



## **Annual Value for Money Statement**

**2022/23**

### **1. Context**

- 1.1 The Constabulary approved a Value for Money (VfM) Strategy in December 2021 at the Force Executive Board (FEB). The strategy aims to formalise the work that the Constabulary undertakes in respect of VfM enabling greater demonstration as to how VfM is being achieved.
- 1.2 The VfM Strategy includes the production of an Annual VfM Statement to summarise the VfM from activities, significant pieces of work and key decisions during the year. This Annual Statement covers the 2022/23 financial year.

### **2. 2022/23 Summary**

- 2.1 Following the development of the framework in 2021/22 work has progressed on the VfM arrangements, which are outlined below.

#### **Chief Officer Team / SLT**

- 2.2 During 2022/23 the Chief Officer Team confirmed its commitment to providing greater focus on VfM through the SLT meeting on a bi-monthly basis. These meetings took place and initially focussed on the development and consideration of the VfM Register and updates on major projects. As the VfM arrangements have settled these meetings have now been set to 6 monthly meeting to facilitate fewer but more substantive meetings on VfM, which is more congruent with progress on work and projects.

## **Governance Arrangements**

- 2.3 The OPCC and Constabulary has a strong Corporate Framework where governance arrangements consider VfM in decision making. This includes the CAMSTRA business planning process, the Change Board chaired by the DCC and upwards to the Force Executive Board (FEB) and PCC's Business Coordination Board (BCB). These arrangements provide a formal route for investment, change, innovation and new initiatives to be overseen with the benefits tracking and VfM forming part of the arrangements.

## **VfM Register**

- 2.4 The Constabulary has developed a VfM Register which reports and tracks the benefits, financial and non-financial, of significant pieces of work and projects. This is excel based and continues to be refined. The Constabulary is also exploring the option of implementing software to capture and report on projects and workstreams automating this process further.

## **Independent Assurance**

- 2.5 During the year the Constabulary engaged CIPFA through the Achieving Finance Excellence in Policing (AFEP) Programme to undertake a VfM review. The purpose of the review was to assess the VfM arrangements and developments to identify improvements and whether there is any other best practice that the Constabulary could consider. The review also provided an independent view on the Constabulary's approach to its Agile Strategy.
- 2.6 Key findings from the CIPFA report were that:
- a) The Force agreed its Value for Money strategy in December 2021. We believe this is a good, clear, robust theoretical framework within which to implement change and capture and evaluate the benefits of change.
  - b) Following the Covid pandemic the Force is further developing its thinking and approach to VfM and project management.
  - c) The Agile Working 2.0 project is a good example of this development at a particular point in time.
  - d) There are many good aspects to the project: it is grounded in research, takes account of feedback, it has a governance structure and an embryonic tracking spreadsheet.
  - e) There are, however, deficits within the Business Case in terms of adherence to the CIPFA, in particular there is no reference to the "Five Cases" model; there is a need to attach estimated financial benefits, both cashable and non-cashable, to be delivered. There was also no link to a Force-wide Prioritisation Framework.
  - f) The Force has recognised the need to manage its approach to VfM and benefits realisation with a more streamlined and consistent

governance structure by bringing change and transformation projects together to enable it to better assess and prioritise these programmes of work.

- g) The revised role of the OIC, whilst work in progress, not only ensures the consistency of approach to overall project management but also delivers a closer alignment between the Force's processes and paperwork and CIPFA's guidance.

- 2.7 This is considered a positive report with some areas identified for improvement. Work in respect of a business case template through the OIC continues and will be developed further in 2023/24. For note however, the Agile Strategy was not intended to deliver financial savings which is the reason these are not documented, rather it was to re-position modern ways of working within the Constabulary rather than attendance at a single designated office base.
- 2.8 The external auditors as part of their auditing standards are required to report annually on the Constabulary and OPCC arrangements to secure VfM making recommendations for improvement as necessary. Given the resourcing challenges faced by the Constabulary's external auditors, the 2021/22 annual accounts (which would normally be reported on during 2022/23) has not yet started. The auditor's latest intention is that the audit of the 2021/22 accounts will commence in the autumn of 2023 and the 2022/23 accounts won't be audited until 2024. This matter has been discussed by the Joint Audit Committee (JAC) at various meetings with the JAC expressing concern over the position of the audits. The Annual Audit Reports relating to these years will therefore feature in future VfM Annual Statements.

