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Date: 5<sup>th</sup> November 2015

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Dear Mary

### **Consultation on reform of police funding arrangements in England and Wales**

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This is the joint consultation response from Lancashire Constabulary and the Police and Crime Commissioner for Lancashire in respect of the reform of police funding arrangements in England and Wales. In this response you will see, that despite the timescales imposed by the latest consultation following the Policing Minister's letter dated 8<sup>th</sup> October, we have commissioned an independent academic review from Dr Les Humphreys, Quantitative Criminologist, University of Lancaster whose observations are included within this report and his full response appended to this document. We have also undertaken our own analysis of factors included within the proposed refinements, set out to indicate the "best available model for distributing core Government funding to the Police". Further analysis has also been conducted following receipt of the Technical note provided in your letter, dated 28<sup>th</sup> October, extending the consultation deadline to the 6<sup>th</sup> November. The detail of that analysis is also included within this response.

The attached report and the observations included herein raise significant concerns around the implementation of the proposals and we would seek that the Minister reviews the position on implementation with a view to commissioning further detailed research to ensure that the changes to the funding of the police service is fair, transparent and robust. This report will outline our position on; Consultation arrangements, the Formula, the factors / variables included within the formula and in respect of the key principles on which the funding formula has been designed. The main points from which are outlined below.

#### Executive Summary

#### **Consultation Process:**

- It is our view that the consultation is rushed and does not (and has not) allowed sufficient time for meaningful input from Forces and all other key stake holders and therefore has not allowed a reasonable process to have been followed.

- It is also clear that detailed information to evidence the proposals being consulted upon has not been made available until 28<sup>th</sup> October reinforcing the point that there is simply no time being allowed for a proper examination of the proposals to be undertaken in a meaningful manner.

### **The Formula:**

- The validity of the statistical techniques used within the formula is questionable.
- We have commissioned an expert academic review of the statistical techniques used in the formula proposals and our view having considered this report is that the process followed does not provide a reasonable basis for the derivation of the proposed formula.

### **The Variables:**

- We believe that the limited number of variables used in the proposed formula does not reflect the nature of policing activity effectively and is therefore not delivering a fair allocation of resources.
- It is our view that there has not been sufficient evidence provided to prove that the variables used give the 'best' correlation to the drivers of demand for police services.
- It is also our view that the use of only four variables overly simplifies the approach and does not give enough information to deliver a **fair** allocation of resource.
- We have demonstrated that the calculation used to determine the proportion of the formula to be allocated to each force using “urban adversity” data is not able to be replicated. This indicates that there is either a weighting applied or an error in the calculation?

### **The Principles:**

- We do not believe that the proposed formula meets the Home Office’s own stated 5 key principles for the design of the new police funding formula, those being that the formula should be robust, stable, transparent, incentivise government objectives and be future proof.
- The lack of evidence provided, and the limited number of variables used, means that, in our view, the proposals clearly lack robustness, stability and transparency. This in turn means that the formula as proposed cannot be considered to be 'future proofing' the funding for forces.
- There is no evidence provided whatsoever that can clearly demonstrate how the formula incentivises government objectives.

### **Conclusion:**

- It has been extremely difficult to engage fully in meaningful consultation due to the lack of transparency in the development of the formula.
- The extremely short consultation period does not provide a reasonable opportunity to provide meaningful impact in to the process.
- We have significant reservations about the variables used in the formula both in terms of correlation to the drivers of police activity, their reliability, and indeed the small number being used.
- The statistical techniques that drive the selection of the variables used are questionable.
- The formula fails to meet the Home Office's 5 key principles for the derivation of the new formula.
- That the proposals represent “the wrong model at the wrong time”.

Lancashire Constabulary is an "outstanding" force as adjudged by Her Majesty's Inspector of Constabulary in the Efficiency pillar of the PEEL 2015 inspection, being one of 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. 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 means that there is no scope for further cuts to be absorbed on the scale described simply through further improvement in efficiency. This clearly means that the impact of the formula for Lancashire will be a reduction to the services that can be provided to the Citizens of Lancashire.

The challenging implications of the funding formula for Lancashire alongside the forthcoming impact of the Comprehensive Spending Review (CSR) – that will bring a further cut of between 25% and 40% make it an almost impossible position for the Constabulary.

