

# PEEL: Police efficiency 2015

An inspection of Lincolnshire Police



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# Overview – How efficient is the force at keeping people safe and reducing crime?

## Overall judgment<sup>1</sup>



Requires improvement

HMIC found that Lincolnshire Police is partly prepared to face its future financial challenges. It has balanced the budget and has a good track record of achieving savings. However future plans beyond 2016 are projecting a budget deficit, meaning that a commitment made by the force to maintain current workforce numbers will not be achievable. In last year's value for money inspection, which considered how forces had met the challenge of the first spending review period, Lincolnshire was judged to be good.

## Summary

HMIC judges Lincolnshire Police to require improvement. The force has a good and growing understanding of current demand and the cost of the service it provides. It has entered into outsourcing arrangements, strategic private sector partnerships, and collaborative working. It is a low-cost force with a small workforce. A high proportion of the force's funding comes from the police element of council tax. However, future funding beyond 2016 is uncertain and the current plan of maintaining workforce numbers is not achievable. It would result in a budget deficit, which could not be bridged by the use of reserves. Therefore, the force requires improvement in how efficiently it keeps people safe and reduces crime.

The force has robust financial management, accurate budgeting and a record of achieving planned savings. The savings requirement for the spending review period has been met. The force balanced the budget for 2014/15 achieving the £2.5m savings requirement. There is also a balanced budget planned for 2015/16 with clear plans in place to achieve these savings with no use of reserves.

However, the force and PCC has made a continued commitment to maintain current staffing levels and it is unclear how these levels can be sustained when faced with further savings requirements. At the time of inspection the force has no plans to use its general reserve to bridge the funding gap and the force reports a funding gap in 2016/17 and 2017/18. This means that the current plan to maintain workforce numbers is not achievable.

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<sup>1</sup> Outstanding, Good, Requires improvement or Inadequate – see Annex A.

The force reports that it is developing its understanding of the possible impact that any further workforce reductions might have on the service provided to the communities of Lincolnshire. However these plans are not yet available to evaluate.

<p><b>How well does the force use its resources to meet its demand?</b></p>	<p><b>How sustainable and affordable is the workforce model?</b></p>	<p><b>How sustainable is the force's financial position for the short and long term?</b></p>
<p>   <b>Good</b> </p>	<p>   <b>Requires improvement</b> </p>	<p>   <b>Requires improvement</b> </p>
<p>Lincolnshire Police has a good and growing understanding of its current demand for its services and the cost of those it provides.</p> <p>Work has begun to analyse in more detail how the force deploys its resources in line with demand. It made an early start on analysing activity and assessing the cost of this activity. This work is currently being updated.</p> <p>The force is developing a revised operating model. Options and choices are beginning to emerge. It is investing in technology including a new IT infrastructure to improve productivity and better align with other forces in the region.</p> <p>The force is actively</p>	<p>The current workforce model matches known and emerging demand, and financial plans, but only in the short term. The force is developing its knowledge and management of the skills and capability within the workforce to fit current and emerging demand. There is a shortage of some skills and limited opportunities for progression in some areas of the workforce.</p> <p>The force does not as yet have a revised operating model in place to meet longer-term changes in demand and organisational and financial requirements. Workforce planning is based on the continuing commitment by the PCC to maintain an establishment of 1,100 officers and 149 PCSOs. Financial plans</p>	<p>The force has robust financial management arrangements, and a record of achieving planned savings. The savings requirement for the spending review period was achieved.</p> <p>There is a balanced budget for 2015/16. The savings requirement is £2.5m and there are clear plans in place to achieve these savings with no use of reserves. The force has explored some options to increase income, and financial planning assumes a continued reduction of £300,000 in funding over the next two years that is provided by the County Council.</p> <p>The police and crime commissioner's (PCC's) and the force's operational and financial plans are</p>

<p>exploring new ways of working, defining what will not be police business in the future, and engaging with communities and partners about what it has stopped doing.</p> <p>Lincolnshire Police is a low-cost force, with a small workforce, and a high reliance on local funding. It has entered into outsourcing, strategic private sector partnerships and collaborative working. This means it saves money and brings a more efficient approach. However it also reduces the force's flexibility in relation to future options for the provision of policing services.</p>	<p>show substantial deficits in future years as these are based on maintaining existing workforce numbers. The force states that it is starting to model different ways of providing policing for the future, but these plans are not yet available to evaluate.</p>	<p>clearly linked. The medium term financial plan (MTFP) shows an intention to maintain 1,100 officers and 149 police community support officers (PCSOs) to the end of March 2017.<sup>2</sup> This means there is a budget deficit in 2016/17 of £4.3m and in 2017/18 of £7.1m.</p> <p>At the time of inspection the force has no plans to use the general reserve and based on its forecasts the force reports a funding gap in 2016/17 and 2017/18. This funding gap will require the force and PCC to review the reserve policy. Despite this, the current general reserve will still not cover the anticipated budget shortfall for 2017/18. The plan to maintain current staffing levels until 2017 is therefore not achievable.</p> <p>The force has not included forecast figures for 2018/19 or 2019/20 in its MTFP.</p>
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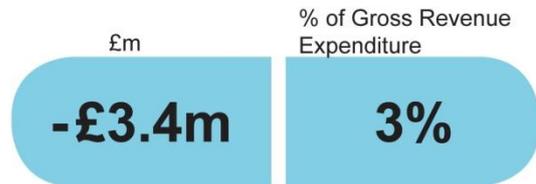
<sup>2</sup> Police and crime panel report of the 23 February 2015.

## Force in numbers



### Financial position

Forecasted change in expenditure 2015/16 to 2017/18



It is important to note that some forces only provided figures for savings they had formally signed off at that point, while others provided estimates for the whole period. As a result, the savings figure above might not reflect the full saving which the force might have to make. 2014/15 GRE has been used here as a baseline.



### Providing policing

Planned change in police officer numbers 31 March 2015 - 31 March 2018



Planned change in total workforce numbers 31 March 2015 - 31 March 2018



Proportion of police officers on the operational frontline 31 March 2010



Proportion of police officers on the operational frontline 31 March 2015



Planned proportion of police officers on the operational frontline 31 March 2018





## Organisation

Police officer cost per head of population compared to England & Wales (2014/15)

Lincolnshire Police      England and Wales

**£78**

**£115**

Workforce cost per head of population compared to England & Wales (2014/15)

Lincolnshire Police      England and Wales

**£97**

**£165**



## Key statistics

Changes in recorded crime (excluding fraud) 12 months to 31 March 2014 to 12 months to 31 March 2015

Lincolnshire Police      England and Wales

**-2%**

**+2%**

Changes in recorded crime (excluding fraud) 12 months to 31 March 2010 to 12 months to 31 March 2015

Lincolnshire Police      England and Wales

**-24%**

**-16%**

Victim satisfaction 12 months to 31 March 2015

Lincolnshire Police      England and Wales

**81.3%**

**83.8%**

Changes in victim satisfaction 12 months to 31 March 2011 to 12 months to 31 March 2015

Lincolnshire Police      England and Wales

**No change**

**No change**

The force did not provide data to 2018.

**Victim satisfaction:** Lincolnshire confidence interval +/- 2.2 percent. England and Wales confidence interval +/- 0.2 percent.

