



**Lancashire
Constabulary**

police and communities together

REPORT TO: STRATEGIC SCRUTINY MEETING

DATE: Monday 23 December 2013

AGENDA ITEM: 5F Resources and Value for Money

SUBJECT: Overview

Context

The Constabulary has in place a clear and robust financial strategy which tracks sensitivities around funding and spending pressures. This ensures that strategic planning is in place and offers the ability to plan for the challenges which lie ahead.

In their 'Valuing the Police 3' inspection report of 2013, HMIC reported that they were:

"...confident that Lancashire Constabulary fully understands the challenge facing them. There are very detailed plans in place to deliver the necessary savings by March 2015 and a strong track record in making savings".

They went on to say that they were:

"... impressed that the plans for achieving the savings have been strongly focused on making sure that as far as possible the quality and visibility of policing in Lancashire is maintained despite fewer staff".

Valuing the Police 4, commencing in early 2014, will build on the themes of the earlier phases of the programme but will have a much greater emphasis on the impact of service delivery, risk and viability. It is understood that HMIC will aim to make sharper differentiation between forces, based on clear and robust judgement criteria.

Audit and Validation

The Constabulary's internal audit plan allocates 200 days of robust scrutiny of the control and risk environment, which is monitored through the independent audit committee. The latest monitoring report, published in November 2013, indicated a "substantial assurance" opinion.

The Constabulary also has good external validation of its finances, through a clean external audit certificate from Grant Thornton. This provides assurance around value for money and financial health.

In year, the financial position is well managed and no financial risks have been identified. The monthly Management Board maintains strategic oversight and governance and ensures that resources are appropriately, effectively and efficiently managed.

Additionally, the Constabulary has collected in budget underspends to provide the funding to ensure that sufficient resources are in place to meet the implementation costs required to facilitate restructuring. The Constabulary expects to close the financial year in roughly the same position as it commenced, ensuring maximum flex to manage change related spending.

Value for Money (VfM) – HMIC VfM Profiles

The data return for the 2013 VfM Profiles was submitted prior to the OR3 reductions; it is therefore possible that Lancashire's position will have changed already but the profiles remain a valid and useful indicator.

In general, non-staff costs are found to be at the lower end in comparison to other Forces. Opportunities do exist to save money in this area by collaboration, shared services, contract renegotiation etc., but savings in these areas are unlikely to contribute significantly to reducing the CSR gap.

The most significant reductions required to meet future CSR requirements will be reduction in the employee wage bill. To minimise the impact of these reductions consideration may be given to work force modernisation on a radical scale to make the workforce as cost effective as possible whilst minimising the impact on the public.

All areas of comparatively high spend, nationally or against most similar forces, are in either uniform or detective specialists. Significant savings can be achieved by reducing the spend in these areas by either "double-hatting" the specialisms or transferring the skills and responsibility back to response / CID

Lancon is disproportionately affected by national funding reductions, having the 11th lowest charge for band D council tax nationally. There is also a low yield due to the high proportion of band A & B classed properties.

Outliers

1. Intelligence

Lancon has the highest intelligence spend amongst its most similar forces and the sixth highest spend nationally. In a further breakdown of costs, Lancon has the third highest spend nationally on intelligence gathering (i.e. all operational activity re intelligence including DSU, FSU, HQ & Divisional Intel teams etc.).

Whilst collaboration projects are looking at this area they are not proposing the significant savings that Lancon has potential to make. Collaboration has the potential to effectively make these savings but the regional teams must have the focus on making the CSR savings and not just providing a better service for the same money.

Whilst this area of business is one that does not require extensive utilisation of warranted officers, it is currently dominated by police officers. This may offer the opportunity for significant savings.

2. Level 1 Public Order

Lancon has the highest spend on within its most similar group (MSG) and the third highest spend nationally. Level one public order is the area that pushes up the Constabulary's spend in the operational support cost charts overall.

This area was considered by the Force in OR3 but was intentionally left at the same resourcing level, with the knowledge that the spend would remain high for operational reasons. In view of the remaining and future funding gaps, it may now be timely to reconsider whether that level of resourcing remains appropriate.

3. Business Support

Percentage spend on this area is the second lowest both nationally and amongst the MSG. The Constabulary has not yet progressed any external savings opportunity from potential shared services etc., which may produce further savings.

4. Other

- Economic crime – second lowest spend nationally and lowest of MSG. Raises the question as to whether the Constabulary has the resource to offer the same standard of service to economic crime as other Forces.
- Dogs - second lowest spend nationally and lowest of MSG. This suggests that the Constabulary has already reduced to the lowest possible level and further reductions are unlikely.
- Sergeant numbers – the Constabulary has the highest percentage proportion of sergeants in MSG and 7th nationally. This may indicate future potential for reduction in sergeant numbers.
- Police Officers on recuperative duty – third highest nationally and highest in MSG.
- Non staff costs per population – second lowest spend in MSG and 10th lowest nationally. Across most areas of non-staff costs we are at the lower end (P13 – includes premises, supplies and services, restructure, training & conference).
- Superintendent numbers – these are currently above average (incl. Ch Supts.) but this doesn't include the recent reductions in OR3.
- Officer overtime - highest spend in MSG and fifth highest nationally. This does not take into account the significant overtime reductions agreed in the Overheads Review.
- Fingerprint / internal forensic costs – third highest MSG spend and 11th highest national spend. This should be reduced as a result of the SSD OR3.

Making Best Use of Police Time

As part of their Business Plan for 2013-14, HMIC agreed to undertake work to assess the effectiveness of three key aspects of policing activity, namely preventative policing, police attendance and freeing up police time. It has now been agreed that these three areas would be drawn together and delivered under one 'umbrella' programme; *Making Best Use Of Police Time*.

There are some clear links and interdependencies across these three areas of policing; the ability to free up time will affect the response to calls from the public, the quality of service whilst attending and the amount of time that can be dedicated to preventative policing; which not only reduces the impact on the public as victims but also future demand. The response to calls for service from the public will also influence the likelihood of detecting the crime and preventing repeat incidents from occurring.

The reductions required in the 2010/11 comprehensive spending review challenged the Service to become more efficient and at least as effective. All forces have reorganised themselves and examined systems and procedures in an effort to reduce costs and maintain service delivery. This inspection programme will provide a national assessment, against this austerity backdrop, of how effective forces are at preventing crime, responding to calls for service from the public and how they are creating additional capacity to focus on activities that are vital to reducing crime and improving public satisfaction and confidence.

The key questions being posed in this inspection programme are:

1. How effective are police forces at preventing crimes and incidents from happening?
2. When crimes and incidents are reported, how do forces respond and how does their activity affect crime investigation and prevention, public reassurance, satisfaction and confidence?
3. What constitutes a working day for officers and staff, and how are forces freeing up time and exploiting technology to ensure their focus is on those activities that will reduce crime, anti-social behaviour and improve confidence and satisfaction?

The programme of work will include data collection, public survey work and in-force inspections, leading to publication of individual force reports and a single national thematic report. Data collection will be undertaken during December 2013 with fieldwork planned for January to March 2014.

This work links closely with a significant programme of work, commissioned by ACC Bates and currently being progressed by the Constabulary, looking at maximising the productivity and visibility of officers and staff.