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

<b>Most similar group</b>	<b>PEEL Assessment</b>	<b>Change in resources in PFF</b>
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 in Lancashire compared to the average of £115). The workforce cost per head of population in Lancashire is £146 (nationally it's £165). We have a proven track record in delivering a significant level of savings including reduced back office and estates costs (where we are the 4<sup>th</sup> lowest in the country), sharing and collaborative relationships, and so on. We have without question delivered time after time.

### **Consultation Process**

The original consultation was published on the 21<sup>st</sup> July 2015, and took place over the summer months, and closed on the 15<sup>th</sup> September. This in itself was an extremely short time scale for the complexity of the subject area and was limited to the extent that it only consulted on central funding and not on the wider issues of funding and the ability for PCCs to generate funding locally through the precept. We appreciate that a separate consultation has now been extended in this regard.

The consultation sought views on the introduction of a simplified formula to be implemented from 2016/17 and whilst it identified the proposed variables to be used to allocate funding, it did not provide any analysis of the impact of the new formula on individual forces, nor did it provide any evidence to support the selection of these variables as being the most appropriate. Despite a written request by Lancashire (a copy of which is appended dated 21 August 2015), on behalf of the NPCC, for analysis to be provided by the Home Office this was not forthcoming. This lack of transparency will be subject of further comment in this response.

It is our view that the length of time allowed and the lack of information provided did not provide a reasonable opportunity to provide a meaningful response, however we stated our concerns clearly during that period and provided a response that reflected the limited information we had received.

A letter from the Policing Minister was received on Thursday 8<sup>th</sup> October setting out a second stage to the consultation, closing on the 30<sup>th</sup> October. This removed one of the proposed variables from the original consultation "Band D equivalent properties", amended two further variables "hard pressed" population to "urban adversity" indicators (based on Acorn 5 commercial data) and revision of bar density measure to include bar volumes. The letter also indicated the addition of an Area Cost Adjustment (ACA) factor to reflect regional variations in the cost base.

Subsequently a letter was received on 28<sup>th</sup> October 2015 from yourself that provided further detail on the proposals and extended the deadline for the submission of responses to 6th November.

The timescale for consultation on the changes in a funding formula of this nature which impacts so significantly on police funding and the spending of £7 billion of public funding remains clearly inadequate. The whole process has been rushed, and as outlined below, clearly lacks transparency even with the information now being made available. The pace of this consultation consequently poses significant risks, not least of which is the refusal to identify more robust and evidenced drivers of policing activity.

## **Formula**

The validity of the statistical techniques used within the formula is questionable. This is outlined in the attached report from Dr Humphreys, who maintains his concerns on the suitability of the methodology having reviewed the Technical note from 28<sup>th</sup> October. He asserts at points 1 and 2 that; *“A full list of variables to be considered in the task of measuring demand are chosen on the basis that they are considered to be indicators of three broad elements that are argued to be indicative of demand – population levels; characteristics of a local population; the environmental characteristics of police force areas. However, it is not clear on what basis this decision has been made.”*

*“Despite the lack of such a justification, a number of potential variables are discussed as useful indicators for each of these elements. Cronbach’s Alpha is used to measure reliability. That is, for each element, to what extent are the relevant variables measuring the same underlying construct. For each element the variable that accounts for the largest share of the variability in the underlying construct is chosen as the variable of choice. However, this statistical technique is purely exploratory and does not provide any statistical evidence that these variables are in fact valid indicators of the individual elements. Rather, in this case Cronbach’s Alpha simply describes how well related each of the variables under consideration are related to one of the three unobserved elements that is **assumed** to be related to total demand.”*

He will further comment at point 4 that, *“It is standard practice in statistics to attempt to explain variability in social phenomena by fitting statistical models. This is because it is accepted that observed measures come from some probability distribution. That is, chance is operational in the mechanisms generating social data. Therefore what is observed/measured in a particular year may not be a true reflection of the phenomena. A related reason why statistical models are used is so that claims can be made about how well the model fits the data. Without being able to determine how well a model fits the data it is not possible to determine the nature or strength of the relationship each variable has with the outcome. For example it is not possible to argue that population is the variable that accounts for the largest share of the variability in demand.”*