For full details on the data used in this graphic see annex A in the efficiency national report.

## Introduction

In October 2010, the Government announced that central funding to the police service in England and Wales would reduce by 20 percent in the four years between March 2011 and March 2015. Now, in a period of sustained budget reductions, forces need to continue to make efficiencies while focusing on reducing crime and keeping communities safe.

As part of its annual inspections into police effectiveness, efficiency and legitimacy (PEEL), HMIC's Efficiency programme assessed how a force maximises the outcomes from its available resources. We reviewed both the financial and workforce planning of police forces whilst examining wider questions of cost, capability and productivity. Our inspection focused on the overall question, 'How efficient is the force at keeping people safe and reducing crime?'

To answer this question we looked at three areas:

- How well does the force use its resources to meet demand?
- How sustainable and affordable is the workforce model?
- How sustainable is the force's financial position for the short and long term?

During our inspection we collected data and plans from forces, surveyed the public to see if they had noticed any changes in the service they received and conducted in-force inspections. HMIC interviewed chief constables and the chief officers responsible for finance, organisational change, human resources and performance in each force and held focus groups of officers and staff at different grades and ranks, and made unannounced visits to police stations.

This report sets out the findings from this wide-ranging inspection of Lincolnshire Police.

## How well does the force use its resources to meet its demand?

HMIC examined how the force understands the demand for its service, and how it allocates its staff and financial resources to meet that demand. We then assessed whether these decisions are leading to good results for the public – that the police are visible and that they attend promptly when called, that they are fighting crime and keeping communities safe, and that victims are satisfied with the service they receive.

## How well does the force understand its demand?

The force has a good and growing understanding of the demand it faces and it is developing its knowledge of emerging demand. This has included an analysis of incidents of human slavery, cyber-crime and online child sexual exploitation, using national, regional and force-level data. The force is in the process of reviewing its operating model<sup>3</sup> so that it is effective to tackle these emerging crimes. In doing so it is drawing on the experience of other forces alongside support from consultants and professional judgment. The aim is to start implementing a new operating model from October 2015 by increasing the number of people and improving their skills in public protection.

Regionally, there is extensive work to map the activity of organised crime groups. Those groups assessed as posing the highest threat are investigated by the regional organised crime unit. Staff in this unit are seconded from five forces in the East Midlands region, including Lincolnshire.

At force level, a board, chaired by the deputy chief constable, meets every six weeks and focuses on principal work strands under effectiveness, efficiency and legitimacy. This includes ongoing assessment of the threat, harm and risk to the communities of Lincolnshire. Over the past 18 months a project has been undertaken to understand the levels of demand better, mainly from calls coming into the control room and to provide an in-depth analysis of the impact of working practices on frontline resources. The project included a review of 750 calls using volunteers. This review provided comprehensive data which means that a more structured risk-based approach to assessing calls from the public is now in place. Call takers identify vulnerability more effectively and as a result, the deployment of frontline staff and response times to urgent calls has improved.

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<sup>3</sup> Operating model - the way in which a police force is organised in terms of its structure and the processes it has adopted and operates in order to achieve its objectives.

Locally, the force carries out a range of engagement activities with communities to assess their needs and find out the best way to provide a good quality of service. It also places a high priority on sharing information and consulting with local organisations. From interviews with local organisations, including the local authority, fire service, ambulance and trading standards, it is clear that there is effective information sharing to ensure the deployment of police and partner resources to prevent and tackle local issues. This work is further strengthened through a senior police officer seconded to work at the county council, who facilitates this exchange and enables a better understanding of overall demand.

## **How well does the force match resources to demand?**

The force is structured into two geographical policing areas. It is committed to neighbourhood policing and has placed more staff in those areas where demand is highest. Leadership is provided by district-based managers, who have the flexibility to move resources across districts. Neighbourhood teams share boundaries with local authorities which helps address local community safety issues more effectively.

Local organisations are involved in setting joint priorities with the police through an annual event which sets out strategic priorities. There is agreement between all organisations to focus on the same priorities with a cross-cutting theme of improving data analysis and information sharing. A better understanding of demand is being developed to show where there is overlap between the services of local organisations and to identify opportunities to be more efficient.

There are strong governance structures in place to ensure resources are deployed in line with the strategic priorities. The way in which the force prioritises and adjusts its plans means it can work in an agile way to meet changing demands. There are also daily and weekly meetings, where tasks are assigned against immediate threats of harm and risk.

An annual assessment of matching resources to demand is undertaken. The 'forecasting required resources against expected demand' (FRRED) is a zero-based modelling tool, developed in 2010. Although not particularly sophisticated, the model is supplemented, for example, by comparing how busy officers are relative to officers in other forces and by comparing actual demand with anticipated demand from the annual strategic threat and risk assessment. These different methods are used to inform chief officers' professional judgment on the current and future workforce numbers to meet known and emerging demand. In making these assessments, the force recognises that at times, community beat managers and PCSOs, as well as other specialist policing teams, are required to respond to incidents, taking them away from their core or community engagement roles.

The force is continuing to analyse in more detail how resources are deployed against demand; an early start on analysing activity and applying costing to that activity is now being updated. A number of police systems are now integrated to provide a more comprehensive picture of resource availability and deployment.

## **How well are the force's services meeting the demand from the public?**

To assess the force's response to public demand, HMIC considered police recorded crime figures and rates in Lincolnshire; victim satisfaction levels; and whether the force is using different ways to communicate and engage with the public.

Although police recorded crime is by no means a complete measure of the totality of demand a force faces, it does provide a comparable performance indicator across all forces. Crime rates are reported as a number of crimes per 1,000 population in each force area to enable comparison between areas. Total police recorded crime is made up of victim-based crime (e.g. theft) and non victim-based crime (e.g. possession of drugs) Two thirds of forces showed an annual increase in total recorded in the year ending 31 March 2015. This increase in police recorded crime may have been affected by the renewed focus on the quality and compliance of crime recording since HMIC carried out a national inspection of crime data integrity in 2014.