### **Delivery of Budget Savings**

- 2.9 The following table demonstrates that the local (non-collaborated) budget savings that were identified in the Medium-Term Financial Strategy (MTFS) and how the Constabulary has performed in delivering these savings. Out of the total £4.2m of savings identified £4.1m has been achieved with just a £0.1m shortfall. The non-delivery of the £0.1m of savings is adjusted for in the following year's MTFS.
- 2.10 The delivery of these savings has been vital in setting a balanced budget but also in terms of demonstrating the VfM achieved by the Constabulary in minimising as far as possible the cost base whilst an efficient and effective police service within the funding available.
- 2.11 Further budget savings will be delivered in 2023/24 totalling £4.15m made up of £2.86m from local Cambridgeshire policing, £0.64m from the BCH collaboration and £0.65m from regional collaboration arrangements. This is on

top of the £8.1m savings delivered in the previous two years, with further savings also required in the medium term.

Dept	Category	Saving	Provisional Full year Savings	Notes
<b>Investigations &amp; Safeguarding</b>				
ISCD	Travel/Subsistence	-3,000	2,346	Travel Analysis
Safeguarding & Command	Supplies & Services	-10,000	-10,000	Warrants reduction
<b>Investigations &amp; Safeguarding Total</b>		<b>-13,000</b>	<b>-7,654</b>	
<b>LP- Operations</b>				
Business Support	Police Staff	-52,149	-46,619	2fte Principal Personal Assistants reduced
Business Support	Supplies & Services	-40,000	-52,000	Office equipment/Other Supplies
Demand Hub	Police Staff	-24,688	-24,688	IMU Assistant -1fte
Demand Hub	Supplies & Services	-17,652	-17,575	Computing costs
Demand Hub	Travel/Subsistence	-84,527	-73,465	Travel/Subsistence/Relocation
Northern Hub	Supplies & Services	-14,400	-11,090	Consultants £5k, Hospitality £500, Op equip £5k, Other inv exp £1.5k, 2.4k rent
Northern Hub	Travel/Subsistence	-22,085	-13,665	Bicycles £2k, Casualmileage £381, lump sum staff £4,852, Subsistence £14,852
Operational Support	Other Employee costs	-2,092	-2,092	Relocation allowance removal
Operational Support	Supplies & Services	-22,000	-23,980	Consultants £2k, Firearms £20k
Operational Support	Travel/Subsistence	-3,483	-618	Travel Analysis
Partnerships & Prevention	Police Staff	-27,069	-27,069	Community Safety residual from 21-22 posts removal
Partnerships & Prevention	Travel/Subsistence	-12,892	0	Travel Analysis
Southern Hub	Supplies & Services	-14,000	-6,800	Consultants £5k, Hospitality £500, Op equip £5k, victim care £1k, other inv £2.5k
Southern Hub	Travel/Subsistence	-19,367	-11,367	Bicycle £2k, lump sum £2.664k, Subsistence £14.703k
<b>LP- Operations Total</b>		<b>-356,404</b>	<b>-311,028</b>	
Corp Comms	Travel/Subsistence	-1,000	-500	Travel Analysis
<b>Corporate Comms Total</b>		<b>-1,000</b>	<b>-500</b>	
Corporate	Other Employee costs	-200,000	-200,000	PCSO Redundancy reversal
Corporate	Police Staff	-8,123	-8,123	Police Staff Adjust ment
Corporate	Police Staff	-46,883	-46,883	Police Staff Adjust ment
<b>Corporate Total</b>		<b>-255,006</b>	<b>-255,006</b>	
Estates	Police Staff	-10,038	-10,038	Design Out Crime Officer 0.25fte reduction
Estates	Police Staff	-50,925	-50,925	Reduce Site Officers 2.05fte
Estates	Premises Costs	-10,000	-10,000	Grounds maintenance
Estates	Supplies & Services	-50,000	-50,000	Catering Equipment £10k, Contract Catering £40k
Estates	Supplies & Services	-105,000	-105,000	Contract Cleaning £40k, Cleaning Supplies £65k
Estates	Supplies & Services	-24,500	-24,500	Legal Costs £12.5k, Office Equipt £7k, Stationery £5k
<b>Estates Total</b>		<b>-250,463</b>	<b>-250,463</b>	
Finance	Police Staff	-29,498	-29,498	Project Accountant
Finance	Travel/Subsistence	-500	-1,800	Travel Analysis
<b>Finance Total</b>		<b>-29,998</b>	<b>-31,298</b>	
Insurance	Travel/Subsistence	-500	-500	Travel Analysis
<b>Insurance Total</b>		<b>-500</b>	<b>-500</b>	
NPCC	Travel/Subsistence	-1,000	-1,000	Travel Analysis
<b>NPCC Total</b>		<b>-1,000</b>	<b>-1,000</b>	
OIC	Travel/Subsistence	-1,500	-1,500	Travel Analysis
<b>OIC Total</b>		<b>-1,500</b>	<b>-1,500</b>	
OPCC Office	Running costs	-72,269	-30,925	Various Non pay adjustments
<b>OPCC Total</b>		<b>-72,269</b>	<b>-30,925</b>	
PCC	Capital Financing	-168,850	-168,850	MRP Saving (capital scheme timing)
PCC	Capital Financing	-25,733	-25,733	Interest payable
<b>PCC Total</b>		<b>-194,583</b>	<b>-194,583</b>	
<b>Total Savings</b>		<b>-1,175,723</b>	<b>-1,084,457</b>	
Technical Adjustments		-3,049,286	-3,049,286	Savings worked through forecasted figures via technical adjustments
<b>Total Overall Savings</b>		<b>-4,225,009</b>	<b>-4,133,743</b>	

