

**LINCOLNSHIRE POLICE AND CRIME PANEL
4 February 2022**

ITEM 10 – The Police Precept

Q1. What inflation calculation have you used in calculating the budget for this year?

Police and Crime Commissioner's (PCC) Response – Thank you. I'd like to defer to Julie Flint.

The Police and Crime Commissioner's Chief Finance Officer's response – We have specific allowances as you have seen, the bulk of our spend is on people.

Inflationary pressures largely are around pay awards and included within the budget is an allowance of 2.5% for pay awards.

For other areas of the budget, where we're clear that we have for example, contractual increases, it will be included at the actual increase rather than an estimate and we also maintain some contingency as well.

Police and Crime Commissioner's (PCC) Response – sorry, I just wanted to add around the pay award. It's a really important point that.

There was a working assumption around a pay award and we are working on around the 2.5% which is why forces have largely adopted that approach.

It was clear, and it was put in writing through the letter we get back from the Home Office confirming the budget settlement, in effect, that if there are greater pay awards they would be open to a conversation. That's not the same as "We'll see you right gov", but it is a clear indication that the conversation we had initially, they are understanding that actually would be an additional pressure for forces, so it isn't just a case of if there is a larger pay award we're on our own, there would be a national conversation.

Appendix B

Q1. (a) Supplementary question – Can I ask if the 1.5% NI is taken into account as well?

The Police and Crime Commissioner's (PCC) response – Yes.

Q2. Under Para 5.4 of the main report the target for officers for 2025/26 is 1,186:

I. Am I correct in thinking that we will reach this target by the end of the next financial year?

II. Does this figure take into account natural wastage and if so, how many officers will actually be recruited during this time?

III. - Is the budget for next year based on a complement of 1,186 for the full year or on an incremental basis and does it take into account the actual salaries paid or the top of the scale?

The Police and Crime Commissioner's (PCC) Response – It sounded like a GCSE maths question that!

I'm trying to decipher in my head the information you've just given. The 1,186 will be achieved with our intake – is that right? Two intakes. So they will conclude in March, so yes, yes. So that is right.

Your second part of the question was?

Q2.II - Does that figure take into account things like natural wastage and how many actual officers are you recruiting because you've got to train those extra officers, which puts on extra pressure on the police in terms of training.

The Chief Constable's Response – It does, so basically what you've got to do is double up your recruitment numbers to make the police officer uplift, so we are running the moment effectively two cohort training groups at the same time.

Which is where actually the investment in Skegness and the training centre have become absolutely invaluable because we've got one cohort at Headquarters at Nettleham, one cohort working at Skegness – so that, spread across the County has made a huge

Appendix B

difference to us, but as I said before, our training team are completely consumed with this at the moment.

But yes, I do.

Q2.111. – Is the budget as is based on a complement of 1186 for the full year or on an incremental basis, does it take into account the actual salaries paid or the top of the scale?

The Police and Crime Commissioner's Chief Finance Officer's (CFO) response – We budget for what we think the costs are going to be, but so you know, we have an average cost model that's how we budget for police officers. The 1,186 is for the whole year and for the whole period across the whole medium term.

There will be ups and downs because it's not a science, it's an art, because police officers decide themselves when they're going to leave and so we have to estimate when we think police officers are going to leave and therefore, put the recruitment tranche in at the appropriate time. So it will go up and down.

Q2. Supplementary response – I understand that and I think that's a correct way of doing it, but actually that means it gives you head room because if you budgeted for 1,186 and sometimes you will have more money coming in. I support that by the way. It's good accountancy.

The Police and Crime Commissioner's Chief Finance Officer's (CFO) response – Just to clarify on that, we budget for what we think the profile is going to be across the year, not for a flat 1,186, because we don't want to have an underspend. We want to make sure that we've got as much money going into police officers as we can afford.

Q2. Supplementary response – Thank you. I have four questions altogether so apologies for that. Actually, this next one has been answered.

Q3. Both at Table 1 in the main report and Table A in Annex C, there are significant increases both in PCC and Chief Constable expenditure. Could the Commissioner give more details, and I think Julie's done some of this already on the following?