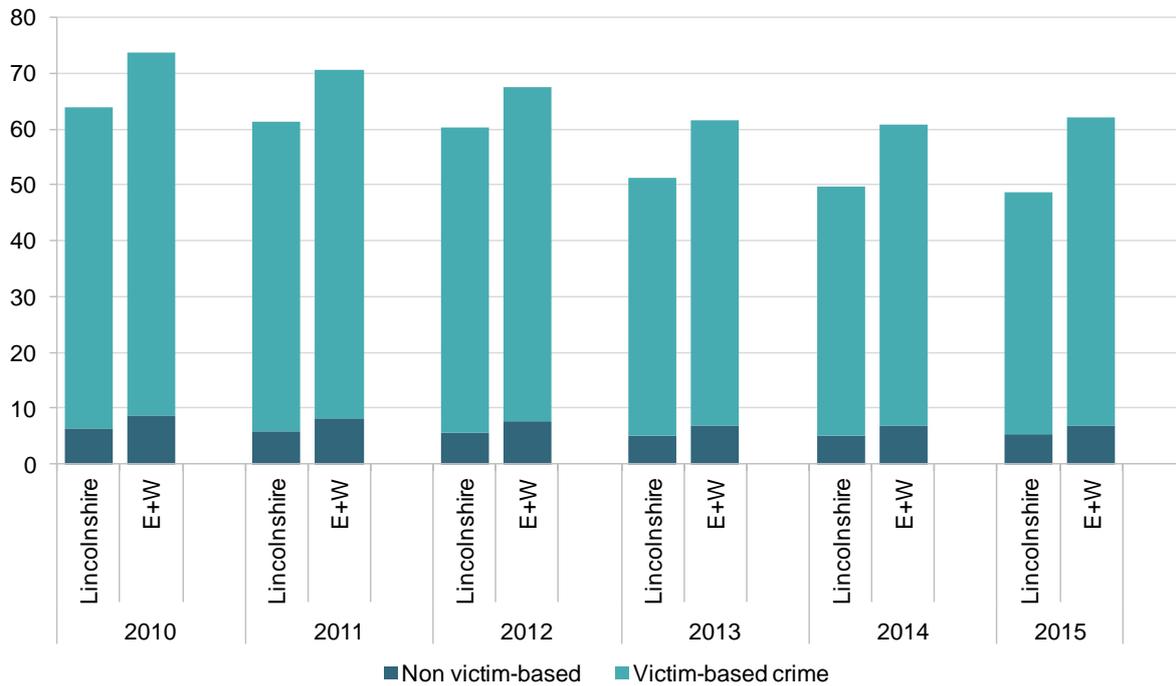
In the 12 months to 31 March 2015 Lincolnshire had a victim-based crime rate of 43.3 and a non-victim-based crime rate of 5.4 per 1,000 population.<sup>4</sup> This represents a decrease (25 percent) in the victim-based crime rate and a decrease (17 percent) in the non-victim based crime rate since the start of the spending review in 2010. During the same time period England and Wales had a victim-based and non victim-based crime rate of 55.2 and 6.9 per 1,000 population respectively.<sup>5</sup> This represents a decrease in both crime rates by 15 percent and 19 percent respectively since the start of the spending review. The scale of the change in the police recorded crime rate can be seen in Figure 1.

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<sup>4</sup> Lincolnshire, confidence interval +/- 2.2 percent.

<sup>5</sup> England and Wales, confidence interval +/- 0.2 percent.

**Figure 1: Police recorded crimes per 1,000 population in Lincolnshire in the 12 months to 31 March 2010 to the 12 months to 31 March 2015, compared to England and Wales**



**Source: Home Office crime statistics and ONS mid-2013 population estimates (2013 population data are used across multiple years to reveal actual change in recorded crimes, rather than change due to population change)**

Of those who have been the victim of a crime in Lincolnshire, 81.3 percent were satisfied with their whole experience with the police in the 12 months to 31 March 2015. This is lower than the national victim satisfaction rate of 83.8 percent over the same time period. There has been no significant change in victim satisfaction between the 12 months to 31 March 2011 and the 12 months to 31 March 2015 in Lincolnshire.

HMIC monitored how a force engages with the public as part of the inspection. Figure 2 on the following page shows Lincolnshire Police uses a range of methods including Facebook, Twitter, email to engage with the public.

**Figure 2: Methods of public engagement used by Lincolnshire Police in the 12 months to 31 December 2014**

<b>Are the following communication channels being used by the Force?</b>	
Facebook	Yes
Twitter	Yes
Email	Yes
Text message	No
Web forum	No
Instagram	No
Local phone (not 999 or 101)	Yes

**Source: HMIC Efficiency data collection**

The force is meeting the demand from the public and has introduced a new telephony system to direct callers immediately to the right department or person. An online system to allow victims to track the progress of their crime and a way to report non-urgent issues online are also being developed. However, the force's external website is limited in providing clear signposting for the public to help them find the best locally-based organisation to deal with their concerns. There are also no overt messages to the public to tell them the types of incident which staff will attend and which they will not. However, the incident resolution team, situated in the control room, is starting to direct callers to other organisations, who are best able to assist callers.

Overall, the volume of calls from the public is not yet reducing and there is ongoing work, for example by identifying frequent callers or locations, to find ways of managing this demand better. Where callers repeatedly waste police time, the force takes positive action to deal with offenders and, where it is more appropriate, involves partners, for example social services and health service professionals, to make interventions.

There is a clear focus on improvement within the professional standards department (PSD), both with its own internal procedures and with sharing learning arising from complaints and/or misconduct across the force. A newsletter called 'The Standard' is produced monthly and explains recent misconduct matters and gives examples of positive professional conduct. At the force's review progression board, learning from complaints, serious case reviews, trends and patterns are discussed to improve services.

## **How well is the force managing demand?**

The force has achieved a number of successes by working with partners to manage demand. One such example is the mental health triage car, with an agreement that it is staffed by paramedic and mental health staff, and deployed through the ambulance control room. Officers are positive about its effectiveness as they request it when they find vulnerable people and it is managing more incidents. This scheme supports a business case to secure a second health-based place of safety in the county.

Other examples include well-established work with local organisations to address safeguarding and prevention activity. A crime reduction strategy is being developed through the community safety partnership, to ensure work between partners is aligned. A senior officer is seconded to the county council and works as an assistant director. This secondment is helping bring together resources to focus on prevention work, for example, by providing extra support and help to families and a co-located multi-agency team which prevents and investigates child sexual exploitation. The integrated offender management scheme<sup>6</sup> is being refreshed, which involves the force carrying out analysis to review the current cohort of offenders and developing the most effective use of multi-agency strategies to help prevent and reduce reoffending.

## **How well does the force monitor and understand outputs, outcomes and costs?**

The force has clear processes in place to manage and improve performance. There is a performance management framework, where information at both force and area levels is overlaid with financial performance data, such as overtime costs. A commercial partnership team also closely monitors outputs and outcomes achieved by the strategic private sector partner.

There is a monthly meeting to identify trends and patterns, compare performance with other forces, scrutinise operations, ensure value for money and focus on problem solving. This information is shared with the office of police and crime commissioner (OPCC). Daily performance reporting arrangements are also in place. Analysis of how performance compares with others is used to improve understanding of the effectiveness of different approaches. External scrutiny is undertaken using peer reviews, the College of Policing 'what works' insights, HMIC's value for money profiles and academic studies.

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<sup>6</sup> An approach adopted by different public sector organisations (including local authorities, the police and the probation service) working together to manage persistent offenders who commit high levels of crime or cause damage and nuisance to communities.

The PCC's ambition is to increase the number of volunteers through his 'V1000 programme' in order to achieve a more visible presence in the community. Currently, there are 548 volunteers in different roles across the force. Analysis to understand how these volunteers add value and contribute to performance suggests that for every £1 spent there is a return on investment of nearly £4. This is reported as good value for money.

A mobile data project aims to increase productivity and officer visibility. The force has conducted 'time and motion' studies, with officers being observed and timed to determine how long it took them to do certain tasks. These studies have provided a baseline to compare how the introduction of new mobile technology later this year will affect performance. It is estimated that the project can reduce time spent on tasks by 30 minutes per officer per shift, for example by reducing radio use, fewer calls to the control room and less time spent travelling to and from police stations.

