

Thames Valley Police and Crime Panel Friday, 28 January 2022

ADDENDA

5. Report of the Budget Task and Finish Group (Pages 1 - 10)

The report will be presented by Councillor Barrie Patman, Chairman of the Budget Task and Finish Group which met on 19 January 2022.

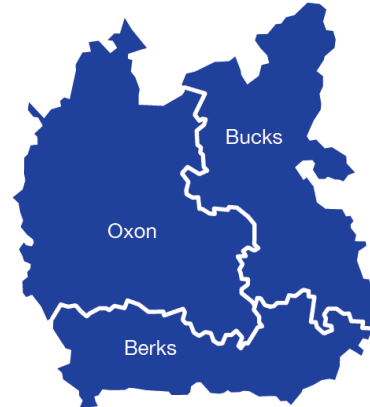
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Report to the Thames Valley Police & Crime Panel

Title: Report of the Thames Valley
Police & Crime Panel Budget
Task & Finish Group

Date: 28 January 2022

Author: Chairman and Scrutiny
Officer of the Budget Task
and Finish Group



Background

1. As in previous years, the Thames Valley Police & Crime Panel formed a Budget Task & Finish Group to assist in discharging its statutory duty to scrutinise the Police & Crime Commissioner (PCC) for Thames Valley's proposed council tax precept for 2022/23. The process will be formally undertaken at the 28 January 2022 meeting of the Panel where a decision will be made by the Panel on whether to accept or veto the PCC's proposed precept.
2. Members of the PCP Budget Task and Finish Group attended the Performance and Accountability meeting between the PCC and the Chief Constable of TVP on 19 January 2022, and then held their Budget Task and Finish Group later that afternoon on 19 January 2022.
3. This meeting is considered by Panel members to be important to evaluate the budget that the precept partially funds, allowing the Panel to make an informed decision on the adequacy of the precept when it meets on 28 January 2022. This was the work undertaken by the Budget Task & Finish Group who included Cllr Patman (Chair), Cllr Bradburn, Cllr McHugh (Vice-Chairman), Cllr Newcombe and Cllr Rouse.
4. The relevant papers were published into the public domain in draft form for consideration at the Performance and Accountability meeting between the PCC and the Chief Constable of TVP on 19 January 2022.
6. The proposed increase to the police element of the Council Tax is by £10 per annum for 2022/23 (for a Band D property). The Task & Finish Group formulated its view on the adequacy of the precept and agreed the recommendation to the Panel, subject to satisfactory responses to the questions raised at Appendix A and any other supplementary questions asked at the Panel meeting on 28 January 2022.

RECOMMENDATIONS

1. That the Panel approve the Police and Crime Commissioner's precept for 2022/23, (Option 3), to increase the council tax precept by £10 (Band D), as set out in the OPCS report 'Revenue Estimates 2022/23 and Medium-Term

Financial Plan 2022/23 to 2024/25', subject to satisfactory responses to the questions raised at Appendix A and any other supplementary questions asked at the Police and Crime Panel meeting on 28 January 2022.

- 2. That the PCC be requested to provide written answers to the questions listed in Appendix B.**

Budget Task and Finish Group Meeting – 19 January 2022

7. Ian Thompson Chief Finance Officer, OPCC and Linda Waters Director of Finance, TVP outlined the changes to the Medium-Term Plan (MTFP) following the provisional Police Grant settlement for 2022/23.

National Headlines

8. The Provisional Police Finance Settlement for 2022/23 was announced on 16 December in a written statement by the Crime and Policing Minister. In the settlement, PCCs have been given the flexibility to increase Band D Council Tax by up to £10 in each of the next three years, without the need for a referendum. With full take up of this maximum flexibility, there would be an additional £774m nationally for local policing over the next three years.

Reallocations

9. In 2022-23 the reallocations from police funding total £1.374bn, an increase of £340.2m over 2021/22 (£1.033bn). Primarily, this difference comes from an increase in Police Technology Programmes at £121.8m, with an additional £325m going to new programmes including Police and CJS Performance, Crime Reduction Programmes, Crime Reduction Capabilities, Rape Review, Drugs / County Lines, Capital Reallocations and Fraud.

