

Agenda

Date: Friday 3 February 2017

Time: 11.00 am

Venue: Olympic Room Aylesbury Vale District
Council Gatehouse Road Aylesbury
Bucks HP19 8FF



Map and Directions

The Briefing Meeting for Members will be held at 10am. There should be sufficient space in the car park at the Council Offices.

<http://www.aylesburyvaledc.gov.uk/finding-us>

1. Apologies for Absence

2. Declarations of Interest

3. Minutes

3 - 14

To agree the Minutes of the Meeting held on 16 December 2016 (two sets of minutes including Confirmation Hearing)

11.05am

4. Public Question Time

Anyone who works or lives in the Thames Valley can ask a question at meetings of the Police and Crime Panel, at which a 20 minute session will be designated for hearing from the public.

If you'd like to participate, please read the Public Question Time Scheme and submit your questions by email to contact@thamesvalleypcp.org.uk at least three working days in advance of the meeting.

<http://www.southbucks.gov.uk/article/5242/Public-questions-at-Panel-meetings>

11.25am

5. Budget Task and Finish Group Report

15 - 26

The report will be presented by Cllr McCracken, Chairman of the Task and Finish Group.

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| | 6. Scrutiny of the proposed precept - Questioning of the Police and Crime Commissioner | 27 - 84 |
| | Attached is the Revenue Estimates 2017/18 and the Medium Term Financial Plan 2017/18 to 2020/21. The Medium Term Capital Plan and Reserves and Balances reports are attached as a supplement. | |
| 12.25pm | 7. Annual Assurance Report | 85 - 100 |
| | Dr Louis Lee, Chairman of the Joint Independent Audit Committee will attend to present his report. | |
| 12.50pm | 8. Property Asset Management Plan Refresh | 101 - 106 |
| | To note the Property Asset Management Plan Refresh. The full Asset Management Plan is attached in the supplement pack. | |
| 13.10pm | 9. Report on the implications of the Policing and Crime Bill | 107 - 120 |
| | To be provided with information on how the Policing and Crime Bill will impact specifically on the Thames Valley. | |
| 13.30pm | 10. Topical Issues | 121 - 126 |
| | To note and ask questions on the topical issues report. The Chief Constable will also give an update on the operating model pilots. | |
| 13.40pm | 11. Work Programme | 127 - 132 |
| | For Panel Members to put forward items for the Work Programme including ideas for themed meetings. | |
| 13.45pm | 12. Date and Time of Next Meeting | |
| | 7 April 2017 at 11am | |

Committee Members

Councillor Julia Adey (Wycombe District Council), Councillor Patricia Birchley (Buckinghamshire County Council), Councillor Margaret Burke (Milton Keynes Council), Councillor Derek Sharp (Royal Borough of Windsor and Maidenhead), Councillor Tony Illott (Cherwell District Council), Councillor Emily Culverhouse (Chiltern District Council), Councillor Trevor Egleton (South Bucks District Council), Julia Girling (Independent Member), Councillor Angela Macpherson (Aylesbury Vale District Council), Councillor Kieron Mallon (Oxfordshire County Council), Curtis-James Marshall (Independent Member), Councillor Chris McCarthy (Vale of White Horse District Council), Councillor Iain McCracken (Bracknell Forest Council), Councillor Tony Page (Reading Borough Council), Councillor Barrie Patman (Wokingham Borough Council), Councillor Carol Reynolds (West Oxfordshire District Council), Councillor Dee Sinclair (Oxford City Council), Councillor Paul Sohal (Slough Borough Council), Councillor Quentin Webb (West Berkshire Council) and Councillor Ian White (South Oxfordshire District Council)

Minutes

Minutes of the Thames Valley Police and Crime Panel held on Friday 16 December 2016, in Olympic Room, Aylesbury Vale District Council, The Gateway, Gatehouse Road, Aylesbury Bucks HP19 8FF, commencing at 11.00 am and concluding at 12.30 pm.

Members Present

Councillor Patricia Birchley (Buckinghamshire County Council), Councillor Margaret Burke (Milton Keynes Council), Councillor Tony Ilott (Cherwell District Council), Councillor Trevor Egleton (South Bucks District Council), Councillor Kieron Mallon (Oxfordshire County Council), Curtis-James Marshall (Independent Member), Councillor Chris McCarthy (Vale of White Horse Council), Councillor Barrie Patman (Wokingham Borough Council), Councillor Dee Sinclair (Oxford City Council), Councillor Paul Sohal (Slough Borough Council), Councillor Quentin Webb (West Berkshire Council) and Councillor Ian White (South Oxfordshire District Council)

Officers Present

Clare Gray

Others Present

Matthew Barber, Paul Hammond (Office of the PCC), Lindsay Jopling (Office of the Police and Crime Commissioner), Anthony Stansfeld (PCC) and Ian Thompson (Office of the PCC)

Apologies

Councillor Julia Adey (Wycombe District Council), Councillor Derek Sharp (Royal Borough of Windsor and Maidenhead), Councillor Emily Culverhouse (Chiltern District Council), Julia Girling (Independent Member), Councillor Angela Macpherson (Aylesbury Vale District Council), Councillor Iain McCracken (Bracknell Forest Council) and Councillor Tony Page (Reading Borough Council)

76. Declarations of Interest

There were no declarations of interest.

77. Minutes

The Minutes of the Meeting held on 21 October 2016 were agreed as a correct record.

Cllr Burke referred to the item on collaboration where she had asked for figures on the number of perpetrators who were foreign nationals who took part in Serious Organised Crime. The PCC reported that it was difficult to get this information as it was restricted. Cllr Burke asked for a general % figure comparing non British nationals. The PCC reported that the information recorded did not differentiate between specific areas but as an estimate he would say over 30%.

Cllr Burke then referred to the item on topical issues (page 8) and asked about the market price for the empty police house in Newport Pagnell. The Chief Constable commented that he would give her an update on this property after the meeting.

78. Public Question Time

There were no public questions.

79. Draft Police and Crime Plan

Police and Crime Panels have a statutory duty to review and comment on the Police and Crime Plan and to make recommendations. They should particularly focus on the Commissioner's objectives, the accountability arrangements in place and expectations in terms of performance.

The Panel had a Plan Working Group which included Cllrs Quentin Webb (Chairman), Julia Adey, Barrie Patman, Tony Page and Trevor Egleton. They met on 21 October and 14 November to look at the draft Plan. Cllr Webb reported that the emerging themes were discussed at the first meeting and the draft plan at the second meeting. However the draft Plan at that time did not include the PCC objectives which made it difficult for Members to provide any constructive comments. On a presentational issue Members commented that the front page should include a small map to show the area covered by the Thames Valley. Other comments were included in the Panel report (page 15 of the agenda). A set of questions had also been drafted and sent to the PCC for a response.

The following questions were asked:-

Do you feel that the Plan is managing public expectations in terms of reductions in neighbourhood policing ?
The PCC reported that there had been minimal reductions in neighbourhood policing.

You have about 25 key aims in your report. With current budget pressures do you feel that they are achievable ?
The PCC reported that they were not all totally achievable particularly with current budget pressures but the Police Force would respond to all crime types. He particularly mentioned fraud as a priority area that deserved time and effort. In terms of priorities and aims in other Plans across the Country his number of key aims were about average and some areas had up to 41 aims.

What gaps are there in the plan ? What are the strategic risks of not setting these objectives and what processes are in place to manage and mitigate those risks ?
The PCC reported that for every type of crime he needed to use his policy judgement and the Force, operational judgement. The Plan covered the vast majority of crime.

Do you feel that the Plan is managing partner expectations and it is clear to them what they need to deliver and what the Force will deliver in terms of achieving your objectives ? To what extent is the delivery of the particular priorities set out in your draft Police and Crime Plan contingent on partnership working and what will you do if this is not moving forward ?
The PCC reported that partnership working varied in different areas across the eighteen authorities. In some areas partnership working had been extremely effective e.g tackling burglary in Reading and rural crime across the Thames Valley. Other areas such as setting up of MASH in the Thames Valley were outside of his political control but he would have preferred having fewer MASH in the Berkshire area. He generally had built up good relationships with partners such as Community Safety Partnerships, schools, NHS etc. If partnership working failed the police were generally used as the service of last resort.

Do you feel that your objectives are measurable and that the Panel will have enough information in order to scrutinise your performance and monitor your success ?
The PCC reported that he generally supported having measurable targets but that this had not been supported by the then Home Secretary who wanted the police force to use their own judgement rather than be target

driven. One target could be crime figures rising but this could be down to factors outside of his control. One example he gave was domestic homicides where often the victim had never been in contact with the police.

What were the Chief Constable's comments on the draft Plan ? Have you included them within the document ? Did you take into account the comments of the Plan Working Group ? What are the views of Community Safety Partnerships on the draft Plan ? Will you be carrying out any further consultation ?

The Chief Constable did not have any major issues with the Plan. He had taken into account the comments of the Plan Working Group. In terms of Community Safety Partnerships they had welcomed the fact that the PCC was still allocating grant funding to them which was being top sliced by the PCC to commission any services where there were gaps. There would be no further consultation on the Plan.

Did you feel that the consultation was self selecting or were you happy with the consultation process ? What will you do next time to get more engagement from hard to reach groups? Did you offer to translate the Plan in different languages?

The PCC commented that it was more effective to use CSP's to liaise with hard to reach groups as they had more detailed knowledge of local communities. He had not translated the Plan into any different languages. He also commented that sometimes Community Leaders of hard to reach groups were not able to represent their community fully and it was people on the edge of the group who needed to be reached but were difficult to identify.

Do you feel that this Plan is balanced and meets the needs of all the areas of the Thames Valley ?

The PCC reported that he thought that the Plan was balanced and met the needs of all areas but that Thames Valley was a large area to cover. He took account of all the CSP's Strategic Assessments and Plans.

You refer to increasing the dialogue between the public and local police teams and to improve safeguarding of vulnerable people in relation to exploitation but how do you intend to do this with reductions in neighbourhood policing (page 51)?

The PCC commented that compared to other areas neighbourhood policing had not really been reduced by much. They had altered the operational structure to help ensure a more efficient and effective service but this had not impacted much on numbers.

Do you feel that this Plan will meet the needs of the increasing ageing population, particularly looking at the increase of cyber crime and fraud ? How will you be developing further links and strategic partnerships with business such as banks ? Do you feel that your office has adequate resources to do this across the Thames Valley?

The PCC reported that this was a difficult area and particularly expressed concern about the number of scams being used on the older population which were very clever. This was a national problem and it was difficult to educate people about the dangers of digital crime. Action Fraud were doing an excellent job considering the resources they were given but more needed to be invested into this area bearing in mind the financial loss to local people and the Country. The PCC reported that he attended some local business meetings but as yet had no associations with banks. In terms of his office, he had one of the most cost effective offices in the Country and he had made the decision to keep the office smaller so that more money could be spent on the Force. The PCC then referred to increasing responsibilities being given and particularly referred to the Crest Report which advocates a rebalancing of power between central government and local areas on criminal justice policy and also the Mayor/PCC model in Manchester.

In your draft Plan it says that nearly 80% of respondents to your survey feel that their children are safe online? Do you agree with this ? You have a key aim to improve public awareness of cyber crime but how will you be implementing this key aim and in particular be targeting parents ?

The PCC expressed concern that 80% of parents felt that their children were safe online and that more needed to be done in showing the dangers of digital crime to the elderly and younger population. The PCC and local partners had undertaken high profile campaigns to warn of the dangers of digital crime.

One of your key aims is to tackle FGM in the Thames Valley. However does this depend on children reporting on their family? How do you intend to increase the possibility of prosecuting perpetrators and is this an issue where health services could contribute further to provide evidence ? When will the Panel be able to hear about the wider strategy you are developing for tackling FGM threat ?

The PCC commented that this was one area where partnership working was key particularly with the NHS and schools being proactive in this area. He expressed concern that victims and organisations were not reporting this crime therefore it was difficult to prosecute. He also referred to FGM parties. The MASH were also instrumental in providing information on this area. He commented that he liked the French system where they inspect children and prosecute straight away.

Out of your key aims how high a priority is unsolved crime which you have commented that you are concerned about in the local press ? Your Plan states that Thames Valley recorded violent crime with injury increased by twice the national average compared to the year before (page 47). Young people are also being used for County lines and cuckooing where vulnerable people accommodation is being used to sell drugs ? If crime remains unsolved how will these perpetrators be stopped ?

The PCC reported that they had been successful in a number of areas such as burglary and rural crime however other areas were unsatisfactory. It was important to look at specific areas to ensure the right focus was being given to priority objectives.

To help CSP's support the delivery of the PCC's aims in relation to elder abuse and gang related knife crime, would the OPCC be able to provide a breakdown of data by LPA to show the scale of the issues?

The Chief Constable would provide a written answer to this.

Action: Chief Constable

How much impact do you think the Policing and Crime Bill and the national Policing Vision 2025 will have on the key aims listed in your draft Plan ?

The PCC was waiting for the Policing and Crime Bill to become legislation and if any changes needed to be made to the Plan this would be undertaken through the Refresh process.

The Chairman, Cllr Egleton welcomed the Plan particularly the fact that it could be identified as the PCC Plan with his own personal statements rather than a corporate document, which provided clear direction on a number of areas.

The Vice Chairman, Cllr Mallon also welcomed the Plan, particularly the section on vulnerability and prevention. He referred to hidden crime such as honour based crime, forced marriage and exploitation of the caste system from India. The PCC reported that tackling honour based crime was very difficult as it was hidden in the community where some women did not speak English and it was difficult to meet them. They could also be ostracised by their own community. Cllr Mallon referred to the previous point that often the wrong focus was given to community leaders as there was easy access to them rather than speaking to the community as a whole and people who were vulnerable. A partnership approach to this issue was welcomed.

Cllr Birchley referred to page 33 of the agenda 'What you told us' which said that 57% said they had been a victim or witness to a crime, which seemed very high. The PCC commented that this may relate to the fact that they had a separate survey for victims and also that people would not respond to surveys if they were happy with the service they were being given and had not been a victim of crime. Cllr Sinclair commented that near this figure there was a comment about people feeling safe which looked illogical next to the figure of 57% being a victim and the PCC agreed to look at how the information was compiled and presented.

Action: OPCC

Cllr Sinclair asked for a breakdown of the consultation figures according to geographical area/urban/rural and ethnicity. Some of this information had been presented to the Plan Working Group.

Cllr McCarthy referred to 'Your Police Area' and asked about the number of PCSO's. The Chief Constable reported that they had been included in the police staff number and the PCC agreed to break down this figure to provide more information in the Plan.

Action: OPCC

Cllr White suggested that the Plan be checked for acronyms or that a glossary be provided.

Action: OPCC

Cllr Egleton referred to the comment that many people would like to see more police officers patrolling the streets. He asked about the changes to the neighbourhood policing structure and how this would impact on police visibility. The Chief Constable reported that the new operating model had not yet been officially communicated as he needed to speak to the PCC on this issue. However, the background to the new operating model had been reported to the Panel and no changes had been made to the basic building blocks. Cllr Egleton asked how the pilot schemes for neighbourhood policing had worked in the Thames Valley and the Chief Constable commented that he would be happy to provide further information on this area.

Action: Chief Constable

The Chairman thanked the Plan Working Group for their report and the Panel welcomed the new draft Plan.

80. Topical Issues

National Association for Police and Crime Panels

There have been discussions about the potential benefits of Police and Crime Panels having a national association which would mean having a recognised voice to represent views at a national level and provide support and development. Members fully supported this idea as long as it did not become an overly bureaucratic organisation and would be good at promoting information sharing, addressing any changes in legislation and lobbying Parliament.

Mental Health

The PCC reported that mental health was an important priority and that they had been addressing it in the following ways:-

- Mental Health Crisis Concordat Partnership had been rolled out across the Thames Valley. A formal review of the Concordat Partnership takes place at least every two years.
- A Force level mental health triage partnership group had been established which considered both strategic and operational best practice
- Respective service commissioners ensure availability of sufficient, appropriately equipped and fit-for-purpose Health based Places of Safety, including contingency considerations.
- Each partner has designated a senior manager from their organisation to be responsible for operational service monitoring.
- TVP Special Constable mental health training package is now complete for delivery in the New Year.
- Targeted work is underway with the South Central Ambulance Service to identify possibilities for improved commissioning and provision of ambulance transfer.
- The number of Section 136 detentions by police officers has reduced and the triage partnership schemes have freed up a considerable amount of TVP officer time and resources.

Cllr Mallon referred to the paragraph in the OPCC report (page 67) regarding ongoing challenges. The report highlighted that there was a potential significant risk to continued funding of schemes across Berkshire, which are currently part funded by the relevant Clinical Commissioning Groups and funding may be withdrawn in 2017.

Cllr Mallon also asked whether the position of the proposed Deputy PCC would help liaison with the nine Health and Wellbeing Boards in the Thames Valley. The PCC reported that it was difficult to liaise with that number of

Boards and also expressed concern that he had written letters to them but did not receive many replies. Cllr Burke commented that the PCC should write again to those Councils who had not replied. Cllr Sinclair reported that it was important to identify which Boards were not responding.

Mr Marshall commented that he was a Special Constable and he said approximately a third of his calls were relating to mental health issues and that working in partnership was crucial. He asked whether special provision was made for individuals less than 18 years of age or whether they were taken to a police cell as the last resort? The PCC reported that if they could not get assistance from the health service then they had to obey the law and take them to a place of safety. The Chief Constable referred to Section 136 which related to detaining people in custody. He reported that there had been a significant reduction in the use of Section 136 but that there were still pressures on provision for places of safety which needed to be addressed and provision of beds varied across the Thames Valley. He commented that this needed to be balanced against the fact that the individual may be a threat to society and cause harm. The Chairman commented that it was important that there was consistent provision and that all areas worked in partnership on this important issue rather than protecting their budgets.

Cllr Birchley asked about training for officers in dealing with vulnerable people. The Chief Constable reported that there was general awareness training and also that police officers went out on shift with mental health practitioners which helped develop further skills. He referred to an email he had recently received from the ambulance service which had praised a police officer on the empathetic way the officer had handled a person with mental health problems.

The PCC reported however that it was important for police officers to protect themselves foremost if the person has a weapon and is looking to attack the officer. Mr Marshall commented as a Special Constable that use of force was sometimes necessary if a vulnerable person was looking to harm someone irrespective of whether they had mental health problems.

101 service – the police non-emergency number

Cllr White commented that concerns had been raised by his local Parish and District Council regarding delays and issues around the use of the police non-emergency number. The Chief Constable reported that it was difficult to predict demand and also have control over operator vacancy rates. He commented that often skilled operators would leave to train to become police officers and that priority had to be given to emergency 999 calls. He informed the Panel that new technology was being implemented in this area which would bring improvements in the future. Cllr White asked if the Panel could undertake a site visit to the Centre and the Chief Constable reported that he would be happy to arrange this.

Action: Chief Constable

Cllr Birchley referred to the new technology for contacting the police and asked whether the emergency number would remain the same, as vulnerable people would need to use this in an emergency. The Chief Constable reported that this would still be available however, they wanted to make other forms of contact available such as webchat which was a much more efficient way to deal with the public e.g dealing with four queries rather than one. This would mean that the Force could then spend more time with vulnerable people who were at risk.

Members noted the report.

81. Report of the Preventing Child Sexual Exploitation Sub-Committee

The Scrutiny Officer gave a summary of the report and recommendations of the meeting held in November where two Safeguarding Board Chairmen had attended to provide information to the Sub-Committee.

Cllr Mallon, the Vice-Chairman of the Sub Committee reported that it was an excellent meeting where recommendations had been made on the following:-

- To ask the OPCC whether they would be prepared to host a Thames Valley wide meeting involving all MASH looking at information sharing, particularly current challenges and promoting areas of good practice. The PCC agreed that this was an area that needed to be looked at but would need to look at the cost of hosting this.
- That the PCC ask the Chief Constable what the current perpetrator profile was for successful prosecutions and whether it would be possible to develop some profiling work similar to that of the East Midlands Network.
- That the PCC should consider writing a letter to the Department of Education about the loophole in legislation which should be jointly signed by the Safeguarding Board Chairmen.
- That a Thames Valley wide meeting should be organised with all Taxi Licensing Authorities to consider a consistent approach including the possibility of a regional database.
- That the PCC give an update on the Hotel and Night Watch Scheme roll out in the Thames Valley

Members agreed the recommendations in the report.

82. Future Operation of the Panel

Members had made comments on the previous report which was submitted to the October meeting of the Panel on the future operation of the Panel. Reference was also made to the Recommendation Monitoring report which had been submitted to the October meeting and that there should be further follow up of recommendations to ensure that they were implemented where possible.

Members agreed that there should be a mixture of themed meetings and proactive scrutiny sessions (within the Panel meeting) to question partners on policing and crime issues to develop the scrutiny and support of the PCC. Members were encouraged to send in ideas of areas that they wished to look at in more detail.

83. Work Programme

Members agreed the Work Programme. The Chairman reported that an area of focus was on the Local Criminal Justice System which was an area of increasing additional interest for the PCC. Members were asked to send in any other requests on the Work Programme.

84. Date and Time of Next Meeting

3 February 2017 at 11am

CHAIRMAN

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Minutes

Minutes of the Thames Valley Police and Crime Panel held on Friday 16 December 2016, in Olympic Room, Aylesbury Vale District Council, The Gateway, Gatehouse Road, Aylesbury Bucks HP19 8FF, commencing at 1.00 pm and concluding at 1.40 pm.

Members Present

Councillor Patricia Birchley (Buckinghamshire County Council), Councillor Tony Ilott (Cherwell District Council), Councillor Trevor Egleton (South Bucks District Council), Councillor Kieron Mallon (Oxfordshire County Council), Curtis-James Marshall (Independent Member), Councillor Chris McCarthy (Vale of White Horse Council), Councillor Barrie Patman (Wokingham Borough Council), Councillor Dee Sinclair (Oxford City Council), Councillor Paul Sohal (Slough Borough Council), Councillor Quentin Webb (West Berkshire Council) and Councillor Ian White (South Oxfordshire District Council)

Officers Present

Clare Gray

Others Present

Matthew Barber, Paul Hammond (Office of the PCC), Lindsay Jopling (Office of the Police and Crime Commissioner), Anthony Stansfeld (PCC) and Ian Thompson (Office of the PCC)

Apologies

Councillor Julia Adey (Wycombe District Council), Councillor Margaret Burke (Milton Keynes Council), Councillor Derek Sharp (Royal Borough of Windsor and Maidenhead), Councillor Emily Culverhouse (Chiltern District Council), Julia Girling (Independent Member), Councillor Angela Macpherson (Aylesbury Vale District Council), Councillor Iain McCracken (Bracknell Forest Council) and Councillor Tony Page (Reading Borough Council)

85. Declarations of Interest

There were no declarations of interest.

86. Confirmation Hearing for the Deputy Police and Crime Commissioner

The Panel received detailed paperwork at the meeting held on 16 December 2016 concerning the role of the DPCC.

The Panel explored the candidate's ability to undertake the role through an appraisal of the supporting documents provided by the Commissioner, and thorough questioning.

The PCC made the following statement in support of his appointment in that the position of Deputy PCC is under his control. The legislation is very clear in this regard and the final decision about appointing a deputy is that of

the commissioner. The Panel noted that the PCC had not had a Deputy since his election and recognised that he had a large area to cover across the Thames Valley. The PCC emphasised the importance of choosing somebody with the same values and respects the tradition of non-politicised British policing as well as the primary role of the police service and the Commissioner to act on behalf of the public to cut crime and improve crime detection rates.

The Panel asked the following questions and received the following responses:-

The candidate was asked to demonstrate his qualities which he could offer to the role. Matthew Barber had been Leader of the Vale of the White Horse since 2007 elections and had been a councillor since 2003 with a wide range of experience across the Thames Valley. He had experience in devolution issues, licensing, commissioning services and had responsibility for the finance portfolio. As a Leader he had also worked closely with the Local Police Area Commander and the Chief Constable on policing issues.

The PCC was asked whether he would appoint any additional support such as associate PCC's to help cover the area of the Thames Valley. The PCC commented that once the Deputy appointment had been ratified he would start to look into this in more detail in the New Year.

The candidate was asked about his time commitment to the role of the Deputy PCC bearing in mind that he would still continue as Leader of the Vale of the White Horse. Matthew Barber reported that previously he had worked four days a week as an election agent and undertook his role as Leader on the remaining day plus the weekend and annual leave. With the role of Deputy PCC, as the terms and conditions state 22.2 hours per week, this was less of a time commitment than being an election agent.

The candidate was asked whether there were any gaps in skills between the PCC and himself. Matthew Barber reported that their skills were complementary and that he was competent to cover the responsibilities and functions listed in Appendix 1 of the report. He would need to discuss with the PCC which specific areas of responsibility he would have and would bring his local authority experience into his new role. He commented that this would complement the PCC's experience in local policing, finance and counter terrorism.

The candidate was asked whether he would give each geographical area across the Thames Valley equal priority ? The PCC reported that some areas in the Thames Valley required more attention than others because of their differing needs but that all areas would be covered by himself and the Deputy PCC.

The PCC was asked why the role was part time and whether the role had been made to suit the person? The PCC reported that most Deputies had a part time role in order to allow them to carry on with other roles. However, he could review this if he felt it was necessary.

The PCC was asked how long the appointment would be for? The PCC reported that he was confident that this appointment would last for his remaining period as PCC.

The candidate was then asked about the conflict in interest as Deputy PCC and the Leader of the Vale of the White Horse. The PCC responded that he did not think this was an issue and gave the Mayoral appointment in Manchester as an example, which combined both roles. Matthew Barber reported that he did not envisage any conflict and if so, it would not be insurmountable. He had faced conflicts of interest as a Leader and made sure that he approached this with clarity and openness. As soon as he envisaged a conflict he would make his interest very clear and would ask his Cabinet colleagues to take a lead.

The candidate was asked about building a relationship with the Chief Constable ? Matthew Barber reported that they had already developed a good relationship in his role as Leader but that this would be developed even further once he commenced his new role. He looked forward to developing more detailed knowledge about the different communities of the Thames Valley.

The candidate was asked about his views on the draft Police and Crime Plan. He commented that he thought it was excellent. The areas he would like to champion included Neighbourhood Policing and Child Sexual Exploitation. He particularly referred to the Multi Agency Safeguarding Hubs and the need to ensure consistency across the Thames Valley. He had lived in Oxfordshire for most of his life and had two young children so CSE was a particular focus. Areas of specific responsibility may include commissioning, Community Safety Partnerships and Fire and Rescue, Licensing, Safeguarding and deputising generally for the PCC. A separate question was asked about the importance of rural policing. Matthew Barber commented that he would give this the same priority as the PCC but also commented on the different problems faced by urban areas.

The candidate was asked about his experience in working with diverse communities. Matthew Barber specifically mentioned concerns around homelessness and looking at good practice within each Local Authority area to resolve particular issues. He commented that whilst the Vale of the White Horse was a prosperous area there were pockets of deprivation which could be even more unrepresented than urban areas. It was very important to engage with these areas and to develop a community led plan. He referred to a previous discussion at the Panel meeting where it was important not to just work with Community Leaders but with the whole community to understand all needs. He gave a previous example of working with a Chinese Community and joining links with the Citizen Advice Bureau to provide translations services and ensure that services were delivered to meet their needs.

The Panel explored the candidate's ability to act in a manner that is operationally independent from the Commissioner through an appraisal of the supporting documents provided, and thorough questioning. Matthew Barber commented that he was very impressed with the way Anthony Stansfeld carried out his role as PCC and gave leadership and direction whilst respecting the operational independence of the police. He believed that they would work well together and he would have sufficient independence from the PCC to challenge him in a constructive way if required.

The Panel, through discussions and examination of the evidence in the meeting, agreed:

- That the candidate demonstrated a range of experiences in the field of police and crime, and was confident and knowledgeable in these areas.
- That the candidate was cognisant of the considerable financial challenges facing the Commissioner, Police Force and public sector partners.
- That the candidate provided examples which illustrated his ability to be open to, and manage, change.
- That the candidate reassured the Panel that he would be clear and open and respond appropriately to any conflict of interest in his role as Leader.
- That an understanding and enthusiasm for delivering the Commissioner's priorities placed the candidate in good stead for undertaking the Deputy Police and Crime Commissioner role.
- That the preferred candidate had made a declaration confirming that he was not disqualified from taking up the position of Deputy Police and Crime Commissioner, as per the relevant parts of Schedule 1 to the Police Reform and Social Responsibility Act 2011.

Recommendation

The Panel agreed that the candidate demonstrated a range of experience in the field of police and crime and was confident and knowledgeable in these areas. After deliberations members agreed to:

Endorse the confirmation of Councillor Matthew Barber's appointment as Deputy Police and Crime Commissioner for Thames Valley.

CHAIRMAN

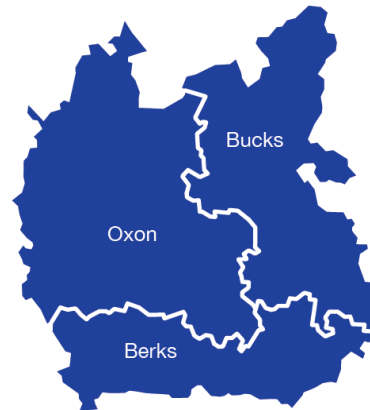
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Report to the Thames Valley Police & Crime Panel

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

Date: February 2017

Author: Chairman 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 2017/18. The process will be formally undertaken at the 3 February 2017 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. To strengthen the process, it was 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 3 February. This was the work undertaken by the Budget Task & Finish Group who included Cllr McCracken (Chairman), Cllr Birchley, Cllr Page, Cllr Patman and Cllr White.

3. The relevant papers were published into the public domain in draft form for consideration at the PCC's Policy, Planning & Performance meetings on 28th October 2016 and 20 January 2017. They included:

- i. Four Year Medium Term Financial Plan
- ii. Draft Capital Programme
- iii. Reserves, Balances and Provisions
- iv. Financial Strategy 2016

4. The Budget Task & Finish Group met on 9 December and again on 20th January to consider the budget proposals, which included a proposed increase to the police element of the Council Tax of 1.99% per annum in each of the next four years. The Task & Finish Group formulated its view on the adequacy of the precept and agreed the recommendation to the Panel at paragraph 5, subject to satisfactory responses to the questions raised at Appendix B and any other supplementary questions asked at the Panel meeting on 3 February.

5. RECOMMENDATIONS

1. That the Panel approve the Police and Crime Commissioner's precept for 2017/18 as set out in the OPCC report 'Revenue Estimates 2017/18 and Medium Term Financial

Plan 2017/18 to 2020/21' subject to satisfactory responses to the questions raised at Appendix B and any other supplementary questions asked at the Budget Task and Finish Group on 20 January and the Panel meeting on 3 February 2017.

- 2. That the Panel add its support to the PCC if any representations need to be made to the Home Secretary with regards to the setting of the revised Funding Formula.**

Budget Task and Finish Group Meeting – January 2017

Ian Thompson Chief Finance Officer, OPCC and Linda Waters Director of Finance, TVP outlined the changes to the Medium Term Plan (MTPF) following the provisional Police Grant settlement for 2017/18.

The main changes highlighted as a result of the provisional settlement and the papers issued for the PCC's Policy, Planning & Performance meeting in January 2017 are as follows:-

National information

- Brandon Lewis' statement announced a flat rate decrease in grant funding (Police Grant plus ex-DCLG Grant) of -1.4% in cash terms. The headline from Home Office is that no PCC will face a cash reduction in their Formula Funding plus legacy council tax grants plus precept income, as long as they maximise their precept). This protection applies to those who raise their council tax by the maximum possible amount for both 2016/17 and 2017/18.
- Top-slices/reallocations are worth £812m in 2017/18, some 42.0% higher than in 2016/17 (£572m). The value of the Transformation Fund has risen to £175m from £131.4m (including the innovation fund) in 2016/17 an increase of 33.2%. Legacy Council Tax Funding is still separately identifiable and has stayed the same in cash terms since 2016-17 when the grant totalled £507.4m. Both the Minister and Home Secretary have been very vocal about the need to continue the drive to transform Policing and the benefits of collaboration so it comes as no surprise to see a growth in the value of the Transformation Fund. The Innovation Fund has been absorbed into the Transformation Fund.
- Police Capital grant has been reduced from £82m in 2016/17 to £77.2 in 2017/18. Of the £77.2, 45.9m (59.4%) is allocated for the Police Capital Grant.
- Counter terrorism funding is negotiated separately to the police settlement.
- The Minister will decide in March whether the new formula is in a fit state to go out to public consultation.
- The impact and fallout from the Brexit decision in 2016 is still unknown in terms of when it may impact and what it may impact on in terms of policing.

Thames Valley

- The Government's continued commitment that no Police force will face a cash reduction in their overall funding (compared to the baseline year of 2015/16) providing they maximise their precept, places TVP in a better financial position than anticipated 18 months ago but still equates to a real terms cut in income. This real term cut in income has to be managed alongside the growth in complex and sensitive crime types, reinforcing the drive to continue to reform their service delivery model to ensure resources are focussed on priority services.
- The true scale of complex crimes such as rape and child sexual abuse is still being uncovered. E.g increase in reported report over the last three years was 106% and there will be a significant increase in demand for police services over the next three years due to new and complex crimes and increases in population.
- The recommended net revenue budget for 2016/17 is £392.262m which represents an annual increase of £5.419m or 1.4%. The revenue budget is fully balanced in 2017/18 with the delivery of £10.5m of savings and a 1.99% increase in council tax. The OPCC have commented that this supports the delivery of the Police and Crime Plan and the Force Commitment, including the Chief Constable's annual delivery plan objectives.

- The medium term financial plan (MTFP) is balanced in all three years. This has only been possible through the identification of £21.54m of budget cuts. The draft budget requires £10.5m of productivity strategy savings in 2017/18 with a further £11.0m in the following two years.
- The Priority Based Budgeting review has already challenged approx. 80% of Thames Valley services to ensure resources are being employed and are being delivered in the most effective way.
- The impact on police officer and staff numbers next year (2017/18) is a net reduction of 59 police officer posts and an increase of 22 police staff/PCSO posts.
- The main changes for this year include the implementation of the new Apprentice Levy, review of rateable values for police properties, valuation of the Local Government Pension Scheme and a realignment for base pay budgets for staff and officers.

Capital

- The MTCP for 2017/18 to 2019/20, comprises schemes costing £62.698m gross expenditure over the 3 year period. This includes £6.499m of projects previously identified in the 2016/17 capital plan, but which have been re-phased to allow for planning and tendering procedures. The MTCP is fully funded but requires the use of up to a further £4.537m from Improvement and Performance (I&P) reserve, bringing total I&P reserve funding to £10.942m over the plan term. No external borrowing is needed but at the end of the 3 year capital programme period all available capital reserves will have been fully utilised and the Improvement and Performance Reserve is expected to be reduced to £3.973m.
- The Plan does not currently include provision for future development of the Digital Policing Programme as plans continue to be reviewed and assessed against the national framework.
- Beyond the MTCP period financial considerations are likely to become increasingly acute; one-off windfall sales of finite assets such as police houses will become less prevalent, partner funding is likely to reduce and revenue reserves and support will become even more limited. It is therefore crucial that investment decisions support the long term development of the Force as the PCC has a cash-limited opportunity to continue to shape the Force to be able to operate effectively in an increasingly hostile financial environment. Over the coming years, alternative funding solutions are likely to be required and may include an increased return to borrowing.

Particular issues or concerns raised by Members:-

- Considerable uncertainty around the Emergency Services Mobile Communications Project – PCCs will need to pay local ESN cost, including data and connection charges, devices and installation as well as control room upgrades supported by specific grants reallocated through the ‘core-costs’ top-slice.
- The significant cost increases required and delay in timetable for the Contact Management Programme including the shortage of IT technical skills within the Force to deliver complex projects and the need to employ contractors.
- Budget allocation for cyber crime bearing in mind the figures for this in the latest national crime survey and the financial impact of local Forces investigating high profile cases.
- The impact of the new national funding formula for the allocation of core police grants – at this stage it is not known what impact the new formula will have or what additional grant top slices will taken from the police grant in 2018/19 and later years (risk total 12)

Appendix A**Budget Briefing in December**

The main points highlighted by the Director of Finance (TVP) and the Chief Financial Officer (OPCC) were as follows:-

Financial Strategy

- The financial strategy remains similar to last year on the basis that overall police force budgets are maintained at current cash levels which assumed that PCCs increased the Council Tax by around 2% per annum.
- A review was being undertaken of the Police Core Distribution Formula commencing Autumn 2016. It is unclear exactly how this may affect TVP, however initial thoughts suggest that it could be detrimental to funding and could lead to further cuts in grants. The current Government intention is to bring this in for 2018/19 with an initial consultation period starting around February 2017. Should the review indicate that TVP may suffer a significant reduction in central grants then the recruitment and resourcing profile of the Force will need to be rapidly reviewed.
- The Government's drive to reform policing continues as illustrated by the potential future investment in the Transformation Fund and the drive for collaboration across emergency services, particularly with Fire and Rescue Service. The national Policing Vision 2025 sets out the plan for the police service over the next 10 years. The reform plan encompasses all areas of policing; Local Policing, Specialist Capabilities, the Workforce, Digital Policing and Business delivery.
- Nearly £88m of cash savings have been identified and removed from TVP revenue budget over the last six years; an overall cash reduction of around 25%.
- The latest MTFP indicates that further budget cuts of at least £18m will be required over the next three years but there are a considerable number of uncertainties and risks underlying the funding assumptions, hence the actual figure could be significantly higher.
- Although the Government has promised to protect local force budgets in cash terms TVP continues to be an area of rapid population growth; its population is projected to increase by 18% over the 25 year period 2012 to 2037.
- The reduced availability of finance will be a significant constraint on operational policing for the foreseeable future. However the PCC is confident that with previous financial planning, a proven productivity strategy and priority based budgeting process they are in a better position to respond to these constraints.

Points of clarification by the Task and Finish Group (December 2016)**Revenue**

- Members congratulated TVP and the OPCC on the PEEL inspection programme which looks at how efficient Forces are and TVP had achieved a Good grade overall.
- Improved Service (page 17) Cllr Birchley referred to the review of the ICT strategy which had led to a reduction of £0.27m and asked why there was not an increase in investment in IT with threats such as terrorism and cyber-crime. The Director of Finance reported that terrorism and cyber-crime were major risks and that the costs of technology were rising significantly. However, the cost of national IT systems was expected to decrease slightly on previous years, which was why the budget had been

reduced. She referred to the fact that Microsoft licences had increased in price particularly since Brexit and that they needed more licences than originally thought. There were changes to the way information was now stored in the cloud rather than in data centres and technology had meant a reduction in police numbers. However, helping the vulnerable was very resource intensive and there were no easy answers to this.

- Cllr Patman also referred to cyber-crime and the impact this was having on local Forces. The Director of Finance reported that digital policing was being looked at nationally to ensure that sufficient resources were being used in this area. The Home Office has set up the Police Transformation Fund to help police reform and transformation but the Board got funding late in the year. Police Forces have been asked to submit bids for funding. This was a pump priming measure.
- Cllr Birchley asked whether the new systems being implemented could link into other systems. The Director of Finance reported that with collaboration their systems linked in with Hampshire and with the ERP system (Enterprise Resource Planning) there was also collaboration with Surrey and Sussex. It has been previously difficult to work with Forces as other Forces had been at different stages but now improvements and standardisation of services were coming together. The Director of Finance also referred to the work of their Regional Units and the provision of specialist services which were expanding.
- Cllr White asked for information on abbreviations.
- Members discussed the population growth and the growth of towns into rural areas. The Chief Finance Officer reported that there would be an increase in the tax base but in terms of receiving more money from Government this would depend on whether the Thames Valley grows at a faster rate than other areas in the Country. The council tax increase would not be sufficient to cover the cost of an increased population. Cllr Patman reported that whilst they had seen a rise in planning applications only a small proportion of those houses had actually been built.
- Funding formula – The Chief Finance Officer was part of the Group looking at this area nationally and he had concerns about how they would implement the new formula. This would not impact on the budget until 2018 and would be implemented over a 3-5 year period. There were no indications yet how it would impact on the Thames Valley. More details were likely in February.
- Following a question by Cllr McCracken, in terms of the proposed Council Tax level no referendum was being planned and the planning assumptions were a 1.99% increase, together with a 1.75% per annum increase in the billing base for the Thames Valley area. He then asked about the impact of future legislation. The Chief Finance Officer reported that police and fire had their own separate precept and there would be no cross subsidisation of service costs. There was now very little opportunity to make savings as these had all been undertaken in previous years and currently no option to access funding from other budget areas. However, savings could be identified through collaborative work.
- The Director of Finance went through funding assumptions, inflation, committed growth, current and improved service. Reserves continue to be utilised to support the overall objectives of the MTFP over the coming years, as well as supporting the capital programme and ICT strategy implementation. The minimum wage has impacted particularly on the custody contract and there was also the new apprentice levy. General police grants were to remain at a cash flat rate for the next three years based on a 1.99% increase.
- Cllr Birchley asked for clarification on the table on page 12 of the agenda. She commented that some of the figures varied – this was because of the new

apprenticeship levy, service improvements and an increase in the Local Government pension scheme.

- Cllr McCracken asked for clarification around current figures relating to paragraph 3.9. The Director of Finance referred to police officer wastage and that the Force planned for officers to stay for 30 years. Recruitment was undertaken in bulk based on these predictions. The budget currently showed a growth for potentially redeploying 60 FTE officers in 2017/18 at a cost of £0.66m in that year. This does create a shortfall in that year but the budget can, at this stage, support these officer numbers in 2018/19. To aid the continuity and reform of the service, it is recommended that these officer numbers are retained.
- Cllr McCracken asked a question concerning the delayed implementation of the Contact Management Programme and the temporary increase of 22.0 FTE staff. The Director of Finance reported that this was a complex programme and that they provided updates on this area to the PCC. The 22 staff would be phone operators and would maintain service levels in command and control but would not be required permanently once the system was up and running. Once the new system was up and running it would be much more streamlined as operators would not have to search different systems. Again phone operators were recruited en bloc, particularly as there was a high number and turnover of staff in this area.
- Cllr McCracken asked about capital projects and the impact of the budget on this area. The Director of Finance reported that in terms of the Emergency Service Mobile Communications Programme (Airwave Replacement Project) the overall cost of the project will exceed the current provision and it is recommended that an additional £1m be added to the Thames Valley allocation. She reported that no capital projects had been removed but the financing may have changed in some areas.
- Cllr White asked about PCSO posts. An assumption was made last year that a number of Local Authorities would cut their partnership funding for PCSO posts, however this was not the case and projecting forward they were not expecting any further reductions (21 posts). Establishment figures may change in January but the redeployment of 60 police officers had already been included.
- Cllr McCracken reported that the budget cuts within the report are quoted as £18 million at one point and £20.3 million at another. The Chief Finance Officer reported that these figures would be updated in January once further detail had been received from Government and more clarity about the amount of productivity savings required.
- Cllr McCracken asked about the Community Infrastructure Levy and whether the police were taking advantage of this funding. The Director of Finance reported that their Property Services had spent a lot of time discussing this with local Councils to maximise funding opportunities. Unfortunately, there had been some agreements in principle for some reasonable sums of money but they were based on projects which would not be implemented for a number of years.
- In terms of the Community Safety Fund, this had remained the same with an across the board reduction in grant allocations for 2017/18, due to the 10% top-slice for PCC commissioning. The PCC intended to review and if necessary update the formula allocation model next year before 2018/19 grant allocations are announced.
- Cllr McCracken asked about the review of property and premises costs. The Director of Finance reported that they were reducing the size of their premises and were also looking at the right level of maintenance to produce savings.

Capital

- Cllr McCracken referred to the Emergency Service Mobile Communications Programme which was a national project to replace Airwave with a digital solution and broadband coverage for all three emergency services. This is being managed as a collaborative project with TVP, Hampshire, Surrey and Sussex. He asked whether any revenue was needed to support this project. The Director of Finance reported that this project was supposed to produce savings in future years. There remains significant uncertainty regarding the required provision for devices but it was clear that the overall cost of the project will exceed the current provision. An additional £1m therefore has been added to the Thames Valley allocation, increasing it to £5.3m in total. This would be a one off cost and costs would hopefully be reduced with a 4 Force collaboration. Cllr McCracken asked about the timetable for this project. The Director of Finance reported that it was a national project which was experiencing delays and they were waiting for the new Programme. They were looking at mid February but it was being rolled out on a geographical basis with northern regions first. The Chief Finance Officer reported that they would look at what financing was available nearer the time. Borrowing was an option but this would have an impact on revenue.
- The Director of Finance stated that there were no new significant additions to the Capital Programme in terms of Property Schemes and they were focusing on Sulhamstead. They hoped to finish the teaching block this year. Additional work was being scheduled for Milton Keynes Police Station to keep the building fit for purpose. In terms of the Asset Management Plan an updated report was being presented to the PCC at his January meeting. This included a rephrasing of the budget for Reading Police Station and looking at suitable accommodation which would make it cheaper to run.
- There are a number of elements in the draft Programme which still require work and may be subject to change. There are current risks around the cost of the Contact Management Programme and these costs may increase in January. This project was technically very complex. However, once this system was in place it would transform services and police officers would be able to access information on smart phones. The Enterprise Resource Planning System contract has been let and they were in the final stages with a delivery deadline of 2018. Cllr McCracken asked whether this system was being used anywhere else? The Director of Finance reported that a number of Forces use it and integrated finance and human resources systems. Some Forces had struggled with its implementation but this system was also based on a 4 Force collaboration which would be a good basis for sharing good practice. Cllr Patman asked whether support was being given by the Police ICT Company? The Police ICT Company was working with the NPCC to identify the best systems available and to identify a contract framework. They supported work being undertaken by Thames Valley. Savings could be achieved by national negotiations on licences.
- A paper had been circulated on the future delivery of CCTV which was still being considered. The Director of Finance reported that cameras were being replaced and referred specifically to M40. They were working with partners to identify where they would be benefits to implementation.
- The Director of Finance referred to capital receipts which were approximately £21 million and included the sale of inefficient premises which were being replaced by new accommodation. As Members were aware there were no requirements now for police houses and the stock was depleting considerably with little stock left in 2020. Capital grants received from Government were very small and did not cover costs, particularly

the large costs of vehicles. Earmarked reserves were being used to help fund the Capital Programme but the Improvement and Performance Reserve was diminishing rapidly.

- The Chief Finance Officer gave an update on Reserves Balances and Provisions. The current policy is to maintain a general balance around a guideline level of 3% of annual net revenue expenditure with an absolute minimal level of 2.5%. They were slightly above the 3% level at the moment at 4.54%. There was also a Conditional Funding Reserve which was not available to help with general operational policing. Based on current planning assumptions earmarked reserves will reduce from £32.3m as at March 2016 to £13.4m at 31 March 2020. There were no guidelines for retaining a certain level of earmarked reserves.
- There are two high risks that may impact on the level of general balances which is the Force is unable to deliver the £9.5 m of planned cash savings to be removed from the base budget during 2017/18 and the additional costs of one-off operational incidents or in-year emergencies which cannot be contained within budget or be fully grant funded from Government.

Background documents

<https://www.justiceinspectorates.gov.uk/hmic/wp-content/uploads/thames-valley-2016-value-for-money-profile-summary.pdf>
<https://www.justiceinspectorates.gov.uk/hmic/publications/peel-police-efficiency-2016-thames-valley/>

Appendix B Proposed Questions to the Commissioner (Questions in bold will be answered by the PCC at the meeting – for the other questions a written response will be provided).

Police and Crime Plan

1. At the last meeting you were questioned on your 25 key objectives being deliverable. Please could you indicate how your budget supports your strategic priorities as follows:-
 - Vulnerability
 - Prevention and Early Intervention
 - Reducing Re-offending
 - Serious Organised Crime and Terrorism
 - Police Judgement and Reform
2. OPCC Risk 18 states the following ‘with crime becoming ever more complex and challenging to investigate and demand in policing services increasing, the level of funding forecast for the next three years is insufficient to deliver the planned outcomes in the PCC Police and Crime Plan 2017 to 2021.’ Yet you have stated that this budget supports the delivery of the Plan. Are you confident about delivery of your objectives ? How will you manage public and partner expectations in light of the 25 objectives above ?
3. Is the Force concerned about their capacity and capability to deal with cyber crime, terrorism, cse and complex crime bearing in mind there are risks around the retention and demand for specialist officers and trained detectives (plus changes in legislation which will make it less attractive for contractors to work for the public sector) which has not been allowed for within the MTFP?

Revenue & capital

4. a) How does Thames Valley Police Force benchmark itself financially against similar Forces? (both in terms of grant budget received and areas of spend).
 b) Hampshire (our collaboration partner) police's chief constable Olivia Pinkney and crime commissioner Michael Lane have written to government demanding more cash as they say they receive a quarter less funding than needed.
 - As they have a similar cash change 1.3% as Thames Valley will you be making any representations to the Government?
 - You have commented in your papers that the biggest area of concern is the assumption being made regarding future levels of government grant and precept income. As forward planning is more important than ever (key requirements of the Prudential Code for Capital Finance) are you comfortable with your contingency arrangements and use of reserves and balances ?
5. a) Please could the PCC provide an update of the Force Productivity Strategy and Priority Based Budgeting Review process.
 b) How confident are you of the ability of the Force’s productivity strategy and Priority Based Budgeting to keep on delivering the savings you need and are you concerned that this will impact on the objectives of the Police and Crime Plan including the Chief Constable’s annual delivery plan objectives ? What is the governance around the Productivity Strategy?
 c) What specific savings has the PCC made in the 2016/17 financial year? How were these savings justified and what has been the impact of these decisions on service delivery? In particular the Review of Demand Led Operating Model has led to savings of

£3.2m – please could you give a breakdown of how these savings will/have been achieved and impact on service delivery.

6. In your October report you said 'Should the Government review indicate that TVP may suffer a significant reduction in central grants then the recruitment and resourcing profile of the Force will need to be rapidly reviewed'. With current negotiations how likely do you think that this is to happen?
7. How do you scrutinise the budget to ensure value for money ? How regularly do internal and external audit processes consider value for money? Please could you provide the Panel with an update on the audits being conducted into the criminal justice system and PCC Governance (which includes the effectiveness of the framework in holding the Force to account) and also the CCTV review (refer to article below) ?

Thousands of crimes in London are going unsolved because police are failing to fully investigate CCTV footage, a former senior Met detective claimed today. Evening Standard

"Whilst we are told CCTV prevents crime, these figures indicate that crimes are ongoing and that CCTV is only used to investigate crime which has already happened. We have lived with these cameras for over 15 years now, isn't it time we were told the truth about how they used, where they provide value and whether they are truly necessary to be everywhere we go." Mick Neville, a former detective chief inspector

8. Under the Revenue Budget Summary you have other costs of £210,000 under PCC Controlled Expenditure – what does this include ? Are you happy that with your possible increase in responsibilities that you have enough resources in your office to deliver effectively ?
9. Would the PCC or Chief Constable be able to say how many defibrillators will be deployed and is there an estimate on how many lives may be saved over the lifetime of the devices?'
10. Do you feel that you have managed your property portfolio well in terms of selling properties at the right time in the market to gain the best possible capital receipts ?

Partnership Working

11. Has any consultation been carried out on the budget as other PCCs have done?
12. Community Safety Partnership Funding (Appendix 4 Current service) – will you be updating the formula allocation model before 2018/19 grant allocations are announced and how will you do this.
13. Can you see a change in responsibility by the public which is reducing demand on emergency services ? Have you any data on how your Demand and Vulnerability Model is reducing demand ?
14. How will the Force work closely with partners to deliver cost savings when there is likely to be a withdrawal of partner funds with the public sector strain and the continued financial viability of the private sector e.g possible withdrawal of funds for the street triage scheme.

15. The APCC Chair has welcomed the announcement that funding for victims' services in 2017/18 will be maintained at about the same level as 2016/17. In addition, they support the decision to repeat the £4.7m child sexual abuse fund. However they regret the decision to fund victims' services, once again, for only one year. As it stands PCCs are often unable to commission victims' services in the most effective way. As, importantly, service providers, including small charities who work hard to deliver services for some of the most vulnerable people in society, are unable to plan ahead and make the necessary strategic decisions. What do you think about this statement and are you able to put any plans in place for long term funding for domestic abuse and other key areas ? Will the Service Transformation fund for Violence against Women and Girls provide enough financial support to meet the level of demand for refuges in the Thames Valley ?

Transformation

16. Nationally HMIC noted: "we found evidence to suggest that some forces have reduced the pace and ambition of their plans since last year." The Government expects Police and Crime Commissioners (PCCs) and Chief Constables to do everything in their power to drive efficiencies at pace, and this settlement provides the opportunity to improve the quality of policing and continue to reduce crime.
 - a) Do you feel that the pace and ambition has reduced ? If not please give examples.
 - b) How ready do you feel in terms of meeting policing's own vision for 2025.
17. The recent HMIC Peel reports for the Thames Valley have commented specifically on the ICT Strategy and how it was fully aligned and supporting Force's objectives and confirmed that progress was good. Is the PCC happy with the current progress, particularly with the significant cost increases required during the last 12 months for the Contact Management Programme and the timely delivery of large capital schemes and challenges in recruitment in this area?

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Report to the Police and Crime Panel

3rd February 2017

Council Tax Precept 2017/18

Purpose of Report

1. To notify the Police and Crime Panel of my proposed council tax precept for 2017/18.
2. Full supporting documentation is provided in the attached Revenue Estimates report which was presented to and agreed at my Policy, Planning and Performance meeting with the Chief Constable on 24th January 2017.

Decisions Required

3. The Panel is asked to receive my proposed precept for 2017/18 and note:
 - That, subject to final taxbase notifications, the council tax requirement for 2017/18 be set at £149.212m
 - That the police element of the council tax for 2017/18 be set at £170.28 for properties in Band D, with the charge for other bands as set out below. This represents an annual increase of 1.99%

Council tax 2017/18

| Property Band | Relevant Proportion | PCC Element of the Council Tax £ |
|---------------|---------------------|-------------------------------------|
| A | $\frac{6}{9}$ | 113.52 |
| B | $\frac{7}{9}$ | 132.44 |
| C | $\frac{8}{9}$ | 151.36 |
| D | $\frac{9}{9}$ | 170.28 |
| E | $\frac{11}{9}$ | 208.13 |
| F | $\frac{13}{9}$ | 245.97 |
| G | $\frac{15}{9}$ | 283.81 |
| H | $\frac{18}{9}$ | 340.57 |

Conclusions

4. The revenue budget is fully balanced in 2017/18 with a 1.99% increase in council tax. This is in-line with my Annual Financial Strategy for 2017/18.
5. The budget for 2017/18 protects and provides some increases, for priority service areas and specialist capabilities in response to the increasing level of complex crime and the current threat levels. This supports the delivery of my Police and Crime Plan and the Force Commitment.
6. The medium term financial plan (MTFP) is balanced in all three years. This has only been possible through the identification of £21.5m of budget cuts.
7. The Force will continue working on its Productivity Strategy, to ensure resources are directed to priority areas and that services are delivered in the most effective manner. This work will continue to release savings in future years in order to balance the budget and provide additional resource to reinvest in priority policing areas.
8. As shown above the current MTFP requires revenue savings of at least £21.5m over the next three years, with £10.5m in 2017/18. This is over and above the £87m of cash savings already removed from the base budget in the last six years (i.e. 2011/12 to 2016/17) meaning that, over the nine year period 2011/12 to 2019/20, in excess of £108m will have been taken out of the base revenue budget.
9. The impact on police officer and staff numbers next year (2017/18) is a net reduction of 59 FTE police officer posts and an increase of 22 FTE police staff/PCSO posts

Anthony Stansfeld
Police and Crime Commissioner for Thames Valley



**Report for Information to the 'Policy, Planning & Performance' (Level 1)
Meeting on 24 January 2017**

**Title: Revenue Estimates 2017/18 & Medium Term Financial Plan 2018/19 to
2019/20**

Executive Summary

This report provides information on the provisional police finance settlement for 2017/18 and then recommends a revenue budget and council tax for the Police and Crime Commissioner (PCC) to approve.

The recommended net revenue budget for 2016/17 is £392.262m which represents an annual increase of £5.419m or 1.4%. The revenue budget is fully balanced in 2017/18 with the delivery of £10.5m of savings and a 1.99% increase in council tax.

The budget for 2017/18 protects and provides some increases, for priority service areas and specialist capabilities in response to the increasing level of complex crime and the current threat levels. This supports the delivery of the Police and Crime Plan and the Force Commitment.

The medium term financial plan (MTFP) is balanced in all three years. This has only been possible through the identification of £21.54m of budget cuts.

The Force will continue working on its Productivity Strategy and in particular the Priority Based Budget review, to ensure resources are directed to priority areas and that services are delivered in the most effective manner. This work will continue to release savings in future years in order to balance the budget and provide additional resource to reinvest in priority policing areas.

The MTFP requires revenue savings of at least £21.54m over the next three years, with £10.5m in 2017/18. This is over and above the £88.3m of cash savings already removed from the base budget in the last six years (i.e. 2011/12 to 2016/17) meaning that, over the nine year period 2011/12 to 2019/20, in excess of £109m will have been taken out of the base revenue budget.

The impact on police officer and staff numbers next year (2017/18) is a net reduction of 59 police officer posts and an increase of 22 police staff/PCSO posts.

Recommendation:

The PCC is asked to RECOMMEND to the Police and Crime Panel:

- That, subject to final taxbase notifications, the council tax requirement for 2016/17 be set at £149,212,081
- The revenue estimates for 2017/18 as set out in Appendix 2
- That the police element of the council tax for 2017/18 be set at £170.28 for properties in Band D, with the charge for other bands as set out in Table 1.

| Property Band | Relevant Proportion | PCC element of the Council Tax |
|---------------|---------------------|--------------------------------|
| A | $\frac{6}{9}$ | 113.52 |
| B | $\frac{7}{9}$ | 132.44 |
| C | $\frac{8}{9}$ | 151.36 |
| D | $\frac{9}{9}$ | 170.28 |
| E | $\frac{11}{9}$ | 208.13 |
| F | $\frac{13}{9}$ | 245.97 |
| G | $\frac{15}{9}$ | 283.81 |
| H | $\frac{18}{9}$ | 340.57 |

Police and Crime Commissioner

I hereby approve the recommendation above.

Signature

Date

PART 1 – NON-CONFIDENTIAL**1 Introduction and background**

- 1.1 The 2017/18 draft budget and proposed precept provides the necessary resources for the PCC to deliver his new Police and Crime Plan.
- 1.2 Full details regarding the provisional police finance settlement for 2017/18, the draft revenue budget proposals for 2017/18 and the medium term financial plan for the period 2017/18 to 2019/20 are provided in the Annex 1.
- 1.3 The PCC is required to notify the Thames Valley Police and Crime Panel of the council tax precept he is proposing to issue for 2017/18 financial year. The Police and Crime Panel is due to review the proposed precept at its meeting on 3rd February 2017.

2 Issues for consideration

- 2.1 The draft budget for 2017/18 protects and provides some increases, for priority service areas and specialist capabilities in response to the increasing level of complex crime and the current threat levels. This supports the delivery of the Police and Crime Plan and the Force Commitment, including the Chief Constable's annual delivery plan objectives.

- 2.2 The draft budget requires £10.5m of productivity strategy savings in 2017/18 with a further £11.0m in the following two years. This is over and above the £88.3m of cash savings already removed from the base budget in the last five years (i.e. 2011/12 to 2015/16) meaning that, over the nine year period 2011/12 to 2019/20, in excess of £109m will have been taken out of the base revenue budget
- 2.3 The draft budget is predicated on a recommended 1.99% increase in council tax in 2017/18.
- 2.4 Confirmation of the final taxbase and surplus on collection fund is still awaited from the 16 billing authorities. Any last minute adjustments will be made via an appropriation to/from general balances.

3 Financial comments

- 3.1 The draft net revenue budget requirement for 2017/18 is £392.262m, which requires an increase in council tax of 1.99%. The medium term financial plan is currently balanced in all 3 years.

4 Legal comments

- 4.1 The PCC is required to set a net revenue budget that is fully financed by government grants and income from local council taxpayers.
- 4.2 The PCC has to notify the Police and Crime Panel of his proposed council tax precept for its review as set out in paragraphs 3 to 5 of Annex 1.

5 Equality comments

- 5.1 No specific implications arising from this report

6 Background papers

Provisional local authority finance settlement 2017/18

Public access to information

Information in this form is subject to the Freedom of Information Act 2000 (FOIA) and other legislation. Part 1 of this form will be made available on the website within 1 working day of approval. Any facts and advice that should not be automatically available on request should not be included in Part 1 but instead on a separate Part 2 form. Deferment of publication is only applicable where release before that date would compromise the implementation of the decision being approved.

Is the publication of this form to be deferred? No

Is there a Part 2 form? No

| Name & Role | Officer |
|---|---------------------------|
| Head of Unit The proposed budget for 2017/18 supports the delivery of the PCC's Police & Crime Plan and the Force Commitment. Financially, this is achieved through the identification of £10.5m of Productivity Strategy savings to help fund the imposed increases in local government pension costs and other commitments. | Director of Finance |
| Legal Advice Under the Police Reform and Social Responsibility Act 2011 the PCC is required to notify the Thames Valley Police and Crime Panel of his proposed precept for 2017/18 by 1 st February 2017. The council tax requirement, precept and council tax levels are to be finally determined by the end of February. | Chief Executive |
| Financial Advice The draft budget for 2017/18 requires an increase in council tax of 1.99%. This is below the Government's council tax referendum threshold of 2%, The medium term financial plan is fully funded in all three years | PCC Chief Finance Officer |
| Equalities & Diversity No specific implications arising from this report | Chief Executive |

OFFICER'S APPROVAL

We have been consulted about the proposal and confirm that financial and legal advice have been taken into account in the preparation of this report.

We are satisfied that this is an appropriate request to be submitted to the Police and Crime Commissioner.

PCC Chief Finance Officer

Date: xx January 2017

Director of Finance

Date: xx January 2017

24thth January 2017**Purpose of this Report**

1. This report provides information on the provisional police funding settlement for 2017/18 and then recommends a draft revenue budget and council tax precept for the Police and Crime Commissioner (PCC) to approve, subject to final notifications on the council tax base from local authorities.

Decisions Required

2. The PCC is asked to notify the Police and Crime Panel:
 - That, subject to final taxbase notifications, the council tax requirement for 2017/18 be set at £149,212,081
 - The revenue estimates for 2017/18 as set out in Appendix 2
 - That the police element of the council tax for 2017/18 be set at £170.28 for properties in Band D, with the charge for other bands as set out in Table 1.

Table 1 – Council tax 2017/18

| Property Band | Relevant Proportion | PCC Element of the Council Tax £ |
|---------------|---------------------|----------------------------------|
| A | $\frac{6}{9}$ | 113.52 |
| B | $\frac{7}{9}$ | 132.44 |
| C | $\frac{8}{9}$ | 151.36 |
| D | $\frac{9}{9}$ | 170.28 |
| E | $\frac{11}{9}$ | 208.13 |
| F | $\frac{13}{9}$ | 245.97 |
| G | $\frac{15}{9}$ | 283.81 |
| H | $\frac{18}{9}$ | 340.57 |

Background

3. The PCC is required to notify the Thames Valley Police and Crime Panel of his proposed council tax precept by 1st February 2017.
4. Having considered the PCC's proposals the Panel must make a report to the PCC on the proposed council tax precept. A decision to veto the precept has to be agreed by at least two-thirds of the Panel members, i.e. at least 14 of the 20 members. The PCC has to have regard to the report made by the Panel. Should it be necessary, a second Panel meeting will be held in February 2017 to consider the PCC's revised precept proposals for 2017/18
5. Legislation provides that the council tax requirement, precept and council tax levels are to be finally determined by the end of February prior to the start of the relevant financial year.

PROVISIONAL POLICE FINANCE SETTLEMENT

6. The Provisional 2017/18 Police Finance Settlement was announced in a written ministerial statement by the Minister for Policing and the Fire service, Brandon Lewis, on Thursday 15 December 2016.

BACKGROUND

7. On 25 November 2015, as part of the Spending Review the Chancellor announced that the local police budgets would be maintained at “current [2015-16] cash levels” – assuming that PCCs maximised their potential to raise funding through the precept.
8. Funding for the police service was not mentioned in the 2016 Autumn Statement.

HEADLINES

9. Brandon Lewis’ statement announced a flat rate decrease in grant funding (Police Grant plus ex-DCLG Grant) of -1.4% in cash terms (Appendix 1). The headline from Home Office is that no PCC will face a cash reduction in their Formula Funding plus legacy council tax grants plus precept income, as long as they maximise their precept). This protection applies to those who raise their council tax by the maximum possible amount for both 2016/17 and 2017/18.
10. As expected, and whilst the formula review is still underway, this settlement covers just one year and confirms the council tax referendum threshold of 2%. There is additional flexibility to increase the precept by £5 for the 10 forces (excluding City of London) with the lowest precept.
11. Top-slices/reallocations are worth £812m in 2017/18, some 42.0% higher than in 2016/17 (£572m).
12. The value of the Transformation Fund has risen to £175m from £131.4m (including the innovation fund) in 2016/17 an increase of 33.2%. The £131.4m figure includes the Innovation fund from 2016/17 which was worth £55.0m.
13. Legacy Council Tax Funding is still separately identifiable and has stayed the same in cash terms since 2016-17 when the grant totalled £507.4m.
14. Police Capital grant has been reduced from £82m in 2016/17 to £77.2 in 2017/18. Of the £77.2, 45.9m (59.4%) is allocated for the Police Capital Grant. The rest is broken down as follows:

| Police Capital | £m |
|-----------------------------|-----------|
| Police Capital Grant | 45.9 |
| Special Grant Capital | 1.0 |
| Police Live Services | 18.1 |
| National Police Air Service | 12.2 |

Reallocations (or top-slices)

15. As stated above the Home Office will reallocate £812m in 2017/18.

| Top-Slice | 2016/17 £m | 2017-18 £m |
|---|-----------------------|-----------------------|
| PFI | 73 | 73 |
| Police Technology Programmes (including ESN) | 284 | 417 |
| Arms-length bodies | 60 | 54 |
| Strengthening the response to Organised Crime | 0 | 28 |
| Police transformation fund | 131 | 175 |
| Special grant | 25 | 50 |
| Pre-Charge Bail | 0 | 15 |
| Total | 572 | 812 |

16. The Police Technology Programmes include the Emergency Services Network (ESN), the existing Airwave system, Home Office Biometrics and the National Law Enforcement database.

TRANSFORMATION FUND

17. Both the Minister and Home Secretary have been very vocal about the need to continue the drive to transform Policing and the benefits of collaboration so it comes as no surprise to see a growth in the value of the Transformation Fund.
18. The Transformation Fund was first set up in 2016-17 and was worth £76.4m. In 2017-18 that amount has risen to £175m but includes the innovation fund (previously £55m). Of the £175m, £32m will be going to firearms and approximately £50m has already been committed by the Home Secretary as second year funding for bids already approved under both the Innovation and Transformation funds. The rest of the money will be available for national commissioning and local bids.
19. More information on the bidding process will be announced soon.

INNOVATION FUND

20. As expected, the Innovation Fund has not continued into 2017-18. Earlier bids which spanned multiple years will continue to be paid but there will be no new bids to the Innovation Fund. The original purpose of the fund has now be absorbed within the Transformation Fund and will primarily be dealt with through the Police Reform and Transformation Board (PRTB).

COUNTER TERRORISM

21. Counter Terrorism funding is negotiated separately to the police settlement, so any increases here should not impact on the rest of the police settlement.
22. The 2015 Spending Review announced an additional £500m of funding by the end of this parliament for Counter Terrorism.
23. In 2016-17 allocations increased by £96m (up 13% to £640m). There was also £30m capital funding in 2016-17. In 2017-18 the funding has increased by a further £30m to £670m.

EMERGENCY SERVICES NETWORK (ESN)

24. Emergency Services Mobile Communications Project (ESMCP) is the work programme delivering the Emergency Service Network (ESN); the replacement for Airwave. Said to be included within the 2016-17 settlement (although not separately identifiable) was the Police share of £1bn funding for ESN.
25. In 2016-17 ESN “core costs” worth £80m were top-sliced from the settlement and were also intended to fund the costs of control room upgrades. At the time of the 2016-17 settlement the indication was that these “core costs” were likely to increase significantly in 2017-18.
26. The ESN spending has been incorporated into the ‘Police Technology Programmes’. The ministerial statement suggests approximately £100m increased funding for the ESN.
27. PCCs will continue to be liable to pay for Airwave until the transition to ESN has occurred. During the transition, and once it is in place, PCCs will need to pay local ESN cost, including data and connection charges, devices and installation as well as

control room upgrades, supported by specific grants reallocated through the “core costs” top-slice. In the longer medium term ESN should deliver local savings.

COUNCIL TAX REFERENDUM PRINCIPLES

28. The Department for Communities and Local Government has published the draft council tax referendum principles for 2017-18. As previously announced, the 10 police force areas with the lowest precepts (excluding the City of London) will be allowed to increase their Band D bill by £5. The referendum limit for everyone else remains at 1.99% with an increase of 2% or more triggering a referendum.

NATIONAL AND INTERNATIONAL CAPITAL CITY (NICC) GRANT

29. In 2016-17 the NICC grant for the City of London was £4.5m. In 2017-18 it remains at 4.5m
30. In 2016-17 the NICC grant for MOPAC (which used to be referred to as the Met special Payment) was £173.6m. In 2017-18 it remains at £173.6m.

MINISTRY OF JUSTICE (MoJ) FUNDING

31. The Ministry of Justice has yet to announce grant allocations for victim and witness services in 2017/18. For information, in 2016/17 TVP received £2.765m.

VIOLENCE AGAINST WOMEN AND GIRLS - SERVICE TRANSFORMATION FUND

32. In March 2016 the Government published a programme of reform supported by an increase in funding of £80m. The intention is to ensure that every victim gets the help and support that they require, coupled with bringing more perpetrators to justice.
33. The £80m worth of funding has been pledged up to 2020. However, the majority of that funding is to go into other services such as national helplines, rape support centre and refuges. The transformation funding available for the Police to bid for is worth £15m from 2017 running until the end of the financial year of 2019–20.

FORMULA REVIEW

34. The Home Office has established two working groups (the Senior Sector Group and the Technical Reference Group) to help develop a new police funding formula. The Minister will decide in March 2017 whether the new formula is in a fit state to go out to public consultation. If it is, the likely implementation date is 2018-19.

THAMES VALLEY ALLOCATIONS

35. As shown in Appendix 1 the PCC will receive the following grants in 2017/18.

Table 4: TVP grant allocations 2016/17

| | 2016/17 £m | 2017/18 £m | Variation £m | Variation % |
|------------------------------------|-----------------------|-----------------------|-------------------------|------------------------|
| Home Office Police Grant | 141.221 | 139.248 | - 1.973 | - 1.40 |
| Ex DCLG Formula Funding | 73.890 | 72.855 | - 1.035 | - 1.40 |
| Sub-total | 215.111 | 212.103 | - 3.008 | - 1.40 |
| Legacy council tax grants | | | | |
| - Council tax support funding | 11.906 | 11.906 | 0 | 0.00 |
| - 2011/12 council tax freeze grant | 3.372 | 3.372 | 0 | 0.00 |
| Total General Grants | 230.389 | 227.381 | - 3.008 | - 1.31 |

36. In addition to these general grants the PCC will also receive money from the Ministry of Justice to fund victim and witness services in 2017/18. However, at the time of writing this report [4th January] the grant allocations had not been received. For information, in 2016/17 the grant allocation was £2.765m

THAMES VALLEY POLICE RESPONSE TO THE POLICE SETTLEMENT

37. The Governments continued commitment that no Police force will face a cash reduction in their overall funding (compared to the baseline year of 2015/16) providing they maximise their precept, places TVP in a better financial position than anticipated 18 months ago but still equates to a real terms cut in income. This real terms cut in income has to be managed alongside the growth in complex and sensitive crime types, reinforcing the drive to continue to reform our service delivery model to ensure our resources are focussed on our priority services.
38. The Home Secretary speaks positively about the level of reform and savings already achieved within the police service but emphasises that the drive for transformation within the service must continue. In TVP we are continuing to push reform in our service delivery to ensure our resources are focused on our priority areas and reflect the changing nature of crime. One example of this reform is the new Operating Model which will deliver our local policing services under the following objectives:
- To ensure the right person is deployed to the right place at the right time
 - To instil a smarter approach to the way we prioritise and respond to crime
 - To improve efficiency in the way we do things, using “evidence based” operating principles
39. We are also investing heavily in technology to provide new opportunities across the service from how we investigate crimes to improving the productivity of our officers and supporting new ways of working. We are also investing heavily in technology to make it easier for the public to contact us and receive prompt & local information, as well as delivering longer term efficiencies. But technology comes with a price tag both in terms of initial investment, which is draining our reserves, and on-going revenue costs.
40. We are also addressing the indiscriminate threat of terrorism. The Police settlement last year made specific reference to increasing the number of Armed Responses Vehicles (ARV's) and Counter Terrorism Specialist Firearms Officers (CTSFO's) for which recruitment and training is underway. ARV's are a local resource whereas CTSFO's are a regional resource provided by the CTU. Within the JOU we are continuing to increase the number of ARV's and trained firearms officers we have to improve our response.
41. Work is continuing to build and expand our capabilities to counter new and complex threats. The true scale of complex crimes such as Rape, Child Sexual Abuse and Domestic Violence is still being uncovered. For example, the increase in reported Rape over the three year period 2013/14 to 2015/16 was 106%, with a 45% increase in the reporting of Other Sexual Offences in the same period. Reporting in the current year continue to show increases.
42. To deliver these reforms and work within our tight financial position we have already delivered £88.3m of savings over the last six years and another £10.5m is already identified for the next financial year. Our Productivity Plan Strategy looks at every part of the business from both a local and force wide perspective. For example the Priority Based Budgeting review has already challenged approx. 80% of our service to ensure we understand how our resources are being employed and are they delivering the right service in the most effective way. This work will continue during 2017/18.

OVERVIEW OF THE MEDIUM TERM FINANCIAL PLAN (MTFP)

43. The review and development of the revenue budget is an annual exercise with each year's budget and associated council tax precept considered and approved in isolation. However, decisions taken in the course of approving the revenue budget will often have longer term consequences, as will those in approving the capital programme. The three year MTFP brings together these medium term consequences and allows a more comprehensive view to be taken of the PCC's overall financial position. It is imperative that the PCC knows the full extent of the financial consequences he will be committing to in future years when he considers and determines the annual budget.
44. As explained later in this report the revenue budget is balanced for the three year period 2017/18 to 2019/20. However future years funding allocations are very uncertain because the Home Office only provides indicative information in respect of future year grant allocations at the National level and the funding formula is in the process of being reviewed.
45. We are also anticipating a significant increase in demand on our service over the next three years, for example: from the continuing increases in reporting of complex crimes such as Child Sexual Exploitation (CSE) and Domestic Violence (DV), new and emerging crimes such as Honour Based Violence and Modern Slavery as well as the forecast population increase, the expectations of our communities, and legislative changes. Quantifying the resourcing impact of this increasing and changing demand, is constantly reviewed by the Chief Constable's Management Team (CCMT) but is difficult to predict over the medium term.

Budget preparation

46. Work on preparing the draft budget began shortly after the 2016/17 revenue budget was approved by the PCC in January 2016. This early start was necessary in order to identify issues and potential funding shortfalls in time to develop and enhance the productivity strategy to meet the challenges ahead.
47. Throughout the budget preparation process the following key principles have been adopted:
- To protect priority services;
 - To protect our ability to manage threat, harm & risk;
 - To maintain our capability in protective services and back office functions through collaboration;
 - To maintain and improve performance in key areas, including the strategic policing requirement;
 - To reduce "discretionary spending" and streamline business processes and to eliminate unnecessary bureaucracy and waste
 - To invest in technology to protect service delivery against future cuts
 - To invest in areas where future savings can be attained;
 - All change to be risk assessed.
48. There is a close relationship between preparation of the annual budget, medium term financial plan and the annual service objective setting process. All three support and complement the Force Commitment and the Police and Crime Plan.

49. The proposals developed for the draft budget ensure that resources are targeted towards priority service areas, the delivery of the strategic objectives and meeting our strategic policing requirement.

Planning assumptions

50. In developing and refining the budget and the MTFP the following underlying assumptions have been made:
- General inflation will be applied at 1.80% for 2017/18 and 2.0% thereafter;
 - Specific inflation rates are based on sector led rates, e.g. Premises at 2.8% and Utilities at 5% per annum;
 - Specific inflation has been applied to the custody contract to allow for wage uplifts in relation to the National Minimum Wage (NMW) and recruitment issues;
 - Pay inflation capping has been extended by Government at 1.0% per annum for the spending review period;
 - Council tax precept to increase by 1.99% per annum in each of the next three years;
 - Council tax billing base to increase by 1.95% per annum;
 - Police grants (Main Grant & Formula Grant) have now been reduced by 1.40% in 2017/18 and are assumed to reduce by 1.76% and 1.84% respectively in the following years. These cuts, when combined with estimated council tax increases provide for a 0.62% cash increase in funding per annum to enable a small increase in the cash positions, but a real terms reduction over the period of the MTFP when considering inflationary pressures.
 - No provision has been made at this stage for the introduction of the new National Police Funding Formula due to the unknown impact this will have on Thames Valley's share of the national policing funds;
 - The use of reserves for supporting specific revenue funded projects will continue throughout the MTFP period.

Base Budget

51. The starting point for the preparation of the 2017/18 estimates is the 2016/17 budget approved by the PCC in January 2016. The full MTFP is contained at Appendix 3.

Inflation

52. This additional cost does not relate to any increase in service but is required just to maintain the existing base level of service.
53. Overall inflation for 2017/18 adds £4.75m (average rate of 1.23%) to the annual budget, a further £4.98m in 2018/19 (average rate of 1.26%) and £4.91m in 2019/20 (average rate of 1.25%). These increases are based on a realistic assessment of the impact of inflationary pressures over the next three years.

Committed Growth

54. This section deals with those items within the budget which the PCC is committed to by means of previous decisions taken, national agreements or statutory payments.
55. The main significant changes that have occurred in this section for 2017/18 include:
- An increase for the implementation of the new Apprentice Levy, this was originally estimated in the budget at £1m, but is now expected to cost approximately £1.3m, an increase of £0.3m on initial expectations.

- A review of the rateable values for our properties, has meant an increase in our business rates, currently estimated at an additional £0.3m
- The tri-annual valuation of the Local Government Pension Scheme (LGPS) has recently taken place and the Actuary has recommended an increase in the employer's contribution rates, which will add a further £1.3m to the staff pay bill.
- A realignment of the base pay budgets for staff and officers allowing for increments and turnover.

56. Further details are provided at Appendix 4.

Current Service

57. This element of the budget contains growth for those items which are deemed to be necessary to maintain the current levels of service within Thames Valley. The main significant changes that have occurred in this section for 2017/18 include:

- An increase in the Bonus Payments budget of £0.3m to allow for a recent CCMT decision on implementing a specific payment for trained firearms officers.
- A review of the potential interest receipts from investments of our cash balances, together with unprecedentedly low interest rates, has led the OPCC to recommend reducing the interest received budget by £0.5m in 2017/18.

58. Further details are provided at Appendix 4.

Improved Service

59. These items of growth are required to improve performance and meet the growing demands on the service by means of legislative changes and adherence to codes of practice or to comply with regulations. The main significant changes that have occurred in this section for 2017/18 include:

- A reduction of funding for specific capital projects and the underlying capital programme leading to a reduced cost of £0.7m in 2017/18
- We were aiming to maintain officer numbers in 2017/18 by redeploying those posts released from the Productivity strategy (81). Cost pressures have now reduced the level of redeployed posts to 15.00FTE, a net reduction of 66 officers.
- The delayed implementation of the new Contact Management Programme (CMP) means the demands on the contact management department cannot be managed as anticipated and as such, growth for a temporary increase of 22.0 FTE staff has been included for 2017/18. This is a one year increase which will be funded from the Improvement and Performance (I&P) reserve.
- In addition to this, additional growth has been included for the on-going revenue development of the Contact Management Programme (CMP) at £0.74m.
- An uplift to the non-pay budgets in relation to increasing the availability of Armed Response Vehicles (ARV's) throughout the Force at a cost of £0.35m.
- An uplift in expenditure to match additional specific grants expected for Counter Terrorist Specialist Firearms Officers (CTSFO'S) and Protection Group officers – a total increase of £2.50m.
- A review of the revenue consequences of ICT along with a number of small enabling projects.

60. The remainder of growth within this section is made up of specific initiatives which are short term one-off initiatives affecting, in the main, property maintenance and enhancements. These initiatives are set out individually in more detail at Appendix 4.

Appropriation from Reserves

61. The financial strategy includes the utilisation of general reserves and/or the Improvement and Performance Reserve to fund one-off expenditure items to improve performance, achieve future efficiency savings, or to address timing issues where expenditure falls in a different year to the budget provision. Table 5 shows how reserves are being applied in the revenue budget in 2017/18 and the change to those applied in 2016/17

Table 5

| | 2016/17 £m | 2017/18 £m | Change £m |
|--|---------------|---------------|--------------|
| <i>Appropriations from general balances</i> | | | |
| - Additional Bank Holidays | - | 0.215 | 0.215 |
| - Council Tax Late Adjustment | -0.102 | - | 0.102 |
| | -0.102 | 0.215 | 0.317 |
| <i>Appropriations from the Improvement & Performance Reserve</i> | | | |
| - Data Centre – resilience and move | - | 0.520 | 0.520 |
| - TSU - Air Conditioning Replacement | - | 0.250 | 0.250 |
| - Kingfisher Court Electricals | - | 0.025 | 0.025 |
| - Lodden Valley – Custody ventilation | - | 0.190 | 0.190 |
| - Fountain Court maintenance | - | 0.180 | 0.180 |
| - Optima - help staff return to work | 0.100 | - | -0.100 |
| - Temporary CRED staffing | - | 0.770 | 0.770 |
| - Force Change Board initiative | - | 0.150 | 0.150 |
| - UCI Public Enquiry | - | 0.197 | 0.197 |
| - CSE intelligence posts in FISO | 0.031 | - | -0.031 |
| - ICT Rationalisation funding | 0.559 | 0.986 | 0.427 |
| - ICT 2020 Programme Resources | 2.153 | 0.581 | -1.572 |
| | 2.843 | 3.849 | 1.006 |
| Total | 2.741 | 4.064 | 1.323 |

Force Productivity Strategy Savings

62. The PCC and Force have a long history of delivering productivity savings and using these to balance annual budgets or reinvesting them in frontline policing; a strategy that has been widely scrutinised and praised by HMIC during various inspections and reports.
63. In the four year Comprehensive Spending Review (CSR) period 2011/12 to 2014/15 £58.9m of cash savings were delivered, with a further £28.4m in the last two years. Overall, in the last six years some £87.3m has been removed from the base budget.
64. Although cuts in Home Office grant have been reduced over the last two years we are still facing a real terms reduction year on year in funding. It is therefore very clear that to address the demands of today and tomorrow, we must continue to reform our police service by driving through the changes outlined in the productivity plan and especially the changes being identified by the new demand led operating model and improved ICT systems and processes. The changes are constantly under review and are being introduced on a realistic timescale to avoid any detriment to service levels during the transition. The level of change required over the next few years has been reinforced by statements made by the Policing minister and the Home secretary stating that the pace of reform within the police service must continue.
65. The overall productivity plan has been reviewed against the requirements of the MTFP and the strategy has been updated with new and changed initiatives.

66. Initiatives that have changed significantly or have been added include:
- The slippage in the work on the new Contact Management Programme (CMP) has meant that the savings profile has been revisited, and as such the savings have been re-phased into the later years, reducing savings in 2017/18 by £1.69m.
 - A review of potential further areas of collaboration in forensics, Learning & development (L&D) and Vehicle Recovery Scheme (VRS) have all been moved to Amber savings as at this time these do not have firm delivery plans to enact the savings. Therefore £0.75m of savings have been removed from the plan.
 - A review of the shift patterns within the Joint HC/TVP Roads Policing unit are estimated to reduce the establishment required for the unit, which will realise savings to TVP of £0.6m
 - The ICT delivery strategy has been fully reviewed and prioritised together with the rationalisation of existing systems and support between Thames Valley & Hampshire, this has led to a further saving in 2017/18 of £0.93m.
 - A force wide review of the use of rest day working and duty planning is expected to reduce the need for additional overtime by £0.25m per annum
 - The savings from reducing PCSO partner funded roles have been reduced to reflect the slower than anticipated withdrawal of partner funding, maintaining PCSO numbers by 10 FTE.
 - Additional savings have been realised through the Asset Management Plan (AMP), primarily due to the purchase of Fountain Court. The additional savings have added an additional £1.1m to the plan.
 - A phased introduction and review of the Criminal Justice PBB savings is continuing with further savings of £0.37m identified from, primarily, their non-pay budgets.
67. The savings relating to the first year of the productivity strategy are all related to specific initiatives that have been scrutinised by the Force to ensure that the risks of implementation are acceptable and that appropriate equality impact assessments are being completed prior to implementation. These savings should all be attained subject to the current demands and profile of policing.
68. Savings linked to the later years of the strategy are also linked to specific initiatives; however, a number of these still require further scoping work and assessment of the impacts and risks, which will be carried out over the next financial year.
69. A copy of the full Productivity Strategy is attached at Appendix 5.

2017/18 Establishment Changes

70. A lot of emphasis is given to establishment numbers and what they mean for the police service. In reality the important question is, "*are we delivering on our priorities and providing the appropriate level of service?*" Being more innovative in how we look to reduce the organisational cost and developing service delivery mechanisms for example with the use of technology and workforce modernisation, will allow us to direct more resources at those priority areas as well as new and emerging crimes. These new innovative approaches may lead to an overall reduction in establishment but, providing this sits alongside reduced demand and a change in delivery model, including investment in technology, there does not have to be a reduction in our priority services.
71. The estimated summary position for the Force establishment over the MTFP is shown in the following table.

Table 6: Forecast Establishment Levels

| | Police | Police Staff | PCSOs | Total |
|---|-----------------|-----------------|---------------|-----------------|
| Original Estimated Establishment at March 2017 | 3,896.00 | 2,504.00 | 424.00 | 6,824.00 |
| <i>2016/17 In Year Adjustments:</i> | | | | |
| Protection Group Growth | 15.00 | - | - | 15.00 |
| CTSFOs Growth | 5.00 | - | - | 5.00 |
| Civilianisation of redeployed officer posts | (29.50) | 29.50 | - | - |
| CMP Savings not realised | - | 30.00 | - | 30.00 |
| ICT restructure review | - | 53.00 | - | 53.00 |
| TUPE'd staff for facilities management | - | (12.00) | - | (12.00) |
| Revised Estimated Establishment at March 2017 | 3,886.50 | 2,604.50 | 424.00 | 6,915.00 |
| <i>2017/18 Adjustments:</i> | | | | |
| Redeployment of Police Officer posts | 15.00 | - | - | 15.00 |
| Temporary Growth for CRED Staff | - | 22.00 | - | 22.00 |
| CTSFO Growth | 7.00 | - | - | 7.00 |
| CMP savings | - | (17.00) | - | (17.00) |
| Reverse postal management restructure savings | - | 3.08 | - | 3.08 |
| CJ savings review | 1.00 | (1.44) | - | (0.44) |
| SOC & Forensics review | - | (3.00) | - | (3.00) |
| Business Support review | - | (1.00) | - | (1.00) |
| Demand led operating model review | (70.00) | - | - | (70.00) |
| VISOR workforce modernisation | (11.00) | 11.00 | - | - |
| UCI/IICSA Public Enquiries | - | 6.00 | - | 6.00 |
| Windsor guard review | (1.00) | - | (2.00) | (3.00) |
| Estimated Establishment at March 2018 | 3,827.50 | 2,624.14 | 422.00 | 6,873.64 |
| 2018/19 Adjustments | (1.00) | (100.68) | (21.00) | (94.68) |
| Estimated Establishment at March 2019 | 3,826.50 | 2,523.46 | 401.00 | 6,778.96 |
| 2019/20 Adjustments | - | - | - | - |
| Estimated Establishment at March 2020 | 3,826.50 | 2,523.46 | 401.00 | 6,778.96 |

2017/18 Budget Summary

72. Table 7 provides a summary of the draft 2017/18 revenue budget. Further information is provided in Appendix 2 which shows a high level split of the overall budget between those elements that the PCC is directly responsible for and those under the direction and control of the Chief Constable to manage and operate. All government funding, including all special grants, are shown as external funding, illustrating the full cost and funding of the TVP PCC and Chief Constable.

Table 7 - Draft revenue estimates for 2017/18

| | £m |
|--------------------------------------|----------------|
| Base budget 2016/17 | 386.641 |
| In-year virements | 0.202 |
| Adjusted base budget | 386.843 |
| Inflation | 4.753 |
| Committed expenditure | 4.097 |
| Current service | 0.897 |
| Improved service | 8.805 |
| Productivity Strategy savings | - 10.498 |
| Appropriation from reserves | - 2.635 |
| Proposed Draft budget 2017/18 | 392.262 |

Medium Term Financial Plan (2017/18 – 2019/20)

73. One of the key requirements of the Prudential Code for Capital Finance is that the PCC takes a longer-term view of the spending pressures facing the organisation, in setting and approving the budget and council tax for the ensuing financial year. Given the ongoing uncertainty around funding reductions and allocations, this forward planning is more important than ever. Table 8 provides a summary of the medium term financial plan; full details are provided in Appendix 3.

Table 8

| | 2017/18 | 2018/19 | 2019/20 |
|--|-----------------|-----------------|-----------------|
| | £'000 | £'000 | £'000 |
| Annual Base Budget | 386,641 | 392,262 | 393,786 |
| In Year Virements | 202 | 0 | 0 |
| Inflation | 4,753 | 4,981 | 4,906 |
| Productivity Savings | -10,498 | -6,360 | -4,678 |
| Committed Expenditure | 4,097 | 1,003 | 976 |
| Current Service | 897 | -124 | -25 |
| Improved Service | 8,805 | -713 | 702 |
| In Year Appropriations | -2,635 | 2,738 | 483 |
| Net Budget Requirement | 392,262 | 393,786 | 396,151 |
| Total External Funding | -392,262 | -393,786 | -396,151 |
| <i>Cumulative Budget (Surplus)/Shortfall</i> | <i>0</i> | <i>0</i> | <i>0</i> |
| <i>Annual Budget (Surplus)/Shortfall</i> | <i>0</i> | <i>0</i> | <i>0</i> |

Budget Risk & Uncertainties

Increasing Demand and Specialist Capabilities

74. As already identified there is an increasing demand on the police arising from new and emerging crimes but it is very difficult to predict the growth in resources required to deal with this changing demand. In addition the Home Secretary and Policing minister have stated that there will be an increase in the level of armed response vehicles (ARV's) alongside an increase in the number of Counter Terrorist Specialist Firearms Officers (CTFSO's) and have allocated specific funding for the uplifts within the transformation fund. The JOU has engaged in recruiting and training an additional 35 Firearms officers for the ARV's to protect our local communities from the risk of threat or harm.

75. The retention and demand for specialist officers and trained detectives is also causing a number of pressures within the organisation. It may be feasible to alleviate some of these pressures through financial interventions, however this has again not been quantified or allowed for within the MTFP. Whilst this is a specific risk, at this stage, the ability to generally recruit officers/new recruits is not proving to be an issue.
76. Within the Police service the shortage of IT technical skills alongside the drive to rapidly implement new technology has led to a reliance on contractor staff. Many contractors (not just technical) operate through Personal Service Companies albeit we engage them through an agency such as Reed. IR 35 – Intermediaries Legislation, was introduced in April 2000 to stop contractors working off payroll. This piece of legislation is being amended from April 2017 to move the responsibility for deciding if contractors working in the public sector are an employee or self-employed from the PSC to the employing agency (e.g. Reed) or the public sector body. This change in responsibility only applies to contractors working in the public sector. The implications for TVP are twofold: 1 Contractors may no longer be willing to work within the public sector because they are more likely to be classified as employees and hence face additional tax charges and 2) If they are willing to continue to work within the Public Sector they will expect their remuneration rates to be increased to negate the impact on their take-home pay. We are still waiting for additional information from HMRC so at this stage it is difficult to quantify the impact.
77. The implications of any future Fire & Rescue Service collaboration are unknown at this time but are expected to have a positive impact on the MTFP.

Future Years Forecasts

78. The future years of the MTFP still carry some significant risks which could alter the currently identified plans either upwards or downwards. Primarily these include:
 - The Home Office has promised that direct resource funding for each PCC, including precept, will be protected at flat cash levels compared to 2015/16. The baseline is adjusted each year to reflect actual rather than predicted increases in taxbase, which means we will not know the cash flat position for 2018/19 and later years until after all PCC budgets have been set in February. At the moment we are assuming a relatively small cash increase of 0.62% in future years.
 - The Home Office is currently working on a new national funding formula for the allocation of core police grants; it is unclear exactly how this would affect TVP, however, Home Office proposals during 2015 were detrimental to our funding so there is a possibility that the new formula could lead to further cuts in grant funding. The current government intention is to bring this in for 2018/19 with an initial consultation period starting around April 2017.
 - The MTFP also assumes annual growth in the taxbase of 1.95% and a council tax surplus of £2.0m per annum. The increase in taxbase reflects the higher increase received in previous years and also recognises the fact that house building continues to expand and flourish in some parts of the Thames Valley. The actual surplus can fluctuate significantly year on year. However, the estimate of £2.0m represents the average and trend of previous years.
 - The impact and fallout from the Brexit decision in 2016 is still much unknown in terms of when it may impact and what it may impact on in terms of policing. It is evident that areas such as inflation and exchange rates are being impacted upon and these do have a downstream effect on the costs of goods and services being procured by the police service. Future trade agreements may also impact on

some of the more specialist equipment and services we use where parts or services are coming from EU countries.

- The use and investment in technology is imperative for policing to reform and maintain pace with new criminality and crime. This is itself does present potential risks to the funding model as costs move away from the traditional capital purchase route to more dynamic Software as a Service (SaaS) delivery which tends to be on an annual revenue basis. This coupled with increasing requirements for licences as more officers and staff access the services, will undoubtedly put a strain on the annual revenue budgets in the future.

Mitigation of Risks & Uncertainties

79. As can be seen from the above, there are gaps in information available around key factors that could influence the level of funding available to the PCC as well as the forecast expenditure levels in future years.
80. The work that has already started within the Productivity Strategy will continue to be developed and taken forward to ensure the drive to improve the efficiency of our service continues, by reducing the underlying cost of our organisation and directing resources to our priority areas. Specifically work will continue on:
- Priority Based Budgeting (PBB) review – .This work has already identified savings of £10.7m and contributed to reforms within TVP including the new operating model and the new governance structure.
 - The delivery of major investment programmes like the Contact Management Programme, ESMCP and ERP will all continue to receive scrutiny and challenge to ensure they deliver the required service improvements and savings as planned and expected.
 - Collaboration will continue to be a main focus of both improved services and reduced cost. This will include collaboration both within the police service and with other partners.
81. The force is also acutely aware of the political impacts on policing, as outlined above, and will be monitoring closely the developments with the new national funding formula, together with the impacts that might be felt from policies or decisions that are made through the Brexit process nationally.

LOCAL GOVERNMENT ACT 2003

Robustness of estimates and adequacy of reserves

82. The Local Government Act 2003 places a duty on the Chief Finance Officer (CFO) to make a report to the PCC on the robustness of the estimates and the adequacy of the reserves.

Reserves and balances

83. A separate agenda item shows the latest position on reserves, balances and provisions.
84. Based on current planning assumptions general revenue balances will stay slightly above the approved 3% target level throughout the next 3 years.

85. Earmarked reserves are forecast to reduce from £32.3m on 1st April 2016 to around £9.6m by 31st March 2020, including £3.0m in the Conditional Funding Reserve which is not available to support general operational policing.
86. Accumulated capital grants and reserves will be fully utilised by the end of 2019/20

Reliability / accuracy of budget estimates

87. The estimates have been put together by qualified finance staff in the Force's Finance Department and reviewed by qualified staff within the Office of the PCC.
88. There are a significant number of risks regarding the draft budget proposals and these are clearly set out in paragraphs 74 to 78 above.
89. The biggest area of concern is the assumption being made regarding future levels of government grant and precept income. The current working assumption, legitimately based on information that has been provided by the Policing Minister and the Home Secretary, is that resources will be protected in real terms compared to 2015/16 (i.e. cash will increase by 0.62% per annum). At this stage we do not know the level of grant top slices (or reallocations) or the impact of the new police funding formula which is due to be implemented in April 2018. A 1% variation in police funding equates to £2.1m per annum.
90. Each of the budget risks identified above will be monitored very closely and the next iteration of the MTFP will be updated accordingly.

Scrutiny

91. The draft budget proposals were presented to and scrutinised by the PCC at the Level 1 public meeting on 28th October. The Police and Crime Panel has established a 'Budget Task and Finish Group' to review the draft budget proposals. This Group met to consider the draft budget proposals on 9th December. They are next due to meet on 20th January.

Achievability and risks

92. Attached at Appendix 6 is a budget risk and sensitivity analysis for 2017/18. In producing this analysis the CFO has followed the Force Risk Assessment Model. The first main column explains the risk to the PCC's budget. The level of risk is then assessed in terms of both likelihood and impact (each factor scored out of 5, with 1 being low likelihood / impact) on the PCC's budget. The final column provides a sensitivity analysis, where appropriate.
93. These identified risks are mitigated, to a certain extent, because the PCC:
- maintains an appropriate level of reserves and balances;
 - takes a prudent approach to achievability of income and the recovery of debts due, making appropriate provisions for bad debts; and
 - will proactively manage and monitor all aspects of budget performance during the year.
94. In addition, the Force continues to identify future budget savings through its ongoing Productivity Strategy, as referred to in paragraphs 62 to 69 above
95. Accordingly, the assessment of budget risks presented at Appendix 6 takes into account the mitigating factors identified above.

96. Similarly, Appendix 6A shows the risks to the medium term financial plan (2018/19 to 2019/20).
97. Although the Government has published national spending totals for the police for the next three years they have not produced individual force allocations, presumably because implementation of the new national funding formula has been deferred until 2018/19. The main risk, as identified above, is that future year funding allocations (grant and precept) are less than the 0.6% cash increase currently assumed.
98. The PCC's cash flow requirements are forecast and monitored on a regular basis to ensure stable and predictable treasury management, avoiding unexpected financing requirements.
99. The PCC needs to be satisfied that the revenue commitments in future years are affordable, sustainable and deliverable. Furthermore, the PCC has a responsibility to local people to ensure that the approved budget and detailed spending plans will deliver the aims, priorities and performance targets as set out in his new Police and Crime Plan 2017-2021.
100. The risk inherent in the timely delivery of large capital schemes within budget is considered medium to high, primarily based on the significant cost increases required during the last 12 months for the Contact Management Programme. The Force uses recognised project management techniques including programme and project boards to manage all major schemes. In addition, the new Force Governance Unit ensures the co-ordination of all major projects as part of the Force Transformation Programme and reports progress to the Force Transformation Board.
101. All capital schemes are managed by:
- rigorous monitoring of projects.
 - close liaison with project partners
 - closely monitoring staff vacancies and using contractors where appropriate.
102. Apart from the Contact Management Programme, recent history suggests that there is a higher chance of slippage of expenditure and scheme underspends than significant in-year overspends against approved capital budgets.

Council Tax Capping

103. The Localism Act 2011 abolished the capping regime in England. However, Schedule 5 of the Act made provision for council tax referendums to be held if an authority increases its council tax by an amount exceeding principles determined by the Secretary of State [for CLG] and agreed by the House of Commons.
104. On 15 December the Secretary of State for CLG published the referendum principles for 2017/18. As previously announced, the 10 police force areas with the lowest precepts (excluding the City of London) will be allowed to increase their Band D bill by £5. The referendum limit for everyone else remains at 1.99% with an increase of 2% or more triggering a referendum.

Prudential Code for Capital Finance

105. The Prudential Code for Capital Finance has introduced a rigorous system of prudential indicators which explicitly require regard to longer-term affordability, prudence, value for money, stewardship, service objectives and practicality of investment decisions. This is backed up by a specific requirement to monitor performance against forward-looking indicators and report and act on significant deviations.

Conclusion

106. The 2017/18 budget has been prepared in a properly controlled and professionally supported process. It has been subject to due consideration within the Force and by the PCC. The identifiable risks should be capable of management.
107. As shown in Appendix 6A there are a number of risks to the MTFP, most notably the level of future year grant allocations, however based on the assumptions set out in paragraph 50 above, the MTFP is currently balanced in all three years. This is an excellent achievement and due credit must be given to the Chief Constable, the Director of Finance and their staff for their comprehensive and detailed work in this area.
108. The MTFP currently contains a provision for some police officer redeployment in 2017/18, and minimal reductions in the police pay budgets thereafter. This budget provision, in particular, may need to be amended should future year grant allocations not be as generous as currently assumed.
109. The PCC is reminded that his responsibility for setting the annual budget and council tax precept for 2017/18 should also take into account whether the budget and service plans are relevant, affordable and sustainable in the longer-term. In doing so, he will need to satisfy himself that services and resource allocation have been appropriately prioritised and that financial risks have been adequately addressed and covered by, for example, reserves, contingencies and risk mitigation plans.

IMPLICATIONS FOR COUNCIL TAX

110. The PCC will receive police grant of £139.2m, ex-DCLG formula grant of £72.9m and legacy council tax grants of £15.3m in 2017/18. These levels of grant income are determined independent of the PCC's planned spending budget for the year.

Surplus on Collection Funds

111. It is currently estimated, based on provisional council data, that the PCC will receive £2.29m in 2017/18 as its share of the net surplus on the billing authorities' Collection Funds, details of which are provided in Appendix 7.

Funding the 2017/18 Revenue Budget

112. Table 9 shows how the 2017/18 revenue budget will be financed.

Table 9

| | £m | % |
|--|----------------|-------------|
| Police grant | 139.249 | 35% |
| Ex-DCLG formula grant | 72.855 | 19% |
| Total formula grant | 212.104 | 54% |
| Council tax precept (estimate) | 149.212 | |
| Council Tax surplus on collection funds (estimate) | 2.294 | |
| Total council tax | 151.506 | 39% |
| Legacy council tax grants | 15.278 | 4% |
| Other specific grants | 13.374 | 3% |
| Total specific grants | 28.652 | 7% |
| Total Financing | 392.262 | 100% |

Council Taxbase

- 113. The taxbase is calculated by the billing authorities by converting all properties to band D equivalents and making assumptions about the levels of discounts to be offered and the amount of tax to be collected.
- 114. In total, the provisional estimate of the 2017/18 taxbase for the PCC is 876,233 Band D equivalent properties, as Appendix 7 illustrates. This represents an annual increase of 16,719 properties or 1.95%.

Band D Council Tax

- 115. The band D council tax proposed for 2017/18 is £170.28, an increase of £3.32 or 1.99% on the comparable figure for 2016/17.
- 116. As shown in Appendix 8 our current 2016/17 band D council tax of £166.96 is below the English national average of £172.13. The appendix also shows that TVP is significantly below average in terms of net cost per 1000 population when compared to other forces (£159,386 compared to £173,665). The final three columns show the proportion of each PCC's net budget requirement raised through council tax and government grant. TVP receives a higher proportion of its income from local council taxpayers than in most other force areas.

CONCLUSIONS

- 117. The revenue budget is fully balanced in 2017/18 with a 1.99% increase in council tax.
- 118. The budget for 2017/18 protects and provides some increases, for priority service areas and specialist capabilities in response to the increasing level of complex crime and the current threat levels. This supports the delivery of the Police and Crime Plan and the Force Commitment.
- 119. The medium term financial plan is balanced in all three years. This has only been possible through the identification of £21.5m of budget cuts.
- 120. The Force will continue working on its Productivity Strategy, to ensure resources are directed to priority areas and that services are delivered in the most effective manner. This work will continue to release savings in future years in order to balance the budget and provide additional resource to reinvest in priority policing areas.
- 121. As shown above the current MTFP requires revenue savings of at least £21.5m over the next three years, with £10.5m in 2017/18. This is over and above the £88.3m of cash savings already removed from the base budget in the last six years (i.e. 2011/12 to 2016/17) meaning that, over the nine year period 2011/12 to 2019/20, in excess of £109m will have been taken out of the base revenue budget.
- 122. The impact on police officer and staff numbers next year (2017/18) is a net reduction of 59 FTE police officer posts and an increase of 22 FTE police staff/PCSO posts.



Home Office

Rt Hon Brandon Lewis MP
Minister of State for Policing and Fire
Services

2 Marsham Street
London SW1P 4DF

www.gov.uk/home-office

15 December 2016

Dear Police and Crime Commissioners, Mayor of London and Chair of the
Common Council's Police Committee

Today the Provisional Police Grant Report 2017/18 was published, accompanied by a Written Ministerial Statement. Together these set out force-level allocations of central Government funding for 2017/18. I am attaching the Written Ministerial Statement as an annex to this letter. In due course the Provisional Police Grant Report 2017/18 will be available at www.gov.uk/government/collections/police-finance.

This marks the start of a consultation period ahead of the Final Police Grant Report being laid in February 2017. The consultation will run until 5pm on 26 January 2017. Responses should be sent by e-mail to the following address: policesourcespolicy@homeoffice.gsi.gov.uk

Today's proposed funding settlement for 2017/18 maintains the planned level of Government funding for policing (the combination of police grant and reallocations) set out in the 2015 Spending Review.

Following the principles laid out on the 4 February, when setting out the final police funding settlement for 2016/17, I have decided that direct resource funding for each PCC, including precept, will be protected at flat cash levels compared to 2015/16, assuming that precept income is increased to the maximum amount available within the referendum limits in both 2016/17 and 2017/18. No PCC who chooses to maximise precept within the referendum limits in both years will face a reduction in cash funding next year compared to 2015/16. We have updated our precept forecasts for 2017/18 since February to reflect actual tax base increases in 2016/17. The provisional 2017/18 settlement also maintains the existing arrangements for distributing police core grant.

In 2017/18 PCCs will be able to increase their police precept by up to 2% and we are providing additional flexibility for the 10 PCCs in England with the lowest precept levels each year so that they can raise their precept by up to £5. Legacy Council Tax Grants will continue to be paid.

As Her Majesty's Inspectorate of Constabulary (HMIC) has set out, there is still considerable scope for forces to continue to improve the efficiency of their organisations and transform the way in which they operate. I am therefore announcing an increase in the level of reallocations essential to drive police reform, including a substantial increase in the size of the Police Transformation Fund to £175m in 2017/18. This will allow the policing sector, working through the Police Reform & Transformation Board, to invest additional funding in the projects that will improve efficiency, protect vulnerable victims of crime, further improve the leadership and culture of policing and tackle new types of crime such as cyber crime.

I am copying this letter to all Chief Constables, the College of Policing, the Association of Police and Crime Commissioners and the National Police Chiefs' Council.

A handwritten signature in black ink, appearing to read 'Brandon Lewis', with a long horizontal flourish extending to the right.

Rt Hon Brandon Lewis MP

POLICE GRANT REPORT ENGLAND AND WALES 2017/18 TABLES.

Table 1: Police revenue funding 2017/18

| | 2017/18 |
|--|---------------|
| Police funding | £m |
| Government funding (excluding Counter Terrorism Police Grant) (a) | 8,497 |
| o/w Reallocations and adjustments (b) | 812 |
| PFI | 73 |
| Police technology programmes | 417 |
| Arms length bodies | 54 |
| Strengthening the response to organised crime | 28 |
| Police transformation fund | 175 |
| Special Grant | 50 |
| Pre-charge bail | 15 |
| o/w Direct Government funding* (c = a-b) | 7,685 |
| Core grant funding** | 6,962 |
| Legacy Council Tax Grants | 545 |
| National and International Capital City grants (NICCs) | 178 |
| Precept*** (d) | 3,307 |
| Overall direct resource funding to PCCs**** (c+d) | 10,992 |

* Comprises core grant funding, NICC grants and Legacy Council Tax Grants.

** Comprises Home Office Police Core Settlement, former DCLG formula funding, Welsh Government funding and Welsh Top-Up.

*** Forecast based on actual precept for 2016/17 and assumes a tax base increase of 0.5% in 2017/18. Figures assume that all PCCs maximise their precept up to the 2%/£5 referendum limit in 2017/18 and PCCs in Wales increase their precept by 2%.

****Comprises core grant funding, NICC grants, Legacy Council Tax grants and precept (including Welsh Government and DCLG funding).

Table 2: Police Capital

| 2017/18 Police Capital | £m |
|-------------------------------|-------------|
| Police Capital Grant | 45.9 |
| Special Grant Capital | 1.0 |
| Police Live Services | 18.1 |
| National Police Air Service | 12.2 |
| Total | 77.2 |

Table 3: Provisional revenue allocations for England and Wales 2017/18

| Local Policing Body | 2017/18 | | | | |
|----------------------------------|--------------------------------------|------------------|---------------------|-------------------------------|--|
| | Home Office Core (incl Rule 1) | Welsh Top- up | Welsh Government | Ex-DCLG Formula Funding | Legacy Council Tax Grants (total from HO) |
| | £m | | | | |
| Avon & Somerset | 103.6 | - | - | 55.7 | 14.7 |
| Bedfordshire | 39.8 | - | - | 23.0 | 4.6 |
| Cambridgeshire | 47.8 | - | - | 24.1 | 6.5 |
| Cheshire | 60.6 | - | - | 44.1 | 8.3 |
| City of London | 18.1 | - | - | 33.2 | 0.1 |
| Cleveland | 45.5 | - | - | 38.0 | 7.7 |
| Cumbria | 28.3 | - | - | 30.4 | 4.8 |
| Derbyshire | 61.3 | - | - | 37.2 | 8.7 |
| Devon & Cornwall | 101.3 | - | - | 62.2 | 15.5 |
| Dorset | 40.7 | - | - | 17.1 | 7.9 |
| Durham | 42.1 | - | - | 36.4 | 6.1 |
| Dyfed-Powys | 32.9 | 3.6 | 12.9 | - | - |
| Essex | 101.3 | - | - | 55.1 | 13.1 |
| Gloucestershire | 33.9 | - | - | 19.3 | 6.1 |
| Greater London Authority | 849.4 | - | - | 739.3 | 119.7 |
| Greater Manchester | 223.5 | - | - | 178.8 | 25.7 |
| Gwent | 40.9 | - | 30.6 | - | - |
| Hampshire | 118.3 | - | - | 62.3 | 12.9 |
| Hertfordshire | 70.4 | - | - | 35.9 | 10.2 |
| Humberside | 66.3 | - | - | 45.9 | 10.0 |
| Kent | 104.8 | - | - | 65.7 | 13.3 |
| Lancashire | 99.2 | - | - | 78.0 | 12.8 |
| Leicestershire | 64.4 | - | - | 39.1 | 8.9 |
| Lincolnshire | 37.9 | - | - | 20.0 | 6.8 |
| Merseyside | 120.8 | - | - | 111.3 | 15.6 |
| Norfolk | 49.5 | - | - | 28.4 | 9.3 |
| North Wales | 47.5 | 2.4 | 21.9 | - | - |
| North Yorkshire | 41.1 | - | - | 26.7 | 7.9 |
| Northamptonshire | 42.6 | - | - | 23.8 | 6.6 |
| Northumbria | 108.6 | - | - | 105.9 | 8.2 |
| Nottinghamshire | 76.8 | - | - | 47.4 | 9.7 |
| South Wales | 84.1 | - | 73.3 | - | - |
| South Yorkshire | 99.2 | - | - | 76.4 | 10.9 |
| Staffordshire | 65.6 | - | - | 39.4 | 12.0 |
| Suffolk | 40.2 | - | - | 22.5 | 6.8 |
| Surrey | 61.3 | - | - | 28.8 | 9.2 |
| Sussex | 96.5 | - | - | 53.1 | 13.2 |
| Thames Valley | 139.2 | - | - | 72.9 | 15.3 |
| Warwickshire | 30.6 | - | - | 17.2 | 5.2 |
| West Mercia | 65.4 | - | - | 42.8 | 12.0 |
| West Midlands | 247.3 | - | - | 177.8 | 19.0 |
| West Yorkshire | 169.1 | - | - | 127.5 | 16.7 |
| Wiltshire | 37.0 | - | - | 20.4 | 5.2 |
| Total England & Wales | 4054.5 | 5.9 | 138.7 | 2763.0 | 507.4 |

Table 4: Provisional capital allocations for England and Wales 2017/18

| Local Policing Body | 2017/18 |
|----------------------------------|-------------|
| | £m |
| Avon and Somerset | 1.0 |
| Bedfordshire | 0.4 |
| Cambridgeshire | 0.5 |
| Cheshire | 0.6 |
| City of London | 0.4 |
| Cleveland | 0.5 |
| Cumbria | 0.4 |
| Derbyshire | 0.6 |
| Devon and Cornwall | 1.1 |
| Dorset | 0.4 |
| Durham | 0.5 |
| Dyfed-Powys | 0.3 |
| Essex | 0.9 |
| Gloucestershire | 0.4 |
| Greater London Authority | 12.2 |
| Greater Manchester | 2.3 |
| Gwent | 0.4 |
| Hampshire | 1.2 |
| Hertfordshire | 0.6 |
| Humberside | 0.7 |
| Kent | 1.1 |
| Lancashire | 1.1 |
| Leicestershire | 0.7 |
| Lincolnshire | 0.4 |
| Merseyside | 1.4 |
| Norfolk | 0.5 |
| North Wales | 0.5 |
| North Yorkshire | 0.4 |
| Northamptonshire | 0.4 |