## **How well is the force using new working methods to improve services?**

A comprehensive IT strategy and implementation plan ensures the force has the necessary technology across its main functions. Clear, measurable benefits are identified and tracked. Lincolnshire Police is well placed to benefit from the efficiencies resulting from the implementation of a joint IT solution across all forces in the East Midlands region. A common IT platform is due to be in place by March 2016 with the aim of creating a consistent approach throughout the region. While there will be no associated savings for Lincolnshire, the savings for the other East Midlands forces could be substantial. This is a notable and impressive collaboration.

There are well-established regional collaborations on other operational functions, the latest being operational support services (roads policing, firearms, dogs, search and collision investigation) which aims to make over £1m savings for the four forces involved and return 28 posts to Lincolnshire Police. Other key regional collaborations are: the East Midlands Special Operations Unit (EMSOU), which tackles serious and organised crime and major crime; the East Midlands Criminal Justice Service, which handles crime file preparation, victims and witnesses, police-led prosecutions and the central ticket office; the East Midlands Legal Services; and the East Midlands Forensic Science Service. For Lincolnshire Police, these collaborations offer increased resilience and capacity, rather than actual savings.

Lincolnshire leads a regional project to introduce video links between police and the courts. The project has the potential to deliver efficiency gains by reducing the need for officers to travel to and physically attend court. It is intended that the project will deliver two extra video link facilities in addition to the existing facility in Lincoln.

The force is introducing new technology such as body-worn video and mobile technology, which are intended to increase efficiency and improve how resources are deployed to changing demand. A six-weekly board meeting brings all elements of change together. At these meetings, benefits are identified, tracked and evaluated. There is a significant investment in technology both in the force and across the region. This investment and the regional collaboration aim to free up officer time. However, rather than seeking to reduce the overall numbers of staff, the force intends to re-deploy them to boost resilience.

Lincolnshire Police entered into a contract in April 2012 with a private sector partner to provide a range of business and some operational support functions, for example the control room and custody. The focus of this arrangement is not just on making financial savings, but also on supporting transformational change and continuous improvement. There are regular performance and delivery meetings, which consider service delivery and contractual issues. The contract is well managed by the commercial partnership team with a number of performance measures to ensure efficient delivery of services. The force recognises that the measures for call handling and control room functions need updating and work is underway to ensure that where possible they are more focused on outcomes.

Last year the contract with the private sector organisation was reviewed. Each area of service provision was considered, but it was decided not to take any further savings as this would have risked taking the service provided to levels below that which the force regarded as acceptable. This is a ten-year contract which saves money and brings a more efficient approach. However, it also reduces the force's flexibility in relation to the options it can develop to provide policing in the future.

The staff survey last year sought to assess the impact of change on people. The way change is communicated was described as needing improvement and staff said they would like earlier involvement in change programmes. Although the force describes its approach to communication in relation to change as proactive, the staff who completed the survey said they prefer face-to-face briefings and staff explain during fieldwork that they are aware of the financial challenges ahead but they are less well informed about planned changes to the force's operating model.

## Summary of findings



**Good**

Lincolnshire Police has a good and growing understanding of its current demand for its services and the cost of those it provides.

Work has begun to analyse in more detail how the force deploys its resources in line with demand. It made an early start on analysing activity and assessing the cost of this activity. This work is currently being updated.

The force is developing a revised operating model. Options and choices are beginning to emerge. It is investing in technology including a new IT infrastructure to improve productivity and better align with other forces in the region.

The force is actively exploring new ways of working, defining what will not be police business in the future, and engaging with communities and partners about what it has stopped doing.

Lincolnshire Police is a low-cost force, with a small workforce, and a high reliance on local funding. It has entered into outsourcing, strategic private sector partnerships and collaborative working. This means it saves money and brings a more efficient approach. However it also reduces the force's flexibility in relation to future options for the provision of policing services.

## How sustainable and affordable is the workforce model?

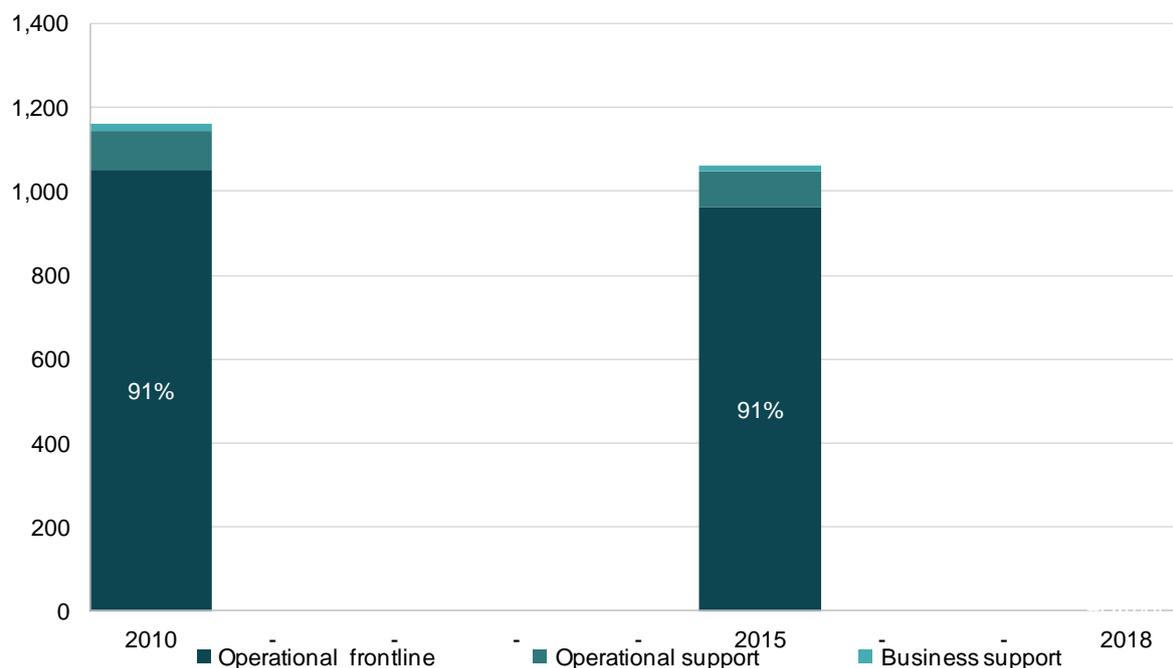
HMIC examined how Lincolnshire Police has structured its workforce (i.e. its mix of police officers, staff and PCSOs, and the proportion of all these groups working in frontline positions), and assessed whether this was affordable and sustainable as the force responds to its financial challenge. We also considered what the force is doing to ensure the workforce has the right skills and capacity to fight crime and keep communities safe now and in the future.

### **How well does the force's current workforce model match demand, organisational and financial requirements?**

Lincolnshire Police forecasted a total savings requirement over the first four years of the spending review as part of the value for money inspection (2011/12 to 2014/15) of £19.95m, the equivalent of 16 percent of the 2010/11 gross revenue expenditure for the force. Savings were made in both the pay and non-pay budgets. Since 2010, Lincolnshire Police has seen a reduction of 106 police officers and 638 staff, many of whom were transferred to the strategic partner.

