

POLICE AND CRIME COMMISSIONER FOR LEICESTERSHIRE

CORPORATE GOVERNANCE BOARD

PAPER MARKED

Report of	Chief Constable
Subject	Review of Medium-Term Financial Plan Budget Setting 2025/2026 and the Operational Implications
Date	Wednesday 22nd January 2025, 2pm.
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1. Purpose of the Report

- 1.1 To provide the Chief Officer Team and Police and Crime Commissioner Rupert Matthews (PCC) with operational advice to inform the 2025/26 budget review.
- 1.2 To provide a summary of the strategic context, our principles and approach, and the operational and organisational risks identified in the planning process following the budget announcement. Specifically, focussing on how we propose to close the £9.3m budget deficit in 2025/26. This is in addition to the £47m of efficiencies delivered in recent years, created because of nationally imposed decisions and failure to fund them.
- 1.3 To outline the importance of the precept in maintaining public service levels and operational capability, and identify the areas of focus for transformation, to ensure the force is fit for policing 2030 and beyond.

2. Recommendations

- 2.1 To note the report and consider the operational implications in setting the budget.
- 2.2 To support the proposals in principle to close the budget deficit and be financially sustainable within 2025/26.
- 2.3 To agree the use of the Budget Equalisation Reserve (BER) and the strategically created underspend from 2024/25 to support close the budget deficit in 2025/26, and support maintain capability, capacity, and public service. This also enables the 2025 National Spending Review outcomes to

be known and support the transition to a refreshed operating model, that is required due to the further reductions in the number of people working for Leicestershire Police.

- 2.4 The Police and Crime Commissioner to consider opportunities and requests of the force to help address the budget deficit gaps.
- By supporting and affirming the importance of the maximum £14 precept in 2025/26 to the Police and Crime Panel.
 - By continuing to identify efficiencies from within the Office of the Police Crime Commissioner (OPCC) to contribute to closing of the budget deficit.
 - In lobbying to ensure the unfunded pay decisions in 2022/23, 2023/24 and 2024/25 at the root of the financial challenge are retrospectively paid.
 - In lobbying to ensure the unfair funding grant shortfalls that detrimentally impact on the communities of Leicester, Leicestershire and Rutland are addressed.

3. Strategic Context

- 3.1 Leicestershire Police has recently been assessed by Her Majesty Inspectorate of Constabulary and Fire and Rescue Services (HMICSFRS) and continues to be a leading force nationally. The force is still navigating through an unprecedented period of change and faces a multifaceted challenge in a context of a reducing workforce, a changing workforce demographic in terms of skills and experience, increasing population, rising public expectation and accessibility to policing, with significant international and national issues having a direct local impact. There is ever increasing demand volume, complexity and persons entering the Criminal Justice System, and significantly more work placed on our staff to process the demand and calls for service to the required national standards.
- 3.2 Transformation is set within this strategic context and is complex due to several competing and interdependent challenges. In particular, the national budget decisions are impacting on police and partners, specifically resulting in a further significant in-year and future budget deficit.
- 3.3 It is important to recognise that within this strategic context that the ratio of officers to members of the public has significantly decreased due to the rising local population and reduction in officers. In 2009, Leicestershire Police had 2344 Police Officers, and 1253 Police Staff, compared to 2242 Police Officers and 1202 Police Staff at the start of 2024/25, which has already reduced and will reduce further into 2025/26 to overcome the budget deficit.
- 3.4 In addition, within this strategic context over £47 million-worth of savings have been taken out of Leicestershire Police since 2011, with £19 million of cashable efficiencies delivered in the current and previous two years. The 2023/24 operational context CGB paper highlights where these efficiencies were focussed upon historically.