- I. The increased costs of £945K in the strategic partnership line**
- II. The increased costs of £278K in other direct PCC budgets**
- III. £4.4M increase in costs of police officers**
- IV. £1.280 increase in costs of police staffing which I think is the G4S contract, but I would be grateful for a bit more clarification so we know actually where the money is going.**

The Police and Crime Commissioner's Chief Finance Officer's (CFO) response – I didn't jot all of those down, but the £4.4M is for police officers because the numbers are going up.

Can you remind me what the others were?

Q3. Supplementary Response – The £945K in the strategic partnership line.

The Police and Crime Commissioner's Chief Finance Officer's (CFO) response – The Strategic Partnership line is going up because as I said, our expectation is that the costs of those services will increase because we know we were getting a very good deal from G4S and as the services move back in-house, it means that of necessity the costs will increase.

Q3. Supplementary Response – With me not being very bright, but if that's the strategic partnership costs, then what's the £1.28M in costs for police staffing? Is that double accounting?

The Police and Crime Commissioner's Chief Finance Officer's (CFO) response – That will be national insurance, off the top of my head. I think I will have to come to you on that figure.

Appendix B

Q4. Reserves – My final Question is in relation to reserves, Para 7.1 in Annex C states that there were about £26 Million in reserves as at 1 April 2021. What do you expect the reserves to be at the end of March 2022?

The Police and Crime Commissioner's Chief Finance Officer's (CFO) response – I think, you know it's quite a complex question, because money is coming in and out of the reserves all the time.

I think broadly I'd expect to see it at the same level because we're not really using the reserves this year.

Our plan is those will come into play next year. But I mean certainly I can provide that information.

Q4 (a). Supplementary Response – Thank you. As I read the current budget, the intention – I note it's to be revised – the intention is to have about £1.9 Million in reserves as outlined in para 7.5 in Appendix C, and about £15 Million earmarked as reserves as outlined in 7.6, which we are told includes £5 Million possible unless we get a grant for balancing the budget, £3 Million for the violence at home fund etc. Could we have an outline some time, it may not be possible today, as to what these various funds are, what expenditure is taking place in them.

I'm a great believer in having earmarked funds, but when they are not being utilised for at best three or four years then I am asking the question whether or not the money could be used for other things.

The Police and Crime Commissioner's Chief Finance Officer's (CFO) response – The Commissioner is required to produce a Reserve Strategy each year which sets out in considerable detail what each reserve is, what the value of it is, what the plans are for addition to our taking away from each reserve over the course of the medium term and that is published on the Commissioner's website every year. So that's publicly available but we can certainly send you the link do that you can access that.

Q4 (a). Supplementary Response – Thank you that would be very helpful because there are significant monies there and as I repeat, I'm in favour of having earmarked reserves but you need to ensure that if it's not utilised for any time, and it's not utilised for three or four years, then you query as to whether or not you need the reserve on that basis.

4 (b). If there are about £26M in reserves and we have identified £24.1M of them, what has happened to the other £1.9M?

The Police and Crime Commissioner's Chief Finance Officer's (CFO) response – As I said, reserves are changing on a daily basis as things are moving into and out of reserves. We have a number in here which is the position on reserves as at the 1st April 2021 and during the year there will be drawdowns and adding to the reserves. I can certainly provide you with an indication as to what the forecast for 1st April 22. It's all set out in the strategy that I referred to earlier.

Q4 (b). Supplementary Response – I would be grateful for that, it would be helpful. I still don't understand that if reserves are going up and down, when they go down and then go back up again, where does the money for them to go back up again come from?

The Police and Crime Commissioner's Chief Finance Officer's (CFO) response – Well for example, the Commissioner secured a special grant at the end of the 2021 financial year, which actually wasn't approved by the Home Office until the start of April 2021. So it wasn't in the reserves as at end of March 2021 because it hadn't been approved. It went into reserves in April 2021 when the Home Office allocated it, £4 Million I think, and then there were Plans to use that £4 Million including bringing forward the recruitment of police officers during the current year. So the £4 Million went into reserves in April and started being drawn down during the year so that's just an example of one of the reserves, how it's being used throughout the year to fund expenditure.