## Major Capital Investments

- 2.12 The Constabulary has several major capital projects underway both locally and in collaboration with Bedfordshire and Hertfordshire. These projects will cost many millions of pounds and represent the largest investment in the PCC's estate in recent years. Given the scale of these projects, and the current economic conditions, the Constabulary's project management approach has focussed on due diligence of the project costs to ensure VfM.

The two largest projects are summarised below along with the approach being taken to secure VfM.

### **Cambridge Southern Police Station (CSPS)**

- 2.13 CSPS is a project to relocate the geographic hub in the south of the county from the city centre Parkside police station to an out-of-town police station. The relocation will include the provision of modern state of the art custody facilities. The project has achieved planning permission and land has been purchased for the build. However, the costed packages of works on receipt in the latter part of 2021, as the economy reopened following the Covid-19 pandemic, were significantly more than the £35m budget.
- 2.14 External consultancy from CIPFA was engaged to re-confirm the business case options against best practice. This work provided independent assurance that relocating from Parkside remained the best course of action. In addition, revised cost estimates are being collated including value engineering options to ensure the best possible cost is achieved whilst still delivering the operational requirements. This work remains in progress and will continue into 2023/24.
- 2.15 CSPS project benefits are also being refreshed to ensure they remain current and to help demonstrate the project's VfM before contract signature.

### **BCH Specialist Training Facility**

- 2.16 This project, commonly referred to as Monks Wood due to the location, is a jointly funded project by BCH to relocate the Operational Support Unit's training facilities. The costs will be shared by the three BCH forces and Cambridgeshire owns the land upon which the new facility will be built. This is a landmark project as the first major capital investment undertaken by the BCH collaboration.
- 2.17 Like CSPS, the Monks Wood project has similarly been affected by the economic conditions with costs significantly exceeding budget. As with CSPS value engineering along with construction approaches and programmes are being reviewed with a view to drive the cost down to secure VfM and affordability. The project is similarly expected to reach contract signature in 2023/24.