*“The four final variables used are analysed via principal component analysis (PCA). PCA is a variable reduction procedure. As with reliability analysis, there is no statistical model*

*underlying principal component analysis. It is an exploratory method used to for the extraction of a solution, from a large set of variables, of latent variables which are of a lower dimension. As no assumptions are being made about the underlying probability distributions of the variables included in the analysis it is not possible to make inferences about how well the model fits the data and in turn it is not possible to make statements about the relative importance of each variables and so it the weights given to each variable in the proposed model should not be relied upon."*

With this commentary it is clear that the manner in which the statistical element of the formula have been developed, when assessed, causes concern to experts in this field. It is necessary as part of a consultation of this proportion and to enable the consultation to be fully transparent, for the questionable manner in which these statistical techniques have been applied to be available for investigation and confirmation by experts in this field.

Dr Humphreys has reviewed the technical note provided on the 28<sup>th</sup> October. He would further add that from this information the analysis used to devise the formula assumes that there is only one component/dimension to demand. There is statistical evidence this may not be an appropriate assumption. There is good reason to believe that more thought needs to be given to the analysis of all the available data.

It is therefore our view that the statistical techniques used do not provide a reasonable basis for the derivation of the proposed formula.

### **Analysis of the proposed variables**

As indicated above the Minister changed the variables to be used in the determination of the new funding formula.

*"Population" and "households with no working adults and dependent children"*

In the original consultation, the Minister requested that additional potential variables that could be used to represent the impact that police related activity places on forces be suggested by respondents to the consultation. In the letter of the 8<sup>th</sup> October he states that a number of such responses were received and examined by the Home Office. It was also stated that the Home Office considered that each one of the proposed alternative or additional variables has a "**strong correlation**" to the existing "population and socio-economic measures" included in the Home Office proposal – i.e. the population variable and the 'Households with no adults employed and dependent children' variable.

The Home Office have therefore concluded that "*this demonstrates that these population and socio-economic indicators capture the breadth of police demand, both crime and non-crime and that **there is no analytical justification for including additional, specific non-crime indicators***". He also stated that "*there were limitations in some of the indicators we had considered as non-crime demand proxies including insufficient coverage or geographical breakdown across England and Wales and lack of statistical robustness*". The result is that all of the potential additional or alternative variables provided by consultation respondents in respect of police related activity have been excluded from the refined model.

Dr Humphreys comments on the variables in points 4 to 8 of his report. How they have been chosen and possible impacting factors which suggest that there are inconsistencies, that they don't take account of the multidimensional nature of police demand, that they are taken as being mutually exclusive contrary to the requirements of a set of variables in PCA and that one size does not fit all in relationship between each variable and demand across Police Forces.

He also comments on the population measure used within the formula, the number in each population of force area, does not reflect a suitable measure, and more consideration is needed. He suggests that other factors for consideration could be, for example, demand related to victims or offenders, he also comments on the impact of age as a potential influencing factor in the population. This has not been taken into consideration in the current funding model.

From further analysis of the technical note Dr Humphreys suggests that the justification for using a broad population measure is on the basis that it is correlated with Police Recorded Crime (PRC). More specific measures of population have also been tested in terms of correlation with PRC. Dr Humphreys would refer once again to his comments (in his attached report) about the lack of consideration given to whether PRC measure victims or offenders (this has implications for demand). The Home Office insists that PRC should not be used as an indicator of demand. He would agree that PRC is not ideal and is just one reason why the formula needs rethinking.

Dr Humphreys also makes comment on elements such as rurality which would add to the multidimensional nature of police demand. A further factor which does not appear to have been considered within population is the impact of movements in population, influx and outflow of residents e.g. tourist related populations.

These statements raise a number of concerns that we believe need further consideration:

Given that alternative possible variables for police related activity have been proposed (by respondents to the original consultation it would be extremely useful to understand the correlation between them and the population and socio-economic measures that justifies their subsequent exclusion from the model. This would in turn enable forces to utilise these variables in improving their own understanding of the demand they face. Dr Humphreys would comment at point 9 in his report that there is no justification in the consultation for the 4 variables used within the formula and only the 4 variables within the model. The reasoning for not including other variables within the proposed model, suggested as part of the consultation, is that they were found to be correlated to the variables in the model. Further detailed information which enables this to be analysed needs to be made available.

