

Robertson, Ashley

From: Police and Crime Commissioner
Sent: 21 October 2015 11:45
To: 'mayt@parliament.uk'; 'eleanor.jolly@homeoffice.gsi.gov.uk'
Subject: LANCASHIRE police funding review
Attachments: Home office letter.docx

Good morning,

Please find attached a letter for the attention of the Home Secretary and the Policing Minister regarding the proposed funding review. The PCC and Chief Constable will also be responding to the consultation but wanted to raise the issues directly with the Ministers.

Kind regards

Ashley Robertson

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Dear Rt Hon Theresa May MP/Mike Penning MP,

RE: Austerity and Efficiency

As you are aware, in July 2015, the Home Office issued a consultation on proposals regarding how funding was to be provided to Police forces in England and Wales in the future. The consultation drew strong criticism from many forces UK wide on both the methodology and absence of the revised grant figures. We jointly responded to that consultation and strongly made similar observations in our response. Consequently, a revised consultation was published in October with a short period within which to respond.

The current proposals cause us grave concern in that they equate to a reduction in grant of circa £24.5m. Outside the Metropolitan Police, the impact of this proposal, in absolute terms, means that Lancashire Constabulary is the worst hit force in the country.

The budget for Lancashire in 2010/11 was £302m. Since then, in the context of austerity, the force has seen overall budget reductions of £63m, with a further £11m having been identified for implementation from 2016/17; bringing the total reduction to £74m. Next month will see the Comprehensive Spending Review (CSR2015) which is expected to report a further grant reduction of between 25% and 40%.

The combined effect of funding formula adjustments and the impending CSR reductions would mean a further reduction of between £60m and £87m (this assumes a freeze in council tax). That is a staggering reduction of between £134m and £161m since austerity began.

It is fully appreciated that at present, the funding formula is under consultation, a process which (as previously) we are fully engaged in and the CSR 2015 is still under negotiation, but the fact remains that cuts of this magnitude and scale will have a serious impact on the viability and sustainability of policing services in Lancashire long term. This is not scaremongering, this is reality.

The current funding formula consultation is far from meeting the principles identified by the Home Office in its consultation document. The whole process has been rushed, with limited information being made available with an obvious and apparent lack of rationale and evidence base. As we stated in our first consultation response, we are keen to engage in meaningful consultation, but at this time, it is difficult to see how this process is transparent and robust.

Lancashire Constabulary is an "outstanding" force as adjudged yesterday by Her Majesty's Inspector of Constabulary in the Efficiency pillar of the PEEL 2015 inspection, being one of



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only 5 forces to be classed as such in the UK. The report said: "*Lancashire Constabulary has a good understanding of the main elements of demand and uses its resources well ... it has an excellent track record of robust financial management to achieve planned savings and has well developed plans for future savings. In last year's Value for Money Inspection, which considered how forces had met the challenge for the first spending review period, Lancashire was adjudged to be outstanding*".

We suggest that the proposals set out in the funding formula in no way meet the objective of future proofing policing resources and driving efficiency to respond to current and future demands and challenges. We also contend that the turbulence of an imposed loss of £24.5m threatens to destroy all the outstanding work we have carried out to meet austerity in a way which maintains effective and efficient policing for the communities of Lancashire.

The above judgement by HMIC evidences the work already undertaken by the force in reaching its current status, and the fact that the force is already extremely efficient does not mean that there is more room for further cuts to be absorbed on the scale described.

The most similar force group for Lancashire is set out below as per HMIC Value for Money profiles.

Most similar group	PEEL Assessment	Change in resources in PFF
South Wales	Good	+£7.7m
Nottingham	Good	+£17.4m
Kent	Good	+£5.8m
Lancashire	Outstanding	-£24.5m
South Yorkshire	Requires Improvement	+£30.4m
West Yorkshire	Good	+£5.6m
Humberside	Inadequate	-£0.2m
Northumbria	Good	+£2.4m

The simple fact of the matter is Lancashire is not overfunded, we currently cost much less per head of population than the national average (£104/£115). The workforce cost per head of population in Lancashire is £146 (nationally its £165). We have a proven track record in delivering savings in a plethora of ways including reduced back office and estates costs (where we are the 4th lowest in the country), sharing and collaborative relationships, and so on. We have without question delivered time after time.

The proposed funding formula cuts will impact disproportionately on Lancashire, and quite simply heap yet more cuts onto an outstanding force that has already delivered more than its fair share of cuts.

The pace and process of the current consultation is rushed and consequently poses significant risks. As a minimum, Government is strongly urged to pause the funding formula consultation



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until such a time as detailed information is available to ensure proper engagement over the next 12 months.

Lancashire will be responding to the funding formula consultation and has prepared a list of questions which will be forwarded to you on Thursday, which we would ask that you carefully consider and respond to as soon as possible.

Yours sincerely

A handwritten signature in black ink that reads 'Clive Grunshaw'. The signature is written in a cursive style and is underlined with a single horizontal stroke.

Clive Grunshaw
Police & Crime Commissioner for Lancashire

Yours sincerely

A handwritten signature in black ink that reads 'Stephen Finnigan'. The signature is written in a cursive style and is underlined with a single horizontal stroke.

Stephen Finnigan
Chief Constable for Lancashire