It's transparent because when it's used to be spent its subject to a decision drawing down the reserves and amending the revenue budget. So it's all very clear to see how reserves are being used to fund spending.

Q4 (b). Supplementary Response – Very grateful. Thank you for your comprehensive answer in terms of these things. I'm a simple lawyer and don't understand accountancy situations, although I don't understand if the monies come in or out how it's dealt with, but that's me being thick.

However, it would be very helpful if we had it pointed out for public transparency actually when the monies are coming in

Appendix B

or out on that basis and it's on the PCC's website as I understand it, so that's helpful.

Can I just say that you may have felt they were hostile questions – they were not meant to be. I am a supporter of the budget proposals.

Q4 (b). Supplementary Response – Commissioner, I think you would like to come in?

The Police and Crime Commissioner's (PCC) Response – Yes. Just a quick one, I think they're all very reasonable questions. I have no problem with the questions at all, and as you see, for transparency purposes. It's a great example I think this is where it would be really helpful in us working together. You've got some very technical detailed questions you want to know about a subject, just let us know in advance and we can bring the information and we could have given you a very detailed and specific answer today rather than as members you being frustrated by having to wait for an answer. I'm obviously conscious that members of the press are here, we would have been able to give them a detailed answer, so I would always welcome, if you wanted that level of detail, just ask and we will bring it. It's fine.

Q4 (b). Supplementary Response – I think that's a very reasonable point to make, if I may say Chairman.

As long as we get the reports in sufficient time to look at the reports, ask the questions and send them back to you because otherwise it's concentrated time. But it's a very reasonable point.

Q4 (b). Supplementary Response – Yes. Absolutely. Very reasonable point. Ok then, moving on to our next question, Councillor Marsh please.

Q5. Annex C, Table A details that to balance the revenue base budget in 2022/23 approximately £5M of reserves will be utilised or a special grant.

Which reserves will be used to balance the budget if a special grant is not received and what is the likelihood of Lincolnshire receiving a special grant?

The Police and Crime Commissioner's Chief Finance Officer's (CFO) response – As I said earlier, the numbers in here are of a necessity provisional because we didn't have the Council Tax base etc, so it's there or thereabouts the £5 Million at the moment. Obviously, it will be finalised before the budget is set. We do have funding in what we call the budget flexibility reserve which is largely been provided by previous special grant claims and that's the reserve we will be intending to use to balance the budget next year.

Q6. Thank you. The next question I think has been answered actually but just for clarity, I think you have previously said the Commissioner that when the G4S contract is finalised and you go to inhouse services, the budget responsibility will move to the Chief Constable.

The Police and Crime Commissioner's (PCC) Response – Yes. Well. Certainly the employment risk and responsibility passes to the Chief Constable, I think it is fair to say that we will share the budget responsibilities given that obviously the finance comes under the OPCC and then we agree a budget with the Chief, so I will go as far as to say we will share the budget but I'm clear where the employment responsibilities are.

Q6. Supplementary Response – Thank you very much for that clarification.

Q7. Please can you update the Panel on your attempts to secure a fairer funding formula for Lincolnshire Police and what is the Government's current position in relation to this?

Police and Crime Commissioner's (PCC) Response – Thank you for the question. As has already been stated by my CFO, I sat in the National Working Group leading Crime Commissioner's in this work.

Appendix B

I am representing everybody, not just myself. We have sat on that working group myself, the APCC Finance Lead which is Roger Hurst who is the Essex PCC and also Alan Billings who is from South Yorkshire and who is the labour group finance lead. So we have two people who are very expert in finance sitting in there as well and that gives the ability to obviously articulate some of these challenges around funding which aren't currently taken into account in the funding formula, and as flawed as the funding formula is, one of the biggest problems with it is that it hasn't been updated, so the data it uses hasn't been updated since 2013, so not only are the various elements of the formula not necessarily the right set for modern policing, but the data it's working from is nine years out of date.

So it is just simply not a formula any more, it's just putting out finance based on history. So that's got to be resolved.