### **Enterprise Strategy**

- 2.18 The Constabulary has continued to promote the Enterprise Strategy. In particular, the Memorandum of Understanding (MoU) with the Home Office to deliver learning with other England and Wales police forces as well as overseas forces has started to deliver in 2022/23. This arrangement enables

the Constabulary to showcase the CAMSTRA best practice and share knowledge helping others to develop this area of their business. The MoU has been agreed at £250k per annum for 3 years which is supporting income generation into the Force for the benefit of Cambridgeshire residents.

### **Supporting the National Agenda on Productivity**

- 2.19 The Home Office are undertaking a review into efficiency and productivity in policing. The Constabulary will support the review by providing evidence, examples and good practice. For Cambridgeshire these include:
- **Project Kaizen** – process reengineering to streamline and increase efficiency in the recording of safeguarding incidents attended by officers. A pilot was undertaken demonstrating significant reductions in officer time meaning they are tied up much less in form filling and able to be more efficient in their response duties. The end-to-end time from initial contact to safeguarding outcomes / referrals was also reduced by days enhancing the service to other agencies and victims substantially. The project has recently been rolled out in full.
  - **Vulnerability Focus Desks** – specialist teams of experts with vulnerability at the forefront of their thinking. The teams pull together intelligence from numerous sources and are a key part of the daily management of response ensuring vulnerability thinking is embedded in day-to-day policing.
  - **Recruitment App** – the development of a recruitment application in-house for mobile devices of new recruits as they progress through the recruitment process. This has had significant benefit in maintaining engagement with potential new starters as well as better preparing successful candidates when they start. The app is scalable at low cost and provides the Constabulary with a potential commercial opportunity.
  - **Case File Standards and Support Unit** – investment in this highly successful team has completely turned around Cambridgeshire's case file standards to be best in the country. The quality of case files has enabled effective relationships with Criminal Justice partners ultimately contributing to better and quicker outcomes for victims.
- 2.20 The Constabulary is also active in a number of other national workstreams and is an early adopter on some themes, for example the Right Care, Right Person approach. Working with our partners the approach aims to ensure the appropriate response and care to calls for service is made whether that be health, social care or policing services.

## HMICFRS VfM Profile Analysis (Link at: [HMICFRS 2022-23 VfM Profiles](#))

- 2.21 The HMICFRS VfM profiles analyse spend by different spend categories and functions from operational policing to support functions as well as funding levels. There is a large amount of information providing many comparisons with all police forces as well as those that are Cambridgeshire's most similar group (MSG) of forces.
- 2.22 Analysis of the 2022 VfM Profiles has been undertaken during the year. In many areas Cambridgeshire is reported as lower quartile or mid-lower quartile spend. When set against the achievement ratings in the latest PEEL inspection and the funding levels commented on below this presents a positive picture and at a summary level indicates that good VfM is being delivered by the Constabulary, especially with the Use of Resources being assessed as Good.

### Current PEEL Assessment

Outstanding	Good	Adequate	Requires improvement	Inadequate
	Recording data about crime	Preventing crime	Investigating crime	
	Protecting vulnerable people	Treatment of the public	Responding to the public	
	Developing a positive workplace	Managing offenders		
	Good use of resources			

- 2.23 The analysis demonstrates that Cambridgeshire has the 11th lowest level of spend per population in total. When the population metrics are updated to reflect the latest population estimates Cambridgeshire's spend per population is likely to fall to a lower value because Cambridgeshire has one, if not the, highest population growth since the last census. This will be a key factor to understand in future updates of the VfM profiles and in simple terms means the Constabulary is doing more with less and providing VfM.
- 2.24 Formula grant and police grant for Cambridgeshire has the 10th lowest level of funding at £102 per head of population. If the grant funding value for Cambridgeshire was in line with the next force up in the MSG the grant would be £107 per head and provide Cambridgeshire with an extra £4.3m of funding (based on a population of 867,657) and if grant was funded at the mid-point of all forces at £113 per head the extra funding would equate to £9.6m. Again, the Constabulary is doing more with less and providing VfM.
- 2.25 There also appears to be a strong correlation that the forces with the lowest precept funding levels have the highest levels of grant, whilst those that have lower grant funding must rely on higher precept funding. The position

nationally is therefore inconsistent and unfair to the taxpayers of Cambridgeshire. The impact of the new funding formula when released by the Home Office will be of particular interest for Cambridgeshire given the low levels of funding.