4. Strategic Budget Overview

- 4.1 It should be highlighted that it was only in March 2022 that Leicestershire Police had a sustainable budget for the entire period of the Medium-Term Financial Plan (MTFP), without use of reserves. This was the healthiest position the force had been in for a decade. Since that time, significant events outside of the force's control have shifted that position.
- 4.2 The budget announcement in December 2023 underfunded Leicestershire Police again. All forces submit detailed budgetary information, but Leicestershire Police is one of 18 of the 43 police forces nationally that is detrimentally impacted upon through pay award costs not being fully funded. This creates a further budget deficit, when 25 other forces, receive their full wage costs and are therefore in receipt of a more beneficial grant.
- 4.3 These funding arrangements then have an ongoing future year impact and are unfair. An unfunded imposed in-year pay award of £1900 in 2022/23 contributed to £2.3m deficit, an only part funded 7% pay award in 2023/24 contributed to a £5.4m deficit and a part funded 4.75% pay award in 2024/25 contributed to a £8.6m budget deficit. The cumulative impact year on year is at the root of a significant, £9.3 million budget deficit in 2025/26.
- 4.4 The force designed, commenced, and implemented Operation Forefront as the force-wide transformation to address and integrate the financial sustainability and operational challenge through the period of the MTFP. The approach undertaken to address the complex and challenging operating context included developing a clear multi-year sustainability plan.
- 4.5 The sustainability plan has supported the force successfully to overcome the 2023/24 £5.4m deficit through cashflow management, vacancy management control, identifying non pay savings and reducing police staff by 21 posts. The effective approach did not utilise the ear marked reserves and enabled the force to prepare for transition into 2024/25.
- 4.6 In 2024/25 the force is on track to overcome the £8.6m deficit and due to effective strategic planning, it has delivered additional efficiencies to enable the force to manage what was anticipated to be a further significant budget deficit in 2025/26. This will enable the force to mitigate the impact of the 2025/26 budget deficit on levels of service and mitigate the impact on staff wellbeing. This has been achieved through a clear planned focus on non-cashable efficiencies, non-pay specific target areas, strong vacancy management and reduction in staff.
- 4.7 The impact of decisions outside of the force control have again had an impact. This is clearly evidenced through the change in legislation in regard XL bully dogs. In 2022 the force spent £0.3m on recovery and management of dangerous or seized dogs. This is estimated to increase to £0.6m in 2024/25 and is anticipated to raise again to £0.8m in 2025/26 due to businesses transferring additional costs to policing and the continued calls for service relating to dangerous dogs.

- 4.8 In addition, the change in technology and approach is creating pressures on the revenue budget. For example the ever-increasing amounts of data and the requirements attached to storing, managing and analysing the data has required an approach to move into cloud technology from solely on-premises storage. This cannot be funded through the capital programme as it has in the past creating additional in-year revenue costs.
- 4.9 There is also a tangible impact from the budget deficit, the force in 2024/25 has been forced to reduce the PCSO establishment from 200 to 150, and robust vacancy management has removed a further 63 staff posts and 7 posts through voluntary redundancy. In addition, the force has reduced the number of police officers in temporary promotion positions and managed the police officer establishment through recruitment to reduce the 'Full Time Equivalent' (FTE) establishment, whilst still achieving the national police officer head count uplift requirements. The severe penalties imposed by Government have been retained in 2024/25 and are anticipated to remain in 2025/26 if the officer headcount drops below 2298, on two set points in the year.
- 4.10 The Leicestershire Police sustainability plan has again delivered its strategic objectives and will mean that the force will on the current budget profile achieve the £8.6m deficit and are forecasting to achieve additional cashable savings of £4.9m to support the force's transition around addressing the 2025/26 budget deficit. The plan and approach have also been audited, with the 'Mazars Audit' finding the highest levels of assurance regarding the force sustainability plan and HMICFRS, reporting they were reassured by the financial plans in place. HMICFRS also recognise Leicestershire police has one of the leanest back office support services in UK policing (Value for money dashboards - His Majesty's Inspectorate of Constabulary and Fire & Rescue Services ([justiceinspectorates.gov.uk](https://www.justiceinspectorates.gov.uk))).
- 4.11 The sustainability plan is being refreshed to support the force throughout the period of the MTFP and to ensure, as it is required legally, to deliver a balanced budget in 2025/26, by overcoming the £9.3m budget deficit.

5. Budget Planning 2025/26

- 5.1 The policing budget remains a one-year settlement, with a government commitment to provide more certainty in the future following the national spending review. The reality is, as in previous years, Leicestershire Police is underfunded and has a further budget deficit to overcome. The force may technically receive an increase in the actual budget allocation, but this does not cover the base costs from the pay awards, inflation, and the costs of good, services and in particular increased IT charges.
- 5.2 The anticipated budget deficit for 2025/26 is £9.3m.

- 5.3 The force has a proven track record, and the strategic approach undertaken has placed the force in a stronger position to overcome this further budget deficit challenge, but there will be an inevitable impact from reducing resources further.
- 5.4 The Chief Constable and Chief Officer team have regularly met with the Police and Crime Commissioner (PCC), Office of Police and Crime Commissioner (OPCC) Chief Executive and senior team to agree the budget approach and align this with the transformation required to meet the current challenges and continue to be a leading police force in 2030 and beyond.