Capital Funding

10. Total Police Capital Funding is now worth £188.1m.

Thames Valley response to the settlement

11. TVP welcomes the outcome of the spending review and the provisional police finance settlement, however, the national recruitment of an additional 20,000 officers would prove challenging in the final year. However, this was a good challenge to have and everything possible would be done to ensure the new target of an additional 244 officers (including 13 for SEROCU) for 2022/23 be met.

12. The three-year settlement provides the opportunity to forward plan for the strategic needs of the force. The changes and increasing demands in community expectations and the changing crime world, requires real change in how policing is delivered.

13. The proposed Council Tax flexibility of £10 for the next three years will help support the opportunity to plan strategically for the future development of the force but will move the financial burden to the local council taxpayer and the decision making to the PCC.

14. The settlement will also provide the necessary support to develop the essential technologies that are needed nationally such as the Emergency Services Mobile

Communication Project (ESMCP) and the National Law Enforcement Data Programme (NLEDS).

15. Reference was made to the service having to deliver real efficiency savings (Productivity Strategy).

Four-year Medium-Term Financial Plan

16. The Budget Task and Finish Group was informed that the MTFP was formulated on the basis of a zero increase in council tax precept to show the financial impact of the operating requirements for the force to merely standstill over the coming periods. However, it would be recommended that the police element of the Council Tax for 2022/23 be set at £241.28 for properties in Band D. This would represent an increase in the band D precept of £10 (4.3%)

17. Thames Valley Police (TVP) has been allocated an additional 231 officers from the final tranche of 8,000 officers to be delivered by 31 March 2023. The funding settlement will allow for the part-year funding of these officers in the financial year (2022/23) together with an uplift to allow for additional on-going infrastructure and support costs for the officers. In addition to this, TVP has also received funding for 13 additional officers for the South East Regional Organised Crime Unit (SEROCU), which together with increases to the other regional forces will give the SEROCU a total increase of 39 Officers.

18. Members were informed that a zero increase in the council tax precept, the current level of service could not be maintained and there would be reductions and cuts to services. Clearly, no improvements to service levels could be delivered.

19. With the recommended council tax precept being set at £10 per year for the next three years, then the additional funding would be available to offset the shortfalls and allow for investment in service delivery.

Impact of increasing police precept by £10 (Band D)

20. £13.5m would be raised to assist in improvements and the additional funding would enable the following:- :

- Forensics would be improved which would improve the majority of investigations across the force, speeding up processing times which would result in bringing offenders to justice quicker and increase victim satisfaction.
- The improvement of technology and mobile data collection, through in-car Automatic Number Plate Recognition and camera recording
- The development of a Specialist Rape and Sexual Offences
- Improvement to custody management including capacity. The creation of dedicated teams to fast-track cases which would reduce delays for victims.
- More investment in the Contact Management Platform and the Pronto system which would improve outcomes for residents. Roll out of digital 101 and improving and maintaining call handling capacity-by converting temporary staff to permanent staff.
- Enhancements to public protection units with additional officers and improving data analytics and reporting.
- Investment in essential ICT infrastructure and, system developments which would improve service delivery

- The recruitment of more officers in addition to Home Office funded uplift programme.
- The continuation of projects such as the Rural Crime Taskforce and the Drug Focus Taskforce by ensuring sustainable funding for frontline operational policing.
- Plans to increase the number taser-trained officers to better protect police officers and tackle violent criminals.
- Purchasing additional storage space for increasing quantities of digital evidence including especially body worn video footage.
- Improving training in line with recommendations from the centre.
- Violence against Women and Girls requires additional investment.
- The monitoring of sex offenders requires additional investment. It was noted there appears to have been a proliferation in the number of sex offenders.
- Additional capacity is needed to be able to deal with the proliferation of stalking.
- Improvement in intelligence capability for murder and murder prevention strategies.
- Improving the efficiency and effectiveness of police vetting.
- Review and improving the activities of the Central Redaction Unit.
- Upgrading Armed Response capability sufficient to meet projected threat. This will include upgrading of weapons and vehicles.

Inflation and Pay Commitments

21. This additional cost does not relate to any increase in service but is required just to maintain the existing base level of service. General inflation has been included at 4.0% for 2022/23 based on the budget statement, tapering down over the following years to 2.0%. This has added £1.6m to the budget for 2022/23, with a further £2.9m over the following 3 years.

22. Pay awards have been set at 3.0% in 2022/23 for both police officers and staff, plus allowances for increments. This adds £10.7m in 2022/23 and a further £34.9m over the following 3 years, as rates are tapered down to 2.0%.

