and actively promote these procurement initiatives. The current vehicle procurement route is via the West Midlands Vehicle Framework which is a national contract. The fleet requirement is reviewed annually, continually maximising the efficiency of the owned fleet. The force commenced a full review of the vehicle specifications, preferred suppliers and full lifecycle costs in 2018/19 to ensure that the force provides its officers with the appropriate vehicles and maximises cost efficiency. This work will continue in 2019/20.

6. Management and Performance

6.1 Delivery of the Value for Money & Efficiency Plan is overseen by the Resource Governance Board and progress is reported regularly to the Chief Constable and the Police and Crime Commissioner through monthly budget monitoring reports.

6.2 Independent assessments of the delivery of value for money are also provided by the external auditor and by HM Inspectorate of Constabulary and Fire & Rescue Services (HMICFRS).