6. Operational and Organisational Implications, threat, and risk

- 6.1 The challenge is that within the strategic and the budget deficit context the operational delivery, public service, and our people's wellbeing (as they deliver our public service) is paramount. The force recognises the need to continually align the strategic ambition with the transformation required to overcome the budget deficit, whilst maintaining operational capability and capacity and being fit for policing in 2030 and beyond.
- 6.2 It is important for the Chief Constable to highlight the implications of the budget and place them in the context of current operational demand, threat, and risk in Leicestershire. The challenges outlined in 2024/25 in the previous operational budget report of January 2023, remain largely the same as we enter 2025/26, but with the unenviable prospect of a further reduction in people and resource to address these challenges in 2025/26.
- 6.3 The Chief Constable will retain the commitment to deliver the Leicestershire 'Policing Pledge' and deliver good public service and high standards, as we support the delivery of the Police and Crime Plan and deliver our core role as an emergency service, protecting our communities by maintaining the peace and preventing and detecting crime.
- 6.4 The operating environment that policing services are being delivered has an impact on crime levels, resource, efficiency, and demand. The population has grown by over 100,000, compared nationally household deprivation and the male population is higher, with a significantly lower female population. Rural villages are continually expanding and housing developments across Leicester, Leicestershire and Rutland are creating increased demand and complexity.
- 6.5 The demand from international, national, and local events, incidents and community tension has remained significant, especially since the serious disorder seen in Leicester in September 2022 and subsequently seen nationally in August 2024. There is an ever-increasing integration between communities, faith, identity, and politics creating demand on policing services, creating a demand and cost not seen across all police force areas. The levels of investment and engagement necessary to engage victims, communities and sustain and maintain good order continues to far exceed what we have experienced in recent years. This has required the force to

invest further in local neighbourhood policing and manage a sustained demand on specialist public order and safety officers.

- 6.6 999 emergency demand has remained consistently at higher levels than previously recorded, and the Criminal Justice System remains under significant strain with significant case backlogs impacting on all those engaged. The national direction is to reduce the short-term prison sentences, which will mean more criminals, especially acquisitive crime offenders being managed within the community. This will necessitate a fresh impetus and innovation in prevention activity, offender management and out of court disposals to reduce re/offending rates. This is set within the context whereby we are arresting more people than in recent years and of the total arrested, 23% are foreign nationals and 46% have a mental health need, increasing the resources and time to manage and process, and increasing our interpreter and medical provision costs.
- 6.7 Policing continues to become more complex; there are ever increasing imposed expectations on recording, checking, and processing demand and with the rapidly changing nature of crime, sharp rises in high-harm crimes, cross-border criminality and the interconnected nature of physical and digital evidence that needs to be captured and interpreted. There remains improved confidence to report complex high harm crimes like rape, child exploitation and abuse, domestic violence, stalking and harassment. They all require continued significant investment as part of the violence against women and girls' strategy (VAWG) and 'Operation Soteria' initiative (Home Office supported approach to rape investigation).
- 6.8 The approach into 2025/26 is building upon the ambitious transformation program "Operation Forefront" that commenced in October 2023. This has strengthened local leadership, enhanced our investigative approach, and focused on delivering a good service with high standards, whilst being fully integrated with the sustainability program.
- 6.9 There has been an impact on the force due to the reductions in people across the establishment, but the force has taken measured steps to mitigate this. The force has registered 194,000 hours of non-cashable efficiency savings to help mitigate the impact of the further reductions in people:
- The introduction of a "redaction" tool to support officers achieve the nationally imposed requirements to redact all files of evidence submitted to the Crown Prosecution Service for a charging decision.
 - A review of the training programme for frontline 999 response officers to create greater capacity to focus on investigations and responding to public calls for service.
 - An enhanced trial developing Video Interaction technology to respond to the public in a timelier manner, which will be expanded further into the Assessment and Investigation Unit in 2025/26.