Further it is vital that we see the evidence that clearly proves that the correlation that the variables 'population' and 'households with no adults employed and dependent children' have to the demand placed on forces correlates as strongly (or even more strongly) to this demand than the alternative proposals put forward by respondents to the original consultation. Just because these factors correlate to each other does not prove they correlate to demand for police services in the same way.

Given that the National Audit Office report "Financial sustainability of police forces in England and Wales (June 2014)" identified that a number of forces (and therefore the Home Office) don't fully understand the demand they face it would be helpful to see how this has been resolved in order to allow the statements in the letter to be made and the subsequent assertions about the variables being used being the "best measure" of demand placed upon police services.

It appears that a part of the issue with the proposed alternative measures for police related activity is a lack of available data across a wide geographical base. It may be the case that if more data were collated across a wider geographical base then the decision on appropriateness of the measure could change.

### ***Urban adversity – measure of deprivation***

The Minister's letter has also identified that the variable 'hard pressed/Acorn 5' that formed part of the original consultation's proposals has been replaced by the variable 'urban adversity/Acorn 5'. The reason given for this is that the company that provides this information has taken the decision to change this indicator. The letter states that the indicator is "not a direct match" but is "the best measure for the highest levels of deprivation across all force areas". This raises a number of concerns in that the Acorn 5 suite of indicators is provided by a private company (CACI limited) and is only available to PCCs and forces if they purchase it which would appear to be at odds with the principle of transparency.

The decision to change the indicator suite was taken by CACI limited, the government clearly cannot influence the company in such decisions, therefore, this could occur regularly in the future which would conflict with the principle of stability. No evidence has been provided that either of these variables is the best measure for deprivation across forces to justify the decision for its inclusion. No evidence has been provided to prove the correlation of these measures of deprivation and the demand placed upon policing services.

Why is the use of indicators provided by a private company (at a cost to forces) considered more appropriate than the use of freely available national statistics, for example, those within the Indices of Multiple Deprivation?

Lancashire Constabulary has spent £2,000 purchasing the data from CICA in order to replicate the formula and assess the impact of this variable on the funding allocation. We have used the methodology available within the consultation documents to back calculate Lancashire's percentage share under population, number of households with no employed adults and dependent children and the 'urban adversity' characteristics. Whilst we can replicate the first two formula factors, having purchased the data from CICA to fully understand the urban adversity element of the formula we are unable to replicate the findings within the consultation document. Utilising the methodology outlined within the consultation document we calculate the share apportioned to Lancashire as being 2.7% rather than the 1.9% stated within the Home Office consultation letter from the Policing Minister. Due to this incongruence we have checked other Force data and there appears to be a weighting applied to all Forces. We are keen to understand those weightings, how they have been devised and applied within the factor. We believe this factor and the alteration in the percentage share has a significant impact on Lancashire's share of funding. Has every Force had a weighting

attached to its share, and applied, at this stage. Are those weightings equal and if so what do they represent?

To demonstrate the anomalies compare Lancashire Constabulary with Kent Police (and most similar forces below). Lancashire has slightly more population classified under 'urban adversity' however Kent receives a greater percentage share.

Table of Most Similar Forces

FORCE	Urban Adversity Total Population	Percentage of Total	Home Office Share	Potential 'Weighting'
Humberside	229949	2.3%	1.9%	0.843
Kent	276501	2.7%	2.2%	0.812
Lancashire	278647	2.7%	1.9%	0.696
Nottinghamshire	197400	1.9%	2.6%	1.344
Northumbria	423706	4.2%	5.0%	1.204
South Wales	175063	1.7%	2.5%	1.457
South Yorkshire	290059	2.8%	4.3%	1.513
West Yorkshire	474103	4.6%	4.9%	1.055

There has never been an indication of weightings within the methodology described within the consultation documents in relation to individual factors of the formula. This analysis can only be conducted through purchase of the full original data and has not been available to ensure a transparent and equitable consultation to be undertaken. The application of such weightings further removes the principle of transparency.

***Bar volume/density***

The Minister states in his letter that the original measure of bar density will be adjusted to account for the overall volume of bars in a force area as well as the impact of a large cluster of bars. The Minister also states his belief that a bars focussed measure remains the best approach "given the strong relationship identified with the drivers of crime".