In Lincolnshire, there have been falls in the total number of police officer full time equivalent (FTE) over the period 2010 to 2015, as shown in figure 3. During this time period the proportion in frontline roles has remained the same from 91 percent in 2010 to 91 percent in 2015. The force has not provided information on its predicted police officer numbers looking forward to 2018.

**Figure 3: Planned changes to police officer full-time equivalents (FTE) in operational frontline, operational support and business support roles in Lincolnshire Police, from 31 March 2010 to 31 March 2018**



**\*Force was unable to provide data to March 2018**

**Source: Home Office annual data return and HMIC efficiency data collection**

**For further information about the data for figure 3 please see Annex B**

The current workforce model matches known and emerging demand, and financial plans, but only in the short term. During the spending review period (2011/12 to 2014/15), the force made savings of £20m. This was achieved by slowing police officer recruitment and making an overall reduction in 106 police officers and 638 staff posts (although the majority of the police staff posts were transferred to the private sector partner). Workforce planning is based on the continuing commitment by the PCC to maintain an establishment of 1,100 officers and 149 PCSOs. This position has been well communicated to the workforce, but staff are anxious as to what the future plan will be beyond 2017. If there is no change in the financial savings required, then given that the force has no plans to use reserves to bridge the funding gap, there will be a budget deficit.

There is a monthly strategic workforce planning board which brings together modelling and forecasting work. This is based largely on historical trends which are then projected forward. Data on the number of retirements, voluntary resignations and abstractions, for example career breaks and those on maternity leave, are used to understand 'deployable strength' over the next two years. This includes a continued commitment to recruit officers. Further workforce modelling is being undertaken in relation to supervision levels, sickness levels and flexible working

arrangements. However, there is limited overall scope to make changes to the composition of the workforce, within existing numbers, to develop capacity and capability. Predicting when officers and staff will leave is based on trends but can never be absolutely certain. For example, last year there were much higher numbers of officers than predicted who were away due to ill health and there were more resignations than had been anticipated.

In 2012 and 2013 the force carried out a risk assessment of each officer and staff post. This means the force has a picture of the high priority roles and is able to understand the impact of varying degrees of workforce reduction on the level of service provided to the public. The force plans to revisit this assessment process later this year. The ranking of different roles is used to manage and monitor officer and staff vacancies. All business cases for replacing staff are reviewed against this risk assessment at the workforce planning board.

The force is developing its knowledge and management of the skills and capability within the workforce to fit current and emerging demand. There is a shortage of some skills, for example specialist investigatory skills, and there are limited opportunities for individuals to progress in some areas unless they move to a collaborated regional team. This is a similar situation for senior leaders in skills such as firearms, public order command and investigating major crime where these roles are filled at a regional level rather than by local leaders.

## How well does the force's projected workforce model match demand, organisational and financial requirements?

Figure 4: Planned changes in workforce FTE from 31 March 2010 to 31 March 2018 for Lincolnshire Police compared to England and Wales

	March 2010	Difference between 2010 and 2015		March 2015	Difference between 2015 and 2018		March 2018
		Force	England and Wales		Force	England and Wales	
Police Officers	1,206	-9%	-12%	1,100	*	-6%	*
Police Staff	917	-70%	-19%	279	*	-6%	*
PCSOs	149	-7%	-27%	138	*	-11%	*
<b>Workforce total</b>	<b>2,272</b>	<b>-33%</b>	<b>-15%</b>	<b>1,517</b>	<b>*</b>	<b>-6%</b>	<b>*</b>

\*Force was unable to provide data to March 2018

Source: HMIC Efficiency inspection data collection and Home Office workforce statistics

For further information about the data for figure 4 please see Annex B

The force does not as yet have a revised operating model in place to meet longer-term changes in demand and organisational and financial requirements in a way that is sustainable. The current medium-term financial plan shows substantial deficits in future years as it is based on maintaining the existing number of police officers PCSOs and police staff.

The force states that it is developing a range of options to continue to provide an effective and efficient police service from 2017 onwards. However, these plans have not been made available for HMIC fully to evaluate and consider their impact on police service provision. A document, prepared over a number of months by the force, entitled the *Lincolnshire Police in 2018 – the chief constable's vision* was circulated to the workforce shortly after the inspection took place, so HMIC were unable to evaluate its impact and the message it conveyed to the workforce. However, the detailed document indicates a smaller workforce working differently in the future.

## Summary of findings



Requires improvement

The current workforce model matches known and emerging demand, and financial plans, but only in the short term. The force is developing its knowledge and management of the skills and capability within the workforce to fit current and emerging demand. There is a shortage of some skills and limited opportunities for progression in some areas of the workforce.

The force does not as yet have a revised operating model in place to meet longer-term changes in demand and organisational and financial requirements. Workforce planning is based on the continuing commitment by the PCC to maintain an establishment of 1,100 officers and 149 PCSOs. Financial plans show substantial deficits in future years as these are based on maintaining existing workforce numbers. The force states that it is starting to model different ways of providing policing for the future, but these plans are not yet available to evaluate.

### Areas for improvement

- The force should develop a future workforce plan that is aligned to its overall demand and budget. The plan should include future resource allocations and the mix of skills required by the workforce.

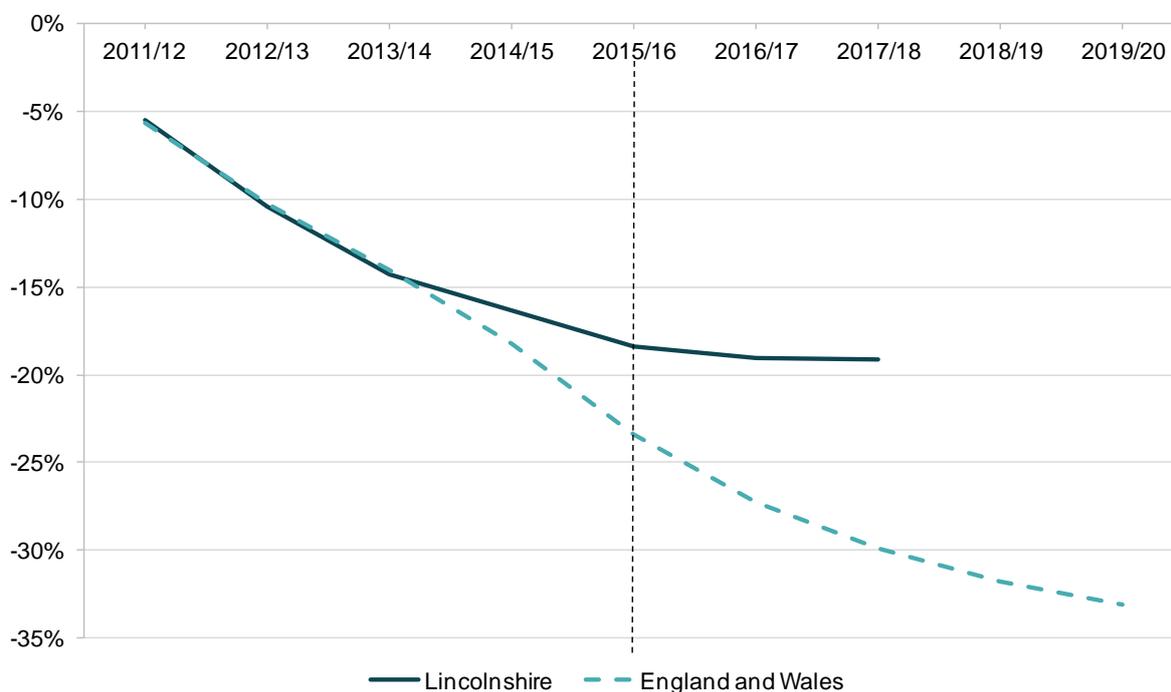
## **How sustainable is the force's financial position for the short and long term?**

HMIC examined how forces have achieved savings over the spending review period, the saving plans that forces have developed for the future, and the assumptions forces have made in the understanding of the financial challenges ahead. We also assessed whether forces have good financial controls and governance, and if spending reflects the priorities outlined in the police and crime plan.