- The introduction of robotics and AI to support specific areas of business, with further expansion planned and being developed for the future.
- 6.10 The force developed specific task and finish groups focussing on non-pay budgets to problem solve the demand causing the cost and/or to identify options to deliver the same service or capability at a reduced cost. This was effective in several areas including the Taser replacement programme, the deployment of victim alarms and operational equipment.
- 6.11 Operation Forefront “Innovate”, Leadership briefings led by the Chief Constable and regular planned Chief Officer engagement opportunities have also given the whole workforce the opportunity to be briefed and engaged in the challenges the force faces and be able to contribute ideas directly. The HMICFRS inspection reported despite the challenges being addressed 85% of the workforce remained proud to work for Leicestershire Police.
- 6.12 There have been pressure points, for example in regard the performance of the control room, caused by the turnover of resources and the sustained increase in demand and calls for service. The force has invested in uplifting the resources in the control room delivering significant improvements in call handling times and being at the forefront nationally of performance for 999 calls.
- 6.13 The reality is with further additional cuts the force will continue to shrink and therefore the service offer and timeliness in regard non-emergency calls, non-statutory functions, firearms licensing, freedom of information, Data disclosure, complaints handling and vetting, are some of areas that will require a service review.
- 6.14 Any further reductions will have a direct impact on our services across Leicester, Leicestershire and Rutland and could affect local ‘Trust and Confidence’. This will require clear communication, careful management, effective partnership and collaborative working, active mitigation, and reduction in non-core services. The force will be required to focus on maintaining our capacity and capability to deliver our public pledge, as an emergency service, that protects communities, maintains the peace, and prevents and detects crime.
- 6.15 It is also important that the force continues to focus on areas of high harm and invests in areas of transformation. The decisions made in the past have placed the force in a stronger position to manage the challenges of today. Therefore, the investment decisions made this year and subsequent years will help the force in 2030 and beyond.
- 6.16 This has been clear in regard the Training Academy that has supported the substantial change in the force demographics in terms of age and experience, through ensuring we have specialist officers for Counter Terrorism, Rape Investigation, Domestic Abuse, Child Sexual Exploitation and Abuse, Modern

Slavery and investing in a new digital evidence system that will deliver benefits into 2025/26 and beyond.

- 6.17 The force has completed a Force Management Statement (FMS), a self-assessment that chief constables prepare and give to HMICFRS each year. This is a central component to the forces' strategic, financial and workforce planning processes. The force has identified areas of current and projected demand it expects to face in the next four years, recognises that there will be pressures on the force workforce and non-workforce assets. The force has prioritised, has implemented, and is developing plans that are aligned with managing the budget deficit, demand management and threat/risk management.
- 6.18 The force recognises and really values the benefits of a mixed police workforce in terms of public service delivery, skills, and specialisms. However, the current government conditions on the budget such as the PUP uplift penalties for police officer numbers are restricting the force. It is currently still unknown what the government approach will be in regard the Neighbourhood policing grant included in the overall budget to the force. It is worth noting that many Police Staff have an integral role in addressing the strategic and contextual risks as they have specific skills and specialisms not held within our PCSO and Police Officer establishment.
- 6.19 Our staff consistently go above and beyond, they have engaged in the transformation but there is a risk that the continued reduction in resources is not sustainable. Leicestershire Police cannot in isolation reduce its workforce further, deliver a good service and high standards without further transformation, investment and by retaining the right workforce mix. Especially when £47 million has already been delivered in efficiencies and demand, complexity and expectation are increasing.
- 6.20 To support our staff we have developed and refreshed our force-wide Occupational Health Service, invested in improving our wellbeing prevention activity and are undertaking a wellbeing survey to understand the impact on our people who remain our greatest asset in delivering services to the public.

7. Precept

- a. I have set out the context in which this budget sits. We are experiencing greater demand, higher need for investments in technology and specialisms, but with real terms cut in budget and a further year on year reducing workforce.
- b. The proposed budget, even when supported by the maximum increase in precept funding from local taxation of £14, will still fall far short of what is necessary to maintain the current levels of resources and the £20 that was nationally requested through the National Police Chiefs Council. In the past the precept has led to growth and investment, but the reality is again this year the precept

will be mitigating the number of cuts required and the potential severe impact on public service.

- c. If a maximum precept of £14 was not agreed, it would need to be accepted that the budget deficit would be even greater than we are currently facing. In reality, that would mean a further and additional significant reduction to staff which would reduce the Force's ability to deliver core functions linked with call handling, Criminal Justice case work, scenes of crime, digital forensics and other core requirements such as IT and Fleet, essential to deliver frontline policing across Leicester, Leicestershire and Rutland. As highlighted previously the force already has one of the leanest back offices in the country.
- d. Using precept, the Force will be able to protect the investment in those service areas we know are important to local communities and those outlined in the Police and Crime Plan. For example, it would enable us to maintain our focus on community policing, rural crime and high harm crime whilst maintaining the current operating model but with less people. The recently implemented operating model is already providing better and stronger local leadership addressing neighbourhood local issues, continues to focus on the delivery of the Police and Crime Plan, and aims to drive up public confidence, and deliver the Leicestershire Police pledge.
- e. The precept will enable the force to continue to maintain the improved call handling performance for emergency 999 calls. It will also in partnership with the OPCC continue to develop and maximise the benefits of the new Prevention Directorate, in particular with external partners develop and optimise new diversionary programmes to prevent crime, provide tailored and targeted support and intervention, to both those victims and offenders who display additional risk of becoming a victim again, or of further offending.
- f. Precept will also allow us to continue to move forward at pace to deliver the next phase of transformation linked with IT and digital restructuring to enable greater use of AI and automation to create both cashable and non-cashable efficiencies,
- g. Without the £14 precept, it is the Force's view that the transformation and service to the public will need to be significantly reduced or withdrawn. The investments we have and continue to make in our people, in local policing, technology and prevention are designed to improve service, reduce extraneous demand, and find savings and efficiencies in the medium-term. All contribute directly to the Force's effectiveness, efficiency, and legitimacy. The precept is essential to maintaining and mitigating the impact of reduced levels of service to enable the Force to keep pace with the ever-developing criminal landscape. Without it the providing a good