- 2.26 When comparing to the most similar group (MSG) of forces the Constabulary has the second lowest cost per head of population (based on the mid-term ONS population estimates 2020) at £202. However, adjusting for the latest population data the Constabulary has the lowest cost per head at £194 in the MSG of forces and one of the lowest nationally. It should be noted that despite the low cost per head of population Cambridgeshire has maintained the highest number of Police Officers at 9.53 for every £1m of funding it has. In terms of the percentage of funding generated from the precept Cambridgeshire is currently in the middle of the group at 43.6%. The following table presents the Cambridgeshire position against forces used as the most similar comparators. Again, the Constabulary is doing more with less and providing VfM.

#### Comparisons Of Cambridgeshire to Its Most Similar Forces

Force	Cost per head of population per annum*	Officers per £1m of funding	Percentage of funding from precept
<b>Cambridgeshire</b>	<b>£202</b>	<b>9.53</b>	<b>43.6</b>
Avon and Somerset	£210	8.48	40.1
Devon and Cornwall	£210	8.85	40.4
Gloucestershire	£218	8.52	47.3
Staffordshire	£204	7.64	37.6
Thames Valley	£210	8.65	44.0
Warwickshire	£209	8.62	46.0
Wiltshire	£196	7.60	45.2
National Average	£224	-	

\*based on the mid-term ONS population estimates 2020

- 2.27 Ranking the PEEL outcomes by calculating an average score of the inspection themes assessed for each force as outstanding, good, adequate, requires improvement and inadequate, Cambridgeshire performs best out of the 8 most similar group of forces. Cambridgeshire's average score is 3.22 compared to the lowest at 1.63. Considering Cambridgeshire's low funding position, and consequently lower spend per head of population, the comparison of PEEL assessments demonstrates at a strategic level the Constabulary is providing good VfM.
- 2.28 Within the VfM Profiles there are some areas where Cambridgeshire has upper quartile spend compared to others. The main areas where this is the case are set out below:

- a) **Intelligence** spend by Cambridgeshire is the highest from the MSG of forces and the 5th highest compared to all forces. This should be considered alongside Investigative Support where Cambridgeshire is the lowest spending force. This could indicate an inconsistency in the coding within the Police Objective Analysis (POA) between different forces.
- b) **Fleet** - Cambridgeshire has the 3rd highest spend (NRE/All Staff) nationally and is considerably greater than both Bedfordshire and Hertfordshire. Given the Chiltern Transport Consortium (CTC) collaboration more consistency in the cost of the fleet was expected. This will be followed up to identify why Cambridgeshire costs appear higher especially when vehicle recharges are standardised, and the size of the fleet will be relative to the force size.
- c) **Press and Media** - another area of comparatively high spend with Cambridgeshire being the 5th highest. Bedfordshire is broadly similar although slightly lower and Herts spend about two thirds the value that Cambridgeshire does. The lowest spend by a single force is around one third of what Cambridgeshire currently spend.
- d) **Corporate Development & Performance** - Cambridgeshire is the highest spend force by a high margin. Cambridgeshire spend in this area is £2,143 (NRE/All Staff) with the 2nd highest being £1,469 so a £674 (NRE/All Staff) difference. The lowest spend on this category is Durham which spends below £500 (NRE/All Staff). This category of the VfM Profiles for Cambridgeshire does capture the Audit and Compliance team which includes the Force Crime Registrar and Deputy Crime Registrar. This may be part of the reason for the spend, which will be reviewed further.
- e) **Procurement** - Cambridgeshire is reported as having the highest spend. Hertfordshire and Essex are similarly top quartile with Bedfordshire, Norfolk and Suffolk being around the middle spenders and Kent being extremely low. Like the Fleet area Procurement operates through a collaboration and so the range of differences is surprising and requires further analysis.
- f) **BCH Support Functions** - the table below pulls together the NRE/All Staff across 4 of the main service areas provided by BCH units. The analysis indicates that Cambridgeshire spends the highest NRE/All Staff out of the 3 forces. However, this needs to be reviewed to understand whether the 'below the line' costs and any spend on similar service areas locally (such as the People and Professional Department) are driving the Cambridgeshire cost higher than our BCH partners.