### **Has the force achieved its saving requirements and balanced the budget for the spending review period and 2014/15?**

Lincolnshire Police forecasted savings of £19.95m over the first four years of the spending review (2011/12 to 2014/15), the equivalent of 16 percent of the 2010/11 gross revenue expenditure for the force. Over the period savings were made in both the pay and non-pay budgets, so as to balance budgets by 2014/15. Over the same period all forces across England and Wales forecasted a total savings requirement of £2.53bn, the equivalent of 18.2 percent of the 2010/11 gross revenue expenditure for England and Wales.

**Figure 5: Estimated change in expenditure from 2011/12 to 2014/15, and forecast planned savings for 2015/16 to 2017/18, against the 2010 gross revenue expenditure baseline for Lincolnshire Police and England and Wales**



**Source: HMIC policing in austerity data, HMIC efficiency data collection and the Chartered Institute of Public Finance & Accountancy (CIPFA) Police Objective Analysis data**

**For further information about the data for figure 5 please see Annex B**

There is robust financial management, accurate budgeting and the force has a record of achieving planned savings. The savings requirement for the spending review period is met and there is a balanced budget for 2014/15.

The force undertook work to take costs out of support functions by streamlining procedures prior to the spending review period. Examples of areas where significant savings have been achieved include:

- police officer pay – £3.9m;
- centralising support services – £3.5m;
- reducing the capital programme – £2.6m;
- entering into a strategic partnership –£3.4m; and
- targeted reviews – £5.2m.

This amounts to £18.6m. In 2014/15 the remaining amount was achieved from a combination of pay (£0.3m) and non pay (£2.2m) savings.

## **Has the force achieved a balanced budget for 2015/16?**

Lincolnshire Police has planned a balanced budget of £113.9m for 2015/16, which includes a cut in spending of £2.5m. It is forecast that the reduction will be split between £0.3m from the pay budget (11 percent) and £2.2m (89 percent) from the non-pay budget in this year's savings. The force plans to meet its reduction in spend without using reserves as a bridge. Since the 2010 baseline, at the start of the spending review, this represents savings of 18 percent.

During 2015/16, there is a focus on demand management including the implementation of a risk assessment model called 'THRIVE<sup>7</sup>', implementation of a major investment in mobile data to achieve improvements in the use of officer time and a review of the operating model.

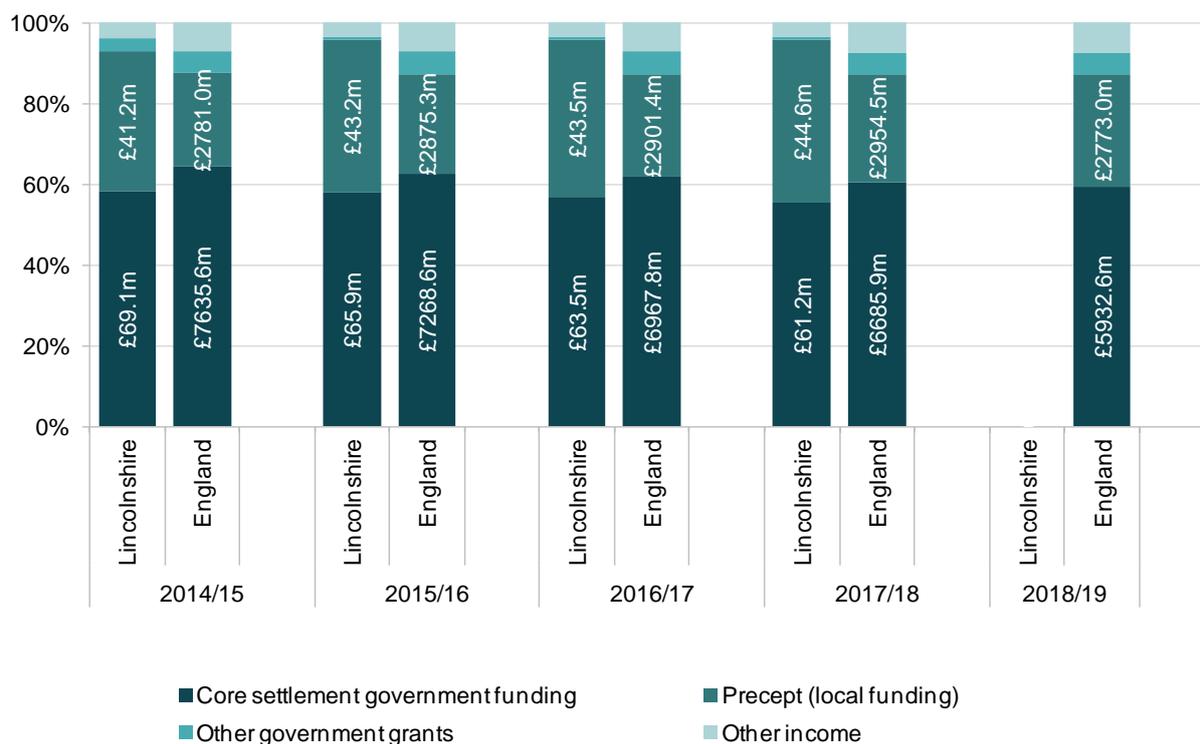
## **How well has the force maximised other funding opportunities?**

Figure 6 demonstrates the amount of funding that the force received from a central government grant, as precept from local councils through council tax, and from other sources, such as Home Office special grants. Lincolnshire Police is expecting the proportion of its funding that comes from core settlement government funding to decline over the coming years, while anticipating the proportion of its funding that comes from precept (council tax funding) to increase over the same time period. It should be noted that the core settlement government funding, both monetary values and proportions of total funding, detailed in figure 6, are from force estimates collected as part of HMIC's efficiency inspection data collection. This data should not be considered as an official projection. The Home Office is currently consulting on changes to the forces' funding formula and therefore any current projections may change over the time period highlighted.

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<sup>7</sup> This way of working is known as THRIVE (threat, harm, risk, investigation, vulnerability and opportunities for engagement) and allows a judgment to be made of the relative risk posed by each call for service, placing the individual needs of the victim at the centre of that decision.

