

March 2024

# Value for Money & Efficiency Plan 2024/25

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Police and Crime Commissioner for Lincolnshire

Chief Constable, Lincolnshire Police

## 1 Background

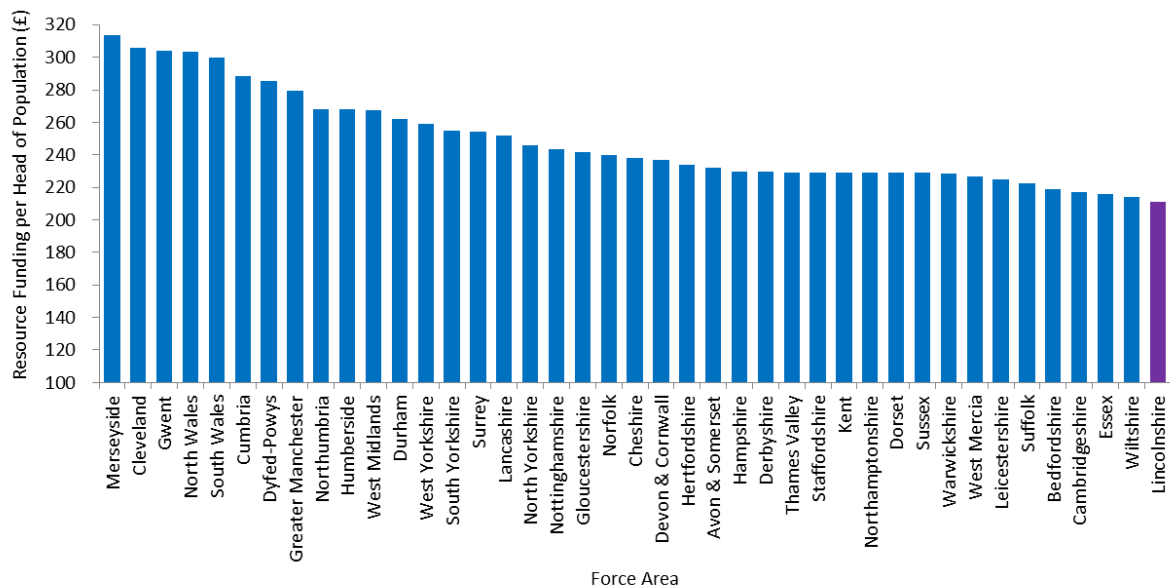
- The Police and Crime Commissioner and the Chief Constable both have a statutory duty to make the best use of the resources available to them. The majority of income for police and crime services comes from local and national taxpayers. The PCC and Chief Constable need to be able to demonstrate to the residents of Lincolnshire and to central government that the funding received is being used to the best possible effect.
- 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 long-awaited review of the funding formula is yet to be concluded, although progress is being made. Whilst Lincolnshire continues to make its case for a more equitable slice of the national police grant, it recognises that the introduction of a new funding formula is likely to be accompanied by transitional measures limiting the impact of any resulting benefit to Lincolnshire over a number of years. It is still unclear what the changes will be and when this will be finalised or implemented. This means that Lincolnshire Police will continue to face the challenge of delivering services with a lower level of funding than comparable forces for this and future financial years.
- Lincolnshire Police received the lowest amount of funding per head of population in 2023/24, a situation which continues in 2024/25. This has required the force to be both innovative and collaborative in its approach to providing policing services. 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, is becoming increasingly difficult.
- Despite the low funding level, the force makes best use of the finance it has available, and its plans are both ambitious and sustainable. The force has a good track record for supporting collaboration with other emergency services and investing in systems to achieve efficiency savings to improve productivity.
- HMICFRS have provided a detailed set of VFM profiles based on the Police Objective Analysis. Lincolnshire spends the 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.

- The National Police Uplift Programme between 2020 and 2023 enabled the Force to achieve police officer numbers that were last seen in 2011, before the austerity cuts. The target operating model for the period to 2024/25 is 1,186 police officers. However, given the scale of savings required beyond 2024/25, police officer numbers are likely to reduce into the medium term.
- Whilst the uplift and associated funding allocation will restore police officer numbers to an operationally acceptable level, it will not address the underlying budget deficit which remains due to the historic grant funding allocation methodology. The deficit will be addressed using reserves and a robust savings plan to balance the budget. The budget for Lincolnshire Police will therefore still have to be managed rigorously in 2024/25 and beyond, given that the funding formula review has not yet been concluded. 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

- Lincolnshire has the lowest policing costs per head of population in the Country.