It would be most helpful to review the evidence for this assertion so that the force can utilise it in making its response but also in the recognition of future demand on its services.

There is an assumed correlation between alcohol consumption and demand for policing services, this needs to be demonstrated with data and then having done so there needs to be clear evidence that the number of bars in an area provides the best correlation to these drivers of demand rather than other measures related to alcohol consumption. There is data available that identifies a rapid increase in the consumption of alcohol at home rather than in bars and data is needed to see if this is being properly represented by the measure being used in the formula. Can the Home Office demonstrate that it has considered other measures related to alcohol consumption, and if so provide the data that demonstrates that they correlate to the drivers of demand for police services in the same way (or less) than the measure they are proposing? For example, the use of Local Alcohol Profile for England (LAPE) data. This has been publicised in a national press article on 30<sup>th</sup> October utilising

indicator 10.01 from LAPE data, “admissions episodes for alcohol-related conditions (narrow)(persons)”. Utilising this indicator (police force rate per 100,000) Lancashire would be rated as the 7<sup>th</sup> most affected county nationally for drink related hospital admissions.

### ***Ability to raise precept income***

In his letter of the 8<sup>th</sup> October the Minister states that the Home Office have "reconsidered their proposed approach for capturing the ability of areas to raise additional income through precept" and have removed the Band D equivalent measure from the formula as this measure was "flat" across forces and did not meet its intended purpose.

Home Office officials have explained that the measure "didn't do what it was intended to" so was removed and indeed this seems to reflect feedback from stakeholders to the original consultation. The officials also stated that they had considered a number of other measures to reflect the ability to generate council tax and "couldn't find one that worked" so they are happy that population provides a "good enough" proxy for the ability to locally generate income.

This is unacceptable. The ability to generate income locally is crucial to the overall funding for police services. To state that we can't find a measure that works so we won't do it cannot be a reasonable approach.

Whilst it may well not be possible to build specific measures into the formula to reflect this issue it would be straightforward to provide a supplemental strand of funding that specifically relates to the ability to generate council tax receipts and ensure individual forces are not disadvantaged by their particular local circumstances.

This is important because consideration **must** be given to the balance between central government grant and local income. Clearly the reduction in funding through the formula for Forces that have a majority of their funding through the Police grant will not only have an immediate impact, but it is one that compounds in future years. The result is that forces with a high dependence on the grant will be the greatest affected. This particular issue was highlighted in the National Audit Office report published earlier this year which included a recommendation that the balance of central versus local funded needed to be approached more fairly.

Therefore to have a reasonable evaluation of police funding in its totality proper consideration of all the funding elements whether these are Home Office funds, central grants or local funding arrangements must be given.

### ***Area Cost Adjustment***

The Minister has also stated that following feedback from the original consultation the Home Office have decided to reflect differences in regional costs through the application of an "Area Cost Adjustment" index, as per the existing Police Allocation Formula.

It has not been identified how this impacts upon each of the forces, however, its impact can be estimated from the figures provided in the letter of the 8<sup>th</sup> October 2015. From an analysis of this information it appears that almost £187m is manipulated through this adjustment with

the majority going in to MOPAC with most forces suffering a reduction in their respective allocations as a result.

Information provided in your letter on 28th October indicates that the basis for the Area Cost Adjustment is the level of wages paid in different areas of the country but it is not explicit how the varying wage levels have been used in its calculation. Understanding this measure's calculation is crucial given that £187m of funding is being manipulated through its use.

It is therefore vital that further time is allowed for the examination of this variable so that we can fully understand its impact on the allocation of funding.

## **Principles**

In both the original and revised consultations, the Home Office identified 5 key principles for the design of the new police funding formula, against which we have assessed the proposals.

- **Robust - "The model should be analytically sound and use objective indicators based on robust data to allocate funding on the basis of relative need"**

It remains difficult to determine if the proposals are robust even with the limited analysis and data that the Home office have provided to explain their determinations about the variables being used in the model. This has been outlined in the statistical 'Formula' element and 'Variables' element of this consultation response. To make such an informed decision also requires a reasonable amount of time to make the examination which has not been provided.