Only in the last few days the Prime Minister was asked in PMQs amongst other things, about the funding formula and he was clear of the Government's commitment to deliver the funding formula in this Parliament. Now I can't control when this Parliament runs to, but that was the clear commitment from the Prime Minister that the Policing Minister is working to deliver a new formula in this Parliament term. We have been here before, and things can get in the way so I can't start budgeting on the assumption that we will have extra funding – that will not make prudent sense. But everything we can do is being done and our MPs are all on-side with it, obviously your support is very welcome and ultimately we are pushing for fairer, more appropriate funding.

We saw the spending per head of population and what is not taken into account, not only do we get the least amount per head of population, but it's the sparsity. I have said this before to my counterpart up in North Yorkshire who likes to point out that their area is bigger than ours, but I would like to point out that they can't live in 1/3 of theirs because it's the Moors. You can live in every part of Lincolnshire.

The urban areas are equally distributed, the villages are equally distributed and actually you can find yourself needing to get 60 minutes for a firearms incident with an appropriate unit in Lincolnshire. You can equally spend the same amount of time trying to get to a custody suite. We do face some fairly unique

Appendix B

Challenges that aren't currently accounted for in the formal which we are trying to get accounted for. My absolute commitment that this is my priority.

Q7. Supplementary response – Obviously anything that can be set up, done to back up the work you are saying today is very needed because we seem to be left behind and pushed alongside by central government considering what they need to do for the benefit of Lincolnshire Police so I hope sense will prevail some time. Thank you.

Q7. Supplementary response – Chief Constable, would you like to say something?

The Chief Constable's (CC) Response – Thank you Chair, Councillors. Just to give some further re-assurance that there is a parallel piece of work happening with Chief Constables. I sit on a steering group which have Chief Constables looking at the funding formula. There is acceptance amongst my colleagues across the country that this needs to change. Where we would like to be is that there are no losers in this because obviously that's the point where it becomes unpalatable, particularly for some of the other forces who would lose out, but again, echoing what the Commissioner just said, we are pushing for consideration around what the current data is, the geographical impact. Also important for us is the temporal analysis of so what actually does the holiday season look like because our population increases by the size of a small city between May and August. That isn't factored in to the current funding formula and Devon and Cornwall experience the same at times when other places – so as a Leicestershire Police Officer, that's where I started – Leicester basically has an exodus through the summer months and the demand drops off, where it picks up here and we get a bit smarter as to how we use our resources. So this is a parallel work with Chief Constables and I sit within those groups.

Q7. Supplementary response – If we are looking to just slice the cake a different way, it's going to be as you said, people will lose. It's just a case of making sure that the cake is enlarged rather than just cut another way. Thank you.

Q7. Supplementary response –Thank you. I'm sure my colleagues will agree with me and bid you both well in your quest to gain improved funding for Lincolnshire. Thank you.

Appendix B

Q8. Thank you. I have a question for both the Commissioner and the Chief Constable, but firstly, the Commissioner – what impact will the additional Police Precept Funding provide to support delivery of the Police and Crime Plan and secondly to the Chief Constable, what impact will the additional Police precept Funding provide to support operational policing in Lincolnshire?

Police and Crime Commissioner's (PCC) Response – Thank you very much for the question. I think the two are very much linked together. There is a section at page 6 under Service Impact. Basically, there are significant financial challenges even with the council tax precept, and it's one of those challenges. What I would like to be able to do is see what more we can delivery with more but this is a case of what don't we have to cut with more – largely – but equally it's about how we use the money we have to invest in the right things to free up officer time to make sure that when officers are deployed they are deployed with the right equipment, training, to the right locations with the right information to be as effective as possible for the public and some of that ihas got to be by its nature done in a way that is not necessarily public facing, so a lot of the improvements that we are looking to deliver won't necessarily be visible, there are some commitments we have agreed to, obviously the recruitment of an additional 67 officers to start training 2022, the increase in the number of Community Beat Managers by 12 which obviously will be seen and felt by our communities across the County.

But then you start looking at some of the things that are really important to policing, not that I'm seeing that visibility in policing isn't, but some of these things that are less visible – providing additional equipment for the digital forensics team, vital in modern crime fighting. How many of us do not have digital devices on our person, on our desks right now? You know, everybody has got this and we need to be able to manage that huge flow of data and information.