23. There are also specific inflationary increases for the likes of the facilities, services contract, energy, fleet, and ICT which adds further pressures to the base budget of £2.4m in 2022/23 and a further £7.7m in the following 3 years.

24. Therefore, overall inflation for 2022/23 adds £14.7m (average rate of 3.1%) to the annual budget, a further £16.5m in 2023/24 (average rate of 3.3%), £14.7m in 2024/25 (average rate of 2.9%) and £14.3m in 2025/26 (average rate of 2.7%).

PCC Budget Consultation

25. Details of the extensive budget consultation exercise launched by the PCC on 23 December were noted.

Reserves and balances

26. Based on current planning assumptions general revenue balances will stay above the approved 3% target level throughout the next 4 years.

27. Earmarked reserves are forecast to reduce from £20.7m on 1st April 2021 to around £10.4m by 31st March 2025, including £1.8m in the Conditional Funding and SEROCU reserves which are not available to support general operational policing.

28. Reference was made to the Optimism Bias reserve which was created in 2018/19 with the transfer of £12m from the Improvement and Performance reserve has been utilised to fund unexpected cost pressures on the Contact Management Platform (CMP) and the aborted ERP solution with Surrey and Sussex (Equip).

29. The Improvement and Performance reserve, which has been used to fund one-off expenditure items in both the revenue budget and capital programme, primarily estate issues - According to current plans this reserve will fall from £8.9m on 31st March 2021 to around £4.2m at the end of 2023/24.

The effects on the MTFS with a 0% or 4.3% (£10)

30. The Budget Task and Finish Group was provided with a comparison of shortfall/surplus for Zero Growth in Precept vs £10 (Band D) growth in Precept against TVP Prioritised Investment Requirements (Appendix A).

Points Raised by the Task and Finish Group

31. The proposed £10 increase would protect front line police service and provide the Force with the resources to carry out all the increased additional policing responsibilities brought about the changing face of policing and technology changes.

32. The proposed £10 increase flexibility for each year could not be deferred and carried over in part or full to future years.

33. Inflation was difficult to predict, although it had been included at 4.0% for 2022/23. Inflation and pay award inflation had a big impact on the budget and this was a reason for the preferred £10 increase.

34. Discussion took place on the increasing use of reserves, and Members were assured that TVP reserves were in a healthy position and would stay above the 3% target level for the next three years.