The letter from the Policing Minister of the 8<sup>th</sup> October states that whilst alternative measures have been proposed for police related activity no robust data was available to justify their use and that population therefore remained the 'best' proxy for such activity. This is an issue that we continue to contest, data does exist but what is needed is sufficient time to collate it at a national level and then examine how it can be used in the formula. Simply using population to save time does not appear to be a robust approach to determining such an important process. This has also been described in detail above.

- **Stable – "The model should not cause force level funding allocations to change significantly year on year. This is crucial for a smooth transition process"**

Given that one of the variables has already been changed since the original consultation was issued and is a variable that is not under the control of the government there are real concerns this could happen regularly in the future and create instability in the allocations for forces in future years. This would directly impact upon the ability to forces to plan effectively.

Stability will only occur if the makeup and variables within the model do not change over time. However, there is a significant amount of work currently being undertaken to better understand the drivers of police activity. This could therefore identify further variables that should be incorporated into the model which in itself would lead to instability in allocations. It

is accepted that demand has changed considerably and has there been an opportunity to understand this in the detail required to develop the funding formula, in terms of counter terrorism, cyber and online crime, safeguarding and vulnerability.

- **Transparent - "The model should be clear and easy to understand and supported by key partners. The process of allocating funding should be supported by appropriate governance and accountability."**

Whilst the small number of variables does make the model simple, access to data for one of the variables (urban adversity) is not freely available and must be purchased which does not promote transparency, as outlined in detail previously. Dr Humphreys would also comment at point 10 in his report that parsimony is something that is desired in much statistical work, this should always be balanced with ensuring the model or summaries of data capture the complexity of the phenomena they are attempting to measure. The model proposed for the funding formula needs to be far more nuanced to explain demand. In addition the information provided in respect of the calculation of the Area Cost Adjustment is extremely scant making this element of the model particularly non transparent.

- **Incentivise Government objectives - "The model should be able to incentivise delivery of Government objectives while also minimising perverse incentives."**

It is difficult to say how the model will incentivise government objectives but it is not unreasonable to state that it should encourage improved efficiency in some way. Of greater concern is that in respect of the bar volume/density variable, forces that have a greater number of bars will receive more funding which seems to encourage their proliferation and given the assertion that this would drive crime up seems somewhat at odds with the aim of the model.

- **Future proof - "The model should enable delivery of policing structures and drive efficiency and respond to current and future demands and challenges."**

We have stated in our report above that we believe further consideration should be given to the alternative variables that relate to police related activity that have been rejected by the Home office. Their justification for rejecting them is given as a lack of available data, however, if further time were allowed to collect this data they could well provide a much better measure of the demand placed on policing services which in turn would provide greater certainty in the validity of the allocations being made through the formula in future years.

## **Summary**

We have remained committed to making a full contribution to the consultation process and we are seeking to build upon the considerable input we have already provided. We would contest that it has been difficult to engage fully in a meaningful consultation due to the lack of transparency in the development of the funding formula as outlined extensively in this document. We would contend that this would provide sufficient evidence to support that the

consultation has, in fact, been unreasonable. Detailed in this paper is a full consideration of the consultation, assisted by Dr Les Humphreys, an independent academic expert in this field. He summarises in his report that, *“The methodology used in developing the proposed model is by no means standard and rather ad-hoc. Furthermore the Home Office argue that “a police funding model ... needs to draw on information which can help explain why crime and demands on the police are different between force areas so that relative resources required across force areas can be determined”. There is no evidence that appropriate efforts have been made to incorporate relevant research that explains drivers of resource.”*

We would propose that in consideration of the considerable evidence and justification outlined in this document, it is difficult to envisage this model being adopted at this time without jeopardising the delivery of efficient and effective policing. We suggest that the proposals set out in the funding formula in no way meet the objectives outlined of future proofing policing resources and driving efficiency to respond to current and future demands and policing challenges.

We would propose delaying the introduction of the formula, to enable work to be undertaken on the challenges in policing in terms of risk and demand and an objective, independent assessment of how best to allocate resources in a safe and sustainable way. In our view the proposals represent “the wrong model at the wrong time” and could place policing at considerable risk of not being able to keep people in communities safe. Further work should be undertaken on the funding formula and it should not be introduced in 2016/17.

Yours sincerely



**Clive Grunshaw**  
**Police & Crime Commissioner for Lancashire**



**Stephen Finnigan**  
**Chief Constable for Lancashire**