level of policing service for the people of LLR would be virtually impossible.

8. Principles used in the planning process.

- 8.1 The precept is one key component to the budget build for 2025/26 and beyond. Working within the budget setting principles, the force will seek to close the budget deficit in 2025/26, ensure budget management plans are in place through the period of the MTFP, whilst being cognisant of the potential changes through the national spending review.
- 8.2 Operational need continues to be at the forefront of the budget-setting process, and despite a budget shortfall, the force remains committed to delivering the Police and Crime Plan through our 'Policing Pledge' and the providing the best possible service and high standards to the people of Leicester, Leicestershire, and Rutland.
- 8.3 It is fundamental in any budget decisions that Leicestershire Police can remain operationally viable, address threat and risks, continue to fulfil its statutory required functions, and have the necessary specialist support to deliver policing services.
- 8.4 Whilst we would want to ensure all plans are as sustainable as possible over the entire period of the MTFP due to the lack of central funding for centrally imposed pay inflation and events outside of our control, we cannot make this assurance with absolute confidence. It is accepted that the strategic use of reserves through the period of the MTFP will support mitigate the operational and public service impact.
- 8.5 It is acknowledged that the force strategic approach has built up the reserves to enable the force to transition and see through the period of the forthcoming national spending review. We will however ensure that we meet the legal requirement to deliver a balanced budget for 2025/2026 and set out our approach for closing the gap and, where possible, outline the implications of doing so.
- 8.6 In considering and learning from previous change programmes there is a need to apply a balanced approach to efficiencies. For example, as the size of the force contracts to meet budgetary requirements, so does the size of infrastructure and equipment aligned to it.
- 8.7 It is also important to recognise the focus should also be on non-cashable efficiencies that are needed to support the transformation and address the impact of the reduced workforce size required to meet the budget deficit. This will build upon the 194,000 hours non cashable efficiencies delivered so far in 2024/25.

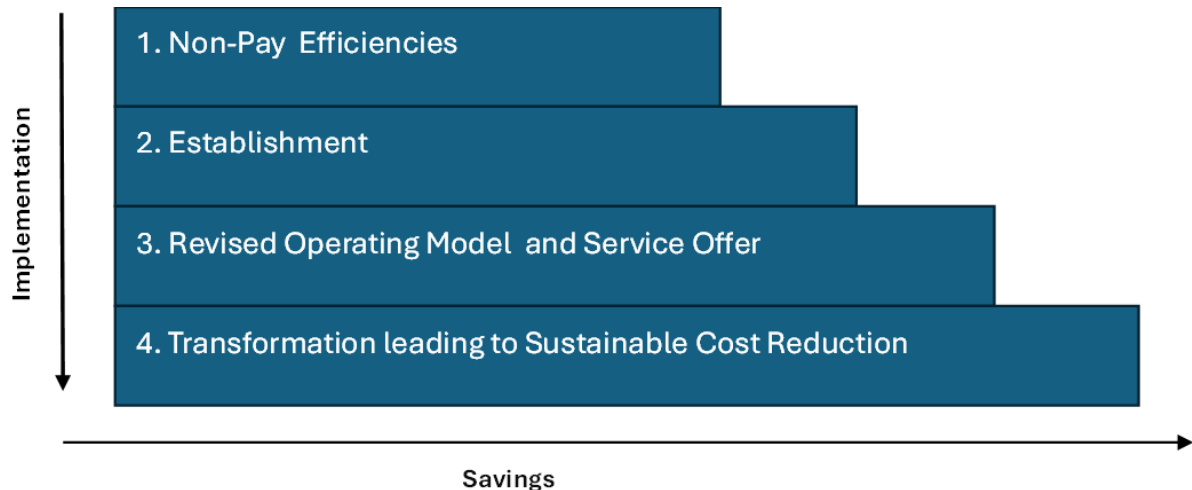
- 8.8 It is recognised and acknowledged policing needs a mixed workforce of Officer, PCSO and staff and that any closure of the budget deficit will require efficiencies and reductions to be managed across the whole workforce.
- 8.9 It is acknowledged that the non-pay budget has had real focus and reductions delivered in 2024/25 and previous years. Significant efficiencies will not be materialised, but the force will continue to seek opportunities in-year and through the MTFP to reduce costs.
- 8.10 It is accepted that investment, continuous improvement, transformation, and new technology is required to retain the force at the forefront of policing nationally, to address the strategic threats and risks and be fit for the future of 2030 and beyond.