**Figure 6: Forecast mix of funding for Lincolnshire Police in the 12 months to 31 March 2015 to the 12 months to 31 March 2019, compared to English forces**



**Source: HMIC efficiency data collection**

Historically, Lincolnshire County Council has supported PCSO numbers by providing £1.5m of funding per year. In 2015/16, this funding reduced by £300,000 and the funding shortfall was found from the budget to maintain PCSO numbers. Financial planning assumes a continued reduction of £300,000 over the next two years in the overall funding provided by the county council. The force's plans recognise the risks that would be associated with reducing PCSO numbers in the future.

The force considers the recovery of costs where appropriate and does generate income as far as is practicable but these amounts are not significant. However, it is working with other blue light services, like the fire and ambulance services, to share more buildings and look at ways of working more efficiently together.

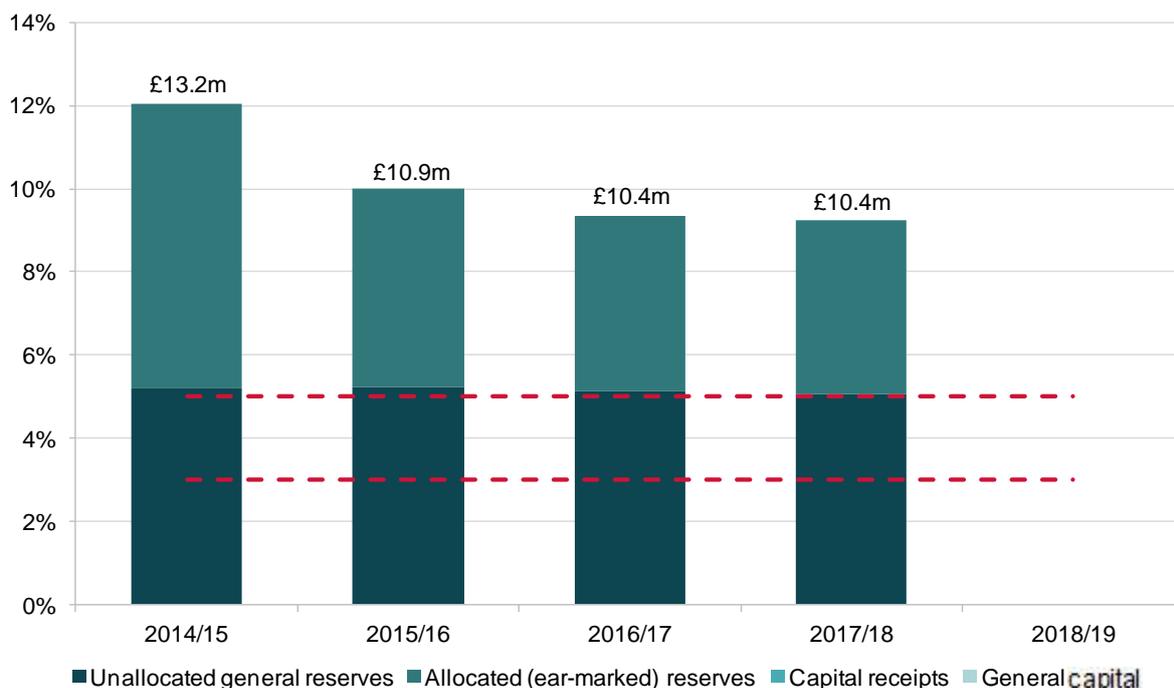
With other forces in the East Midlands, there are a number of successful bids to the Police Innovation Fund, resulting in £2.9m funding to be shared across the region. This is for mobile working in the regional operational support service, procurement and implementation of body-worn video, an integrated IT system for the management of incidents and a digital laboratory.

## How well does the force control expenditure?

The force's level of reserves and how these are forecast to change over time is shown in figure 7. Lincolnshire Police reported that its total reserves were £13.2m in 2014/15. These are broken down into several categories:

- unallocated general reserves – a sum to cushion the impact of unexpected events or smooth uneven cash flows;
- allocated (ear-marked) reserves – these are reserves set aside for specific capital purposes;
- capital receipts reserves – these are proceeds from the sale of assets which can only be used for specific capital purposes; and
- General capital to support future planned capital expenditure.

**Figure 7: Breakdown of reserves remaining as a proportion of in-year net revenue expenditure, and total reserves remaining (£), for 2014/15 to 2018/19**



**Source: HMIC efficiency data collection**

**For further information about the data for figure 7 please see Annex B**

The force has effective monitoring arrangements and good financial controls in relation to expenditure. Budgets are centralised with some limited devolvement to divisional commanders and heads of departments. Short-term and unplanned financial pressures are managed and there is a process to identify risks and take swift action to mitigate them.

Oversight of this process is provided through the PCC's resource governance board and further external scrutiny is provided through the joint audit and risk committee which involves independent members and representatives from both the force and the OPCC.

The force is committed to effective financial management, with financial professionals fully part of the senior leadership team. There is a positive relationship between finance, human resources (HR) and corporate services departments. This means that workforce numbers are reconciled between finance, payroll and HR systems and there is a good understanding of all pay and non-pay costs. There is monthly monitoring and strong management, with financial skills used to analyse budget lines and challenge spend. The force has carried out detailed 'line-by-line' annual reviews of its budget although it has not used priority-based budgeting techniques.

Budgets are reviewed annually or more regularly if required. Last year an external review of all contracts and budgets resulted in an action plan to rationalise and further reduce costs. Contracts to the value of £4.3m were 'novated'<sup>8</sup> or transferred in 2012, the first year of the strategic partnership with its private sector partner. The force has made a number of difficult decisions about where to spend money. For example, the purchase of new police cars has been cancelled in favour of funding mobile data.

The PCC has a risk-based reserves strategy in place. Earmarked and general reserves amount to £13.2m for 2014/15. Total earmarked reserves are £7.5m and general reserves are £5.7m. The reserves do not currently hold enough to cover the anticipated budget shortfall beyond 2016/17 and there are no plans to use reserves to help bridge any funding gap. Therefore, the force is forecasting a budget deficit.

## **How well do the force's financial plans reflect the objectives set out in the PCC's police and crime plan?**

The PCC's and the force's operational and financial plans are clearly linked. The PCC has set out his objectives and expectations in the police and crime plan 2015-17. The operational policing plan 2015-17 sets out how Lincolnshire Police will use its resources to support delivery of those objectives and has four elements:

- the PCC's police and crime plan;
- the chief constable's vision for 2018;

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<sup>8</sup> The substitution of a new contract for a previous contract, or the substitution of a new party for a previous party in a contract

- the national strategic policing requirement; and
- the community safety partnership control strategy.

Savings plans are developed in consultation with the OPCC and there is a joint assurance document which provides oversight on areas of risk in relation to the delivery of the priorities in the police and crime plan.

### **How well does the force provide timely and relevant financial information to the office of police and crime commissioner (OPCC), and are shared assumptions used to develop current and future plans?**

There is effective and intrusive oversight of the financial budgets by the PCC. There is a close working relationship which has been developed over a number of years and regular meetings and information sharing take place between the two chief finance officers and their shared deputy officer.

### **How well developed are the force's plans for possible further savings?**

The medium-term financial plan shows the PCC's and force's intention to maintain 1,100 officers and 149 PCSOs to the end of 2017/18. The force forecasts a budget deficit in 2016/17 of £4.3m and in 2017/18 of £7.1m.