**Figure 1: Resource Funding per Head of Population (Estimated 2024/25)**



Source: PACCTS settlement tables. Total resource funding consists of core grant funding, National and International Capital City (NICC) grants, Legacy Council Tax grants, Precept grant, Pensions grant, ringfenced grant for the officer uplift, additional recruitment top up and police precept. Precept figures assume that PCCs in England and Wales increase their precept Band D level by £13 and a Home Office predicted tax base. Note: excludes Metropolitan Police Service and City of London Police. Population as at June 2022.

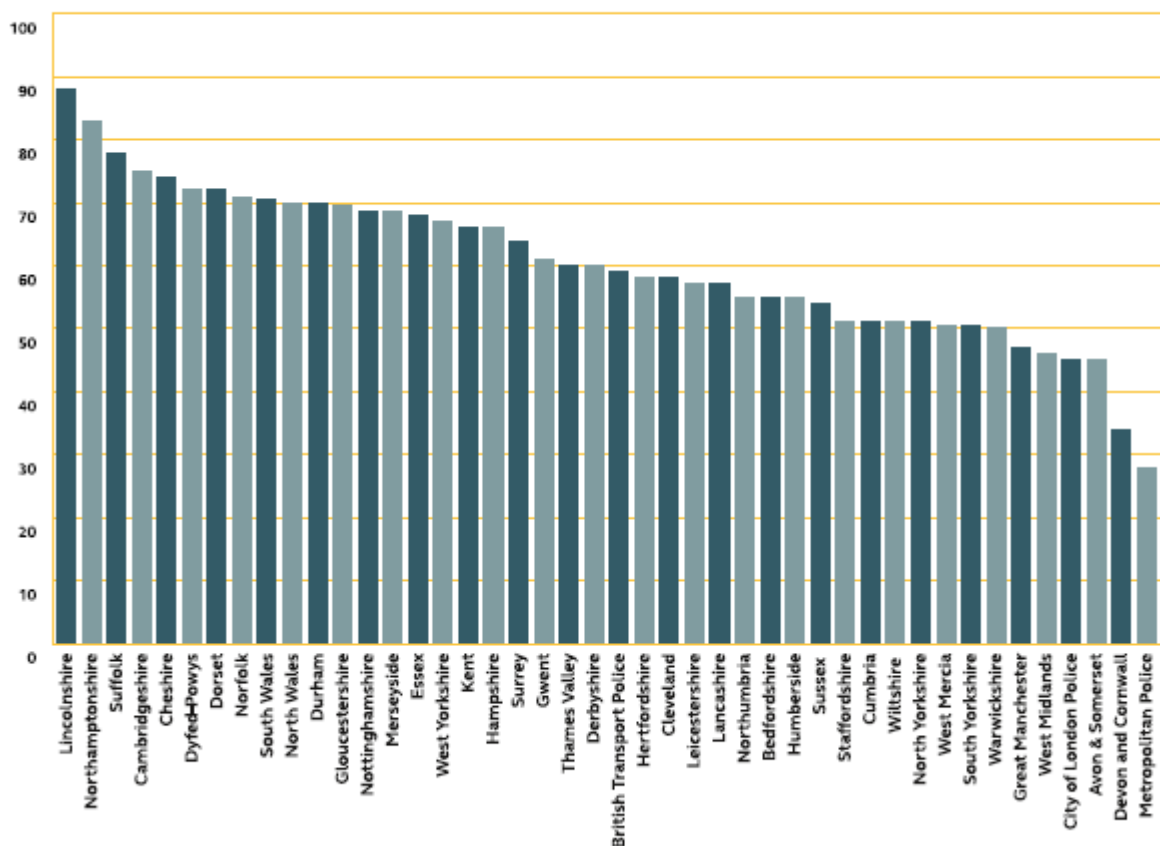
- A summary of Lincolnshire’s performance compared with its Most Similar Group (MSG) forces is shown in the table below. This is taken from the HMICFRS value for money profiles, which was last updated in March 2024.

PERFORMANCE OR COST INDICATOR	LINCS	MSG	LINCS DIFFERENCE
Police Officers per 1,000 population – est. 2023/24	1.51	2.00	(0.49)
Expenditure per head of population / per day – est. 2023/24	£0.55	£0.61	(£0.06)
*Recorded Crime per 1,000 population – 2021/22	69.91	67.50	2.41
*Crimes per visible officer – 2021/22	89.69	60.72	28.97
*Charged/Summoned per visible officer – 2021/22	5.55	4.08	1.47
*Victim Overall User Satisfaction % (12-month average as at July 2022)	70.88%		

*\*The crime statistics are as at 2021/22 as crime data has been removed from the 2023 HMICFRS Value for Money Profiles.*

The following table illustrates the high quality of files achieved by Lincolnshire Police, a crucial factor in the timeliness of charging decisions. Despite the low funding level, Lincolnshire is the top performing force for this aspect of policing.