9. The budget Deficit Plan 2025/26

- 9.1 The following financial planning details were agreed in principle by the Police and Crime Commissioner and the Chief Constable, and are used to inform the budget build for 2024/25:
- *Plan for total budget.*
 - *Maintain Police officers at 2298 headcount to meet nationally imposed PUP uplift requirements and prevent financial penalties and reduce FTE to 2220.*
 - *Budget built on 150 PCSOs, with 129 based in Neighbourhoods*
 - *Budget build on 1174 Police Staff.*
 - *Full year effect of September 2024 pay award at 4.75%.*
 - *Provision for 2% pay award from 1 September 2025 for Officers, PCSOs and Staff*
 - *Targeted non-pay inflation increases ranging from 0 to 10+% where known;*
 - *EMSOU & other regional collaborations increase of £0.2m*
 - *Police overtime to remain at reduced level managed in 2024/25*
 - *Sustainable Savings of £5.4m identified during 2024/25.*
 - *Retention of investment in CMD at £1m funded through 2024/25 additional underspend,*
 - *Continuation of Prevention Directorate.*
 - *Inclusion of the revenue consequences of the Capital Programme expenditure for 2024/25 impacting on 2025/26.*
 - *OPCC pay and non-pay inflation included.*
 - *Home Office Neighbourhood Grant of £1.5m not currently included within the budget as awaiting grant conditions.*
 - *Band D precept increase of £14.*
 - *Tax base increase of 1.75%*
 - *Collection Fund surplus of £0.2m (until confirmed);*
 - *General Reserve at £5.6m.*
 - *Use of Budget Equalisation Reserve (BER) and in year 2024/25 underspend.*
 - *Ensure the budget plan can achieve an in-year balanced budget in 2025/26.*
- 9.2 To achieve the savings required and balance this with remaining operationally viable and in accordance with the agreed principles it is

necessary to set out a structured approach of which there are four concurrent phases:

- Non – Pay efficiencies (including non-cashable)
- Pay budget efficiencies – Establishment reduction and redeployment
- Impact and adjustment to the operating model and service offer based on necessary changes to the establishment (stabilisation)
- Transformation to achieve sustainable cost reduction



Non Pay efficiencies

- 9.3 There will be a continued focus on developing the understanding of demand and targeting productivity, continuous improvement, and efficiency to mitigate the impact of a reducing workforce.
- 9.4 There will be a focus on the non-pay budget to identify areas of focus and utilise the effective method of identifying a clear lead to review opportunities to reduce cost.
- 9.5 The force will aim to maintain the reductions across the 2024/25 non pay budget, including overtime, alarms, operational equipment and specifically focussed areas.
- 9.6 The Office of the Police and Crime Commissioner (OPCC) will also identify efficiency savings to support close the budget deficit.

Pay Budget Efficiencies

- 9.7 The strategic vacancy control mechanism will continue with a refreshed review and reduction of existing and future police staff vacancies. The approach recognises that this will have less of a direct impact on serving staff and is a more cost-effective option than redundancy. A review will then be

undertaken to understand the impact of the removal to ensure appropriate targeted mitigation is implemented.