We need to deliver the new drugs strategy. We know how drugs effect and harm all of our communities. I am yet to find a community which doesn't say more should be done to tackle drugs and tackle the supply of drugs and we already do a significant amount, but DCC Jason Harwin who is the National Drugs lead – he's developed a Lincolnshire-wide strategy which is a partnership strategy, but obviously as part of that the police will need to deliver – quite simply we would struggle to deliver it without this funding because it's an additional task – and really importantly, and it goes back to Councillor Waring's point earlier about the work we are doing about vulnerable

Appendix B

people. Boosting and protecting the Vulnerable Persons Unit is vital to protecting vulnerable children and adults in our community. These are people who are often suffering the worst of harms that we can imagine and we need appropriate levels of support, not just in the number of people who are in there, but also in the training and support for their wellbeing. Working in such a challenging environment, we have got to make sure that these things are provided – and finally making sure that the new integrated offender management strategy is delivered, reducing the number of crimes is absolutely vital and preventing people from committing these crimes will obviously lead to that. So all of those will be delivered as a result of this Council Tax proposal and quite simply they won't be without it.

Q8. Supplementary response –Thank you Commissioner. Chief Constable, would you like to add anything?

The Chief Constable's (CC) Response – For fear of repeating the Commissioner, I'll pick up on a couple of additional pieces there.

If we look at the funding and the flexibility that comes with the maximum precept uplift here.

The first one around Community Beat Managers. The most recent value for money profiles have just been released for policing. Lincolnshire over the period between previous value for money profile and this one, have decreased our local policing by about 6% that bucks the trend nationally where it's been increasing and we are currently the sixth lowest nationally in terms of investment in local policing and I want to correct that so the 12 additional Community Beat Managers is around about £500,000 plus as they will probably be officers at the top end of their pay scale, so it will probably be nearer £600,000.

That's about bringing our capacity back in, reducing crime and demand in those communities and making sure we are working with our most vulnerable communities and making sure in line with my strategy that we are stopping crime, that we are helping those in need and we are protecting people from harm. So that's the first operational piece I think will make a huge difference to us.

In terms of the crime fighting capability around digital forensics and the drug strategy. It is almost impossible now to tackle drug supply without an appropriate, resilient and robust and properly skilled digital forensics team – you just can't do it, everything is about

Appendix B

phone attribution and movement of people and communications and how county lines are operated through mobile phones and the continual change of phones that these drug dealers are using. If we don't have the appropriate support through our digital forensics, then every thing we do around the drugs strategy basically fails.

So that's a key piece of work, and more and more the evidence that we put in court, digital evidence and particularly when we get to Crown Court cases, it is our digital analysts and digital intelligence officers who are being called, not the investigators, to give that evidence.

From my point of view, that's about preparing us for the future and making sure that we have the right skills moving forward from here.

Protecting vulnerable people, this has been on the agenda for some time. We know that there is a bigger problem there than we currently deal with. We are seeing an increase in referrals from the National Crime Agency, but even with our low investment we are still performing exceptionally well for the lowest funded force in the country.

We sit ninth in Crime, with positive outcomes in criminal justice and out of court. I would like us to be the best and I think we can achieve that. There has been a huge impact in terms of changing processes, the attorney general and director general guidance and file preparation and evidence preparation and because of the nature of this work, the amount of redaction and video footage that we have has gone up exponentially in the last year. To the point, where an average case is now taking three or four hours longer for an officer to put together and when we're talking about vulnerable children and adults in this situation the time taken to prepare that evidence is in excess of 30 hours per case. We need to make sure that we have that. These are all Ministerial Priorities as well, set out in Annex C at page 15, and they are all mapped against those.

Then in terms of integrated offender management, this is three cohorts going through at the moment, but as the Commissioner said, this is very much about how we re-habilitate, how we prevent re-offending and linking that into the Joint Strategic Needs Assessment that has just been completed between police and other partners and the County Council, which is a ground-breaking document, but the IOM is actually one of those methods which have proved in history and in other forces to be extremely effective in reducing offending in other forces. I think these teams are going to make a tangible difference. Thank you.

Q8. Supplementary response – Thank you to you and the Commissioner for your comments.