Figure 4: DGA (file quality) compliance across forces at June 2023 (Police digital tracker)



Source: Police Productivity Review, November 2023

### **3. Financial Strategy**

- 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 Director of Finance & Corporate Services 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. Evaluation of business cases since 2021/22 has been based on a priority-based budgeting approach. To achieve this, business cases are scored by an Evaluation panel against a range of criteria which take into account demand, risk, service criticality and delivery of both the PCC's and CC's strategic objectives. Proposals scoring above 50% are recommended to the Chief Officer Team for consideration and approval.
- 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
  - 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.

### **4. Value for Money & Efficiency focus 2024/25**

- A key focus of attention for 2024/25 towards achieving the best possible Value for Money will be a review of the Policing Productivity Review (October 2023) and recommendations, assess how Lincolnshire Police compares and identify where findings could potentially inform policy and processes to deliver better outcomes for the public of Lincolnshire.
- On current assumptions, the budget is balanced for the first year of the MTFP with use of reserves, however budget gaps in excess of £14m

each year emerge in 2025/26 and beyond. The nature of reserve funding is 'one-off' so that once reserves have been depleted, no further non-recurrent support can be provided. These gaps are based on maintaining the police officer numbers at the PUP target of 1,186; it is clear that without additional funding, this cannot be maintained. Significant reductions in service levels will be required to bridge a budget gap of this magnitude, including reductions in police officer numbers. Reductions in police officer numbers have significant implications for Lincolnshire Police because not only would that reduce the operational delivery capability, the loss of PUP grant would also offset a significant proportion of the savings achieved. The delivery of savings of a further c. £14m in 2025/26, will require measures to be identified and an implementation plan developed during 2024/25 to ensure that the full year effect is delivered before 2026/27. A detailed delivery plan will be required for incorporation into the budget for 2025/26 and the Value for Money Plan for 2025/26.

- Improving productivity and achieving a fairer share of government funding for Lincolnshire remain key to maintaining safe levels of policing into the medium term.
- Continuing sound financial control will also be key to maintaining financial balance into the medium term as reserves to support the revenue budget will be depleted.
- Value for Money should be considered as part of the decision making process for all activity and project proposals, in accordance with the Financial Strategies and supporting delivery plans:
  - Financial Strategy 2024/25
  - Treasury Management Strategy 2024/25
  - Capital Strategy 2024/25
  - Commercial Strategy and Plan 2024/25
  - Estates Management Plan 2023-26 (updated 2024)
  - Fleet Management Plan 2023-26 (updated 2024)
  - Digital and Data Business Plan 2024/25
- Key objectives in the Estates Management Plan 2024-27 include:-
  - To provide a healthy, safe, compliant and comfortable working environment
  - To develop co-location workplaces with key partner organisations
  - To provide a physical police presence in our communities
  - To provide a sustainable carbon efficient estate

- Minimise the running costs of the estate
- Key objectives of the Fleet Management Plan 2024-27 include:-
  - To provide a healthy, safe, compliant and comfortable vehicle fleet
  - To provide a physical and visible police presence in our communities
  - To provide a sustainable carbon efficient fleet
  - Minimise the running costs of the fleet
  - To develop options for fleet sharing arrangements
- Key objectives of the Digital and Data Business Plan 2024/25 include:-
  - To improve force planning, risk and performance via:
    - Update workforce management system to enable productivity improvements
    - Implementation of a new Enterprise Resource Planning (ERP) system
    - Testing Cyber Incident Response and Cyber Security Awareness to improve resilience and compliance
  - To support better connected, efficient and agile working e.g. via replacement and update of the Smart Secure Lockers solution to provide better secure storage.
  - To support efficient command and control processes via:
    - Effective Public Contact Management systems
    - Unified Telephony System and Call Recording
  - To improve police records, investigation and evidence capability via
    - Implementing a new Digital Forensics Case Management System to better support current and future digital forensics operations.
    - DFU Air-gaped Servers and Segregated Network
  - To provide a modernised infrastructure via:
    - Lincolnshire Hybrid Cloud, build platform, integrate SD-WAN Connectivity into Azure, upgrade HQ servers and initiate migration from aged servers to reduce risk of technology failure.
  - To support national programmes including:

- Transition from CyComms solution for obtaining communications data to reduce risk of becoming an unsupported solution
- Implement national Situational Awareness Software Solution (SASS)

## **5. Management and Performance**

- Delivery of the Value for Money & Efficiency Plan is overseen by the Joint Internal Audit Committee and progress is reported regularly to the Chief Constable and the Police and Crime Commissioner through monthly budget monitoring reports.
- 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).