- 9.8 The force has opened and continues to hold open a voluntary redundancy programme. A further review of the voluntary redundancy applications will be undertaken and a workstream implemented to develop a potential voluntary severance option to support reduce the workforce size.
- 9.9 The force continually reviews potential areas for targeted redundancy, but this is balanced with the knowledge that this process can lead to loss of skills and experience and in fact take many years to achieve an actual efficiency saving due to the costs engaged through targeted compulsory redundancy processes.
- 9.10 The force recognises that police staff hold many specialist skills that officers do not have and the reality is that due to the 'on costs' of pensions, police officers cost more than police staff. Therefore, there is a balance to achieve the right efficient workforce mix, retain skills and consider necessity of roles against legal obligations, direct impact on service delivery and suitability for modernisation, specifically where best use of officer's skills can be made. It is anticipated with the government restrictions in place police officers will have to undertake roles currently undertaken by police staff.
- 9.11 The force will continue to review and identify opportunities to reduce the level of supervision across the whole workforce.
- 9.12 The force has trialled achieving the police officer headcount uplift requirement of 2298 officers with a reduced FTE. There is risk in the approach and a real balance to be achieved in regard affordability and level of risk appetite when the penalties could be severe. The force officer FTE will move from 2242 to 2220 and the operating model will reflect the new police officer establishment. The force will retain the 2298 headcount.
- 9.13 The force has set clear principles to manage the reduction in the police officer establishment of "reduction in capacity but not capability" with cognisance of Force Management Statement (FMS), Police and crime plan (PCP) and Government Neighbourhood policing priority. Adherence to the principles of our demand workflow and Layer model (resolving demand at the earliest opportunity) and ensuring best use of officer's skills and powers as part of modernisation.
- 9.14 The PCSO establishment will be maintained at 150 FTE. This maintains the headcount of those PCSO based within local neighbourhoods and a review of the safeguarding role deployments and remit of PCSO will be undertaken. The establishment will need careful management due to the unknown requirements of the neighbourhood policing grant within the overall budget provided and the recognition of the value of the role within communities held by the Chief Constable and Police and Crime Commissioner.

Revised Service Offer and Operating Model stabilisation.

- 9.15 The assessment reduction in the establishment of Police staff, Police Officers and PCSO's requires the target operating model to be altered and then the force to manage a period of stabilisation.
- 9.16 The force will identify areas of potential service impact and look to mitigate this and change where appropriate the service offer. The transformation and areas of investment is integrated with the sustainability plans.

The intelligent use of the 2024/25 efficiency savings and use of Reserves

- 9.17 The force recognised the potential budget outlook was poor and there was the likelihood of a budget deficit in 2025/26. As part of the strategic planning the approach in 2023/24 into 2024/25 ensured the force was well equipped and prepared to deliver a balanced budget at year end. The force has taken similar steps and implemented measures in 2024/25 to support the force transition into 2025/26.
- 9.18 As part of the planning processes the Police and Crime Commissioner agreed in the summer of 2024 to the use of the strategically generated and anticipated 2025/26 underspend, and that the use of reserves where the required conditions were achieved, could be utilised to support the transition, and mitigate the impact of the budget shortfall.
- 9.19 The force recognises the importance of the reserves, and it should be noted has actually added to the reserves in recent years despite the budget deficits. The intelligent use of reserves will support the force overcome the budget deficit and achieve the legal obligation to deliver a balanced budget in 2025/26.
- 9.20 The strategic approach to create an underspend in 2024/25 will be utilised to reduce capital debt charges and therefore reduce the revenue budget cost in-year 2025/26 and through the MTFP. It will also be invested to maintain the 999-emergency service call handling performance, whereby the investment has delivered a sustained level of improved public service.
- 9.21 The force will review and refresh the current sustainability plan and ensure that it is aligned with the transformation plan "Blue Print 2030" providing a clear road map of the integrated activity to be undertaken.
- 9.22 The following table provides the budgetary details of the plans outlined above.

Budget Deficit	9,341,828
<u>Closing the Gap</u>	£
Savings identified a part of budget process e.g. officer recharges, utility savings, overtime savings	-2,185,578

Establishment Review	
Realignment of Police Officer Authorised Establishment to National Government Levels.	-1,000,000
Reorganisation of Police Staff Roles	-1,400,000
Reduction in EMSOU /FSS capability	-104,615
OPCC/Commissioning Savings	-284,000
Reduction in Debt Charges due to a Revenue Contribution to Capital for 2024/25	-502,552
Increase in Council Tax Base above estimated 1.5%	-152,016
Increase in Firearms Licensing Income under the Firearms (Variation of Fees) Order 2025	-268,980
Review of Assumptions (underwritten from reserve)	-669,171
Funded from Reserves:	
<u>Carry forward Reserve</u>	
X-Plan required for accreditation (this is one-off expenditure)	-35,000
Additional airwave Costs (subject to HO negotiations, may not be realised)	-250,000
Payroll - one off contractual charges on renewal	-83,345
Op Olympos (Post Office Investigation)	-116,932
Maintaining CMD capacity until 2026-27	-1,000,000
<u>Budget Equalisation Reserve</u>	
Contribution to Prevention Activity	-214,000
Residual funding gap	-1,075,639

Areas requiring investment.