NRE/All Staff	Beds	Cambs	Herts
HR	1,290	1,156	1,414
PSD	615	631	602
L&D	1,286	1,455	972
ICT	2,716	3,411	3,004
<b>Total</b>	<b>5,907</b>	<b>6,653</b>	<b>5,992</b>

- 2.29 The next steps, which will be undertaken in 2023, are to understand the outliers that have been identified from the analysis and how our performance compares to others. Tying together the performance alongside the financial analysis will help to determine whether Cambridgeshire is providing VfM in these areas of higher spend, or whether opportunities exist to improve VfM.

### 3. Areas of Focus for 2023/24

- 3.1 VfM arrangements continue to be embedded within the Constabulary and work will continue to be progressed in several areas throughout 2023/24, which are outlined here.

#### **Business Case Template and the VfM Register**

- 3.2 The Organisational Improvement Centre (OIC) continue to develop the corporate approach to projects as part of the VfM Strategy. The aim being to ensure projects, proposals and initiatives agreed at the Change Board, through governance at appropriate Boards are dovetailed into the VfM Strategy. The use of a business case template based on the 5 case model (but proportionate to the proposal under consideration) will be used to achieve this. The template will ensure benefits are identified and tracked to enhance VfM reporting.
- 3.3 The VfM Register to capture projects and initiatives with the expected (both financial and non-financial) will continue to be refined with benefits tracked through to actual delivery. Work will be progressed by the OIC to implement project management software, consistent with Beds and Herts, which will enhance project reporting, management and benefits tracking.

#### **Benchmarking**

- 3.4 The apparent high spend areas identified from the HMICFRS VfM profile analysis (refer to paragraph 2.25) will be followed up to with the aim of ascertaining why the Constabulary appears to be high spend in these areas. Indeed the accompanying performance in these areas will also be considered as part of the context.
- 3.5 Consideration will be given to the inclusion of some form of benchmarking in the CAMSTRA business planning process. This will form part of the question set in the strategic assessment and enable begin to embed a culture of

outward looking assessment and further enhance VfM consideration and context on a regular basis.

### **Integrated Finance and Performance Reporting**

- 3.6 During 2022/23 the Constabulary's Head of Finance and Head of Strategic Performance have discussed a potential approach to integrating finance and performance reporting. An initial template has been developed but needs to be worked up fully with an example to test the underlying methodology. The template aims to set budget reporting against high level performance metrics to develop a greater understanding of the outcomes being achieved from investment across different budget headings. The approach will be developed further during 2023/24.

### **BCH Business Planning Reviews**

- 3.7 The BCH Joint Chief Officer Board (JCOB) and BCH Strategic Alliance Summit (SAS) have agreed to review all BCH units in 2023/24. The intention of the review is to better inform the BCH business and financial planning process, which has been sub-optimal in recent years. The reviews will include:
- a) Baselining current service levels.
  - b) Deep-dive reviews to increase efficiency.
  - c) Cost apportionment.
  - d) Implementation of new processes/operating models.
- 3.8 Linked to the VfM provided by BCH, Cambridgeshire is reviewing aspects of the collaboration arrangements, specifically around the appropriateness of the cost model. This is currently largely based on net revenue expenditure (NRE) and has not been reviewed by the collaboration since it's inception. As the collaboration has matured, the costing model in some instances appears to drive perverse behaviours. Cambridgeshire is planning to undertake work to determine if more appropriate cost models exist which would suit the BCH collaboration.

### **Financial Resilience**

- 3.9 CIPFA are due release their Financial Resilience Index (FRI) for police forces in 2023/24. This will enable the Constabulary to assess key elements of financial resilience, in particular balance sheet items. The FRI will also enable comparison against other forces, which will be a useful tool in more formally reporting on financial resilience as part of the VfM Strategy and to the external auditors.