There are no plans to use the general reserve to bridge any funding gap and the budget deficit forecast for 2016/17 and 2017/18 will require the force and PCC to review the reserve policy. Despite this, the current general reserve would still not cover the anticipated budget shortfall for 2017/18. The plan to maintain current staffing levels until 2017/18, is therefore, not achievable.

The delivery of the current medium-term financial plan relies on the planning and implementation of the change programme. The force has begun to analyse in more detail how it deploys its resources against demand. It made an early start on analysing activity and applying costing to that activity. This work is now being updated. The force is working with partner organisations to understand its demand in more detail, manage that demand more effectively and reduce it where possible.

There is ongoing work to develop a revised operating model; options and choices are beginning to emerge. The force is investing in technology and a new IT infrastructure to help improve productivity and better align itself with other forces. The force is actively exploring new ways of working, defining what will not be police business in the future, and engaging with communities and partners about what it has stopped doing.

The force has not included forecast figures for 2018/19 or 2019/20 in its medium-term financial plan and it is not possible to evaluate the force's plans for possible further savings. However, the force has undertaken comparisons with data from the Chartered Institute of Public Finance and Accountancy (CIPFA) to inform budget forecasts.

There is prudent financial modelling and the force predicts that a budget reduction of 5 percent in its grant will mean a reduction in funding of £3.3m. This equates to 66 officers or 110 PCSOs. Should this budget reduction materialise, the force considers it would seek to review the PCC's reserves strategy and use these reserves even sooner. Any reduction in capital grant would result in additional borrowing or further reductions in the capital programme.

## Summary of findings



**Requires improvement**

The force has robust financial management arrangements, and a record of achieving planned savings. The savings requirement for the spending review period was achieved.

There is a balanced budget for 2015/16. The savings requirement is £2.5m and there are clear plans in place to achieve these savings with no use of reserves. The force has explored some options to increase income, and financial planning assumes a continued reduction of £300,000 in funding over the next two years that is provided by the County Council.

The police and crime commissioner's (PCC's) and the force's operational and financial plans are clearly linked. The medium term financial plan (MTFP) shows an intention to maintain 1,100 officers and 149 police community support officers (PCSOs) to the end of March 2017.<sup>9</sup> This means there is a budget deficit in 2016/17 of £4.3m and in 2017/18 of £7.1m.

At the time of inspection the force has no plans to use the general reserve and based on its forecasts the force reports a funding gap in 2016/17 and 2017/18. This funding gap will require the force and PCC to review the reserve policy. Despite this, the current general reserve will still not cover the anticipated budget shortfall for 2017/18. The plan to maintain current staffing levels until 2017 is therefore not achievable.

The force has not included forecast figures for 2018/19 or 2019/20 in its MTFP.

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<sup>9</sup> Police and crime panel report of the 23 February 2015.

### **Areas for improvement**

- The force should develop clear and realistic plans for achieving the likely savings required beyond 2015/16. The plans should include a review of its policy on the use of reserves, to ensure it can continue to efficiently deliver a policing service within future financial constraints.

## Annex A – HMIC judgments

The categories are:

- outstanding;
- good;
- requires improvement; and
- inadequate.

Judgment is made against how efficient the force is at keeping people safe and reducing crime. In applying the categories HMIC considers whether:

- the efficiency of the force is good, or exceeds this standard sufficiently to be judged as outstanding;
- the efficiency of the force requires improvement because it is not yet performing at a good level, and/or there are some weaknesses in the organisation; or
- the efficiency of the force is inadequate because it is considerably lower than might reasonably be expected.

## Annex B – Further information about the data

### Figure 3

Planned changes to police officer full time equivalents (FTE) in operational frontline, operational support and business support roles in the force/constabulary, 31 March 2010 to 31 March 2018.

The data used in figure 3, for March 2010 and March 2015 is taken from the Home Office annual data return 601 and does not include workforce allocated under category '62 other' whereas the data used in figure 4 for March 2010 and March 2015 is taken from the Home Office annual data return 502 and is inclusive of this category. Therefore totals data may not match exactly.

### Figure 4

Planned changes in workforce FTE from 31 March 2010 to 31 March 2018 for the force/constabulary compared to England and Wales. The figures in table 4 are rounded to the nearest whole person, full time equivalents (FTEs), and therefore may differ slightly to the exact figures quoted within the report.

For data as at 31 March 2010 and 31 March 2015 we have used Home Office annual data return data which is an 'actual' FTE, whereas for projections for March 2018 are budget based projections and therefore are likely to take into account a vacancy rate depending on a force's/constabulary's planning strategy. In some instances therefore an increase in budgeted posts may not actually indicate the force/constabulary is planning to increase its workforce. In other cases, forces may be planning to reduce their workforce but have a current high vacancy rate which masks this change.

Due to the complex and continually evolving picture of workforce collaboration between neighbouring forces, not all changes in workforce figures are real in terms of the workforce available. Involvement in strategic alliances and/or regional organised crime units (ROCU) would be an example of where changes over time are likely to be skewed. Therefore sharp increases or decreases over time need to be considered with caution as they may simply represent accounting changes related to how staff are allocated to forces, not real changes in staffing levels.

At the time of the inspection, the future financial climate was uncertain. Several forces were in a position where they did not have confirmed/signed-off plans for workforce projections. It is important to note that figures provided are in many instances unconfirmed estimates provided to assist HMIC in its inspection programme and should not be seen as a concrete plan for the future landscape of policing. These comments apply to figure 3 and figure 4.

## Figure 5

Estimated change in expenditure from 2011/12 to 2014/15, and forecast change in expenditure for 2015/16 to 2019/20, against the 2010 GRE baseline for the force and England and Wales.

Figure 5 shows how force expenditure has changed over the period of the spending review, relative to the total change in expenditure for all forces across England and Wales. For 2015/16 onwards there has been a change in methodology in comparison to the value for money inspection. The savings requirement is no longer inflated gross revenue expenditure (GRE) minus expenditure but the sum of planned savings and use of reserves to bridge an in-year funding gap. This change is indicated by the vertical dashed line on the chart. The chart shows planned savings (including use of reserves to bridge an in-year funding gap) in future years, calculated using the planned savings for pay and non-pay budgets provided to HMIC at the time of the data collection (February 2015). Some forces only provided figures for savings they had formally signed off at that point, while others provided estimates for the whole period. Therefore small savings requirements do not necessarily equate to a small savings challenge for the future.

## Figure 7

Breakdown of reserves remaining as a proportion of in-year net revenue expenditure, and total reserves remaining (£), for 2014/15 to 2018/19.

According to a survey of financial directors conducted by the Audit Commission,<sup>10</sup> it is commonly considered that three percent to five percent of net revenue expenditure is a prudent level of unallocated general reserves for risk-based planning purposes. This range is shown on the graph by the two horizontal red dotted lines.

Please note that all categories of reserves for the force/constabulary are held by the PCC apart from City of London and the Metropolitan Police Service where reserves are held by the City of London Corporation and MOPAC respectively.

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<sup>10</sup>*Striking a balance: Improving councils' decision making on reserves*, Audit Commission, December 2012. Available from <http://webarchive.nationalarchives.gov.uk>