- 10.1 Leicestershire Police and the environment we operate in does not stand still and investments are continually required to be made to ensure the force can remain operationally viable and have the infrastructure to remain viable for 2030 and beyond.
- 10.2 It was highlighted earlier but the decisions on investments previously have supported the force overcome the challenges of today. Therefore despite the budget deficit challenges we must invest to ensure we can support policing in the future.
- 10.3 As with most agencies and businesses the pace of technology, data demands and the integral integration of digital capability with transformation, improved service, efficiency, and effectiveness require continual investment.
- 10.4 Having considered operational and organisational needs, along with the continued delivery of the Police and Crime Plan, below are areas which will require continued or additional investment during 2025/2026.

- Digital forensics and achieving accreditation status across a multitude of forensics processes. This is to address the year on year and ever increasing demand from digital evidence retrieval and receive and examine electronic devices at increased volumes to a service-level standard, achieve ISO accreditation for the Digital hub, Sexual Referral Centre, Forensic Collision Unit, CCTV recovery and traditional forensics.
- Delivery of the estate's strategy, in particular the Contact Centre now and for the future.
- Maintaining the enhancement of resources in the Contact Centre as we have evidenced the positive impact on service and call handling times from the investment.
- In developing our use of digital resolution technology to provide a better and more efficient service to the public.
- In developing our use of AI and robotics to support transformation, efficiency, and effectiveness in regard our services and to manage demand and support address complexity.
- Maintain and develop our focus on Prevention to help reduce future demand, in particular around repeat offending.
- The workforce churn continues, and the loss of experience and specialist skills requires additional investment in training and leadership to ensure the force can remain compliant with Authorised Professional Practice, Health and Safety and other legislation.
- With £47 million of efficiencies delivered in recent years further reductions in the workforce, despite the careful approach to minimise this and retain our investment in our people's skills it may engage further redundancy processes.

10.5 In summary, our investments now will continue to meet the current demands and address the threats of the future and help maintain the levels of service we aspire to achieve for the public across Leicester, Leicestershire and Rutland.

10. Support from the Police and Crime and Commissioner

13.1 The Police and Crime Panel's support for a maximum precept rise is essential for the force to prevent significant reductions and to try and sustain its level of service and to deliver against the plan outlined in this report. In my opinion, the Commissioner's influence and full support for this outcome is vital. It should be noted that policing requested £20 nationally but the announcement has said £14.

- 13.2 The force acknowledges that for 2025/26 the OPCC will contribute to support close the budget deficit through identifying efficiencies, and the force is given confidence by the initial joint approach to prevention. I encourage the Police and Crime Commissioner to align with the force approach to continually identify further efficiencies to close the budget deficit to enable frontline services to be maintained.
- 13.3 I would request that the Commissioner consider further lobbying efforts to address the pay award funding shortfalls for 2022/23, 2023/24 and 2024/25 by re-engaging with the Home Office to have this unfunded award addressed which is at the root of the current financial issues. Leicestershire is one of 18 of 43 forces adversely impacted upon year-on year, which is exacerbated when inflated by the pay scales applied to police officers for years of service (see para.4.3).
- 13.4 I would request the Police and Crime Commissioner continues to support the Home Office cover pension shortfalls and request a multiyear budget settlement that enables a better approach to financial management.

11. In Summary

- a. The budget deficit in 2025/26 is again challenging and adds increased pressure on the force when demand and expectation is rising and our resources are reducing, within a context of £47 million of efficiencies already realised in the past.
- b. The national funding formula for policing has still not been updated. The Force believes this has negatively impacted on Leicestershire year-after-year and urgently needs changing.
- c. A maximum £14 precept will support mitigate the impact of the further budget deficit.
- d. The Force would re-emphasise that Policing in 2024 requires a broad range of skills to be effective. It would be irresponsible to remove or reduce the force's capabilities in specific areas without understanding the disproportional impacts it would have on operational capability.
- e. The force has effectively integrated the approach to sustainability with the ambitious transformation programme. Despite the significant budget cuts leading to a reduced workforce the force has remained a leading force nationally and has maintained levels of service, but with a further significant budget deficit and further resource reductions it will require further transformation, investment in digital and AI technology and reviews of levels of service.

- f. The force has a proven track record in managing the complexity and balancing the public service impact and will continue to develop its plans and approaches to overcome the budget deficit, whilst delivering the public pledge, increasing trust and confidence, and remaining operationally viable.

Implications

Financial : Included in report but please see full CGB Budget papers.

Legal : Employment rights, Health and Safety, Budget Management, Policing Protocol

Equality Impact Assessment : To be considered on implementation of plans

Risks and Impact : Included

Link to Police and Crime Plan : Included

Communications : To be completed post agreement

List of Appendices

None

Person to Contact:

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Assistant Chief Officer Paul Dawkins at Leicestershire Police