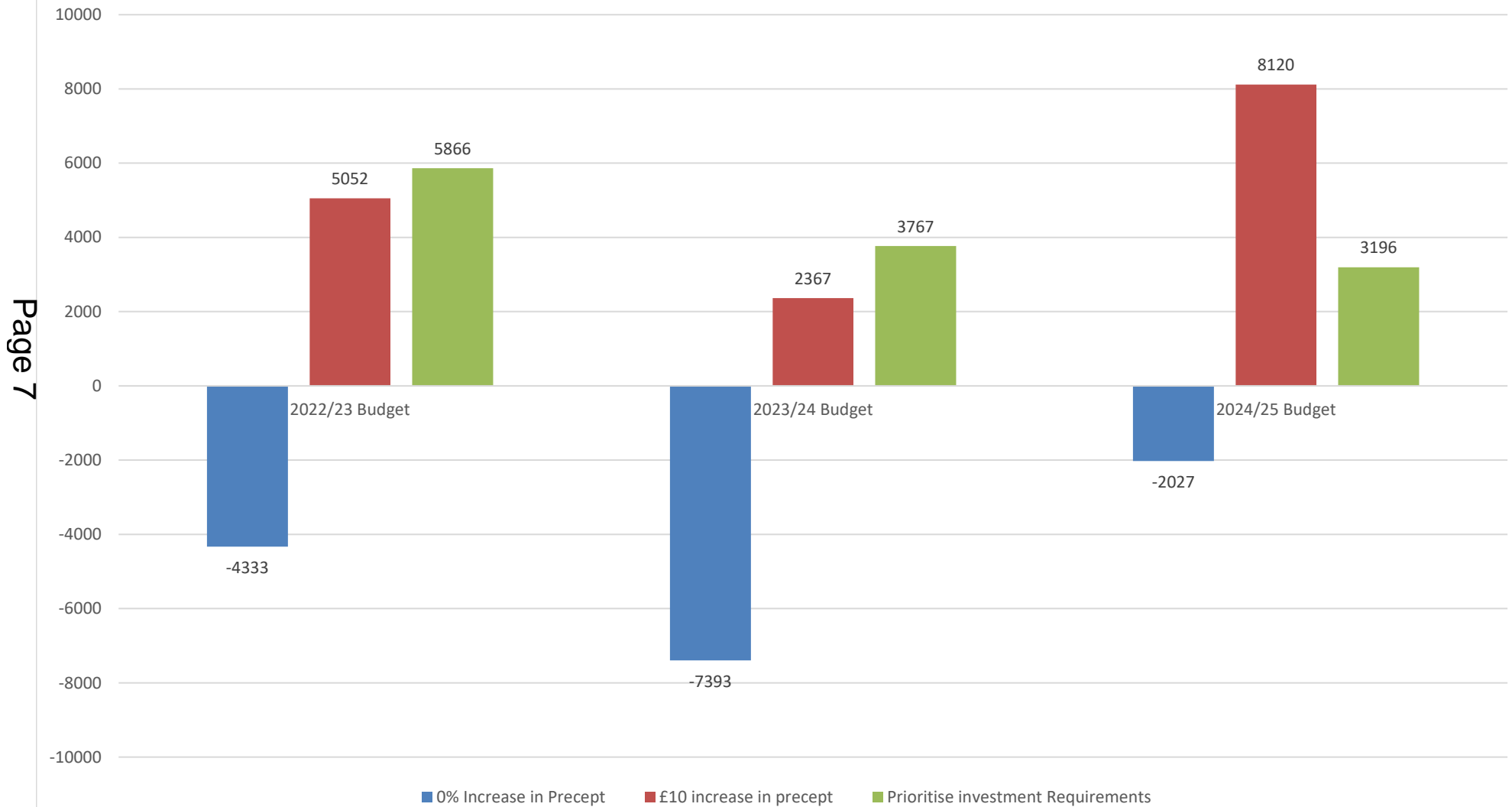
35. Collaborations would continue to be sought with rationalisation of the TVP estate taking place with further opportunities explored. Reference was made to the workforce working more flexibly with advancements in technology and the shared facilities, particularly with the Fire Service (dual stations).

36. Another area of collaboration could be around a joined-up CCTV network with local authorities, a theme the Police and Crime Panel would be reviewing at a future meeting. There would be benefits in terms of reducing operational costs and the advantages in terms of crime prevention and detection.

37. Reference was made to Police and Crime Commissioners having three-year settlement whereas local authorities, as a whole, again had to deal with a one-year settlement. This with many PCCs proposing to take the full £10 increase did have a negative effect on Council Tax Bill payers. Members were informed that the increase being sought was such that the benefits for the residents of the Thames Valley area far outweighed the burden. It was noted, that hopefully through the increased recruitment of Police Officers, there would be improved policing for the whole area.

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Comparison of shortfall/surplus for Zero Growth in Precept vs £10 (Band D) Growth in Precept against TVP Prioritised Investment Requirements



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Appendix B

Proposed Questions to the Police and Crime Commissioner

1. What are the early indications of the implications of the McCloud/Sergeant and Matthews rulings on pensions costs for TVP and how will this additional cost be funded?
2. Why was Option 2, to increase the council tax precept by 2.00%, which would have generated an additional funding of £4.3m not the preferred option? What would have been the implications on the service and to residents?
3. What will the implications of this budget be in terms of delivering the key objectives in your Police and Criminal Justice Plan and how will the success of this extra funding be measured?
4. In relation to the transfer of £12m from the Improvement and Performance reserve to help fund the aborted ERP solution with Surrey and Sussex (Equip), how can the Panel and residents be assured that future TVP IT projects be more successful and not waste financial resource?
5. How does Thames Valley fare in relation to other Forces on Police Funding and does the PCC agree with his predecessor that Thames Valley does not receive a fair settlement?
6. Police Community Support Officers are an important resource for local policing throughout the Thames Valley in terms of visibility to the community. What more can be done to recruit this useful resource?
7. In relation to the identified risk of TVP failing to recruit and retain the additional 231 police officers (and 13 for SEROCU), as part of the National Police Uplift Programme (PUP), and the resultant loss of part of the grant, how optimistic is the PCC of the Force achieving this target?
8. With almost £1.3m in the revenue budget for the Office of the PCC, how does this budget cost, compare to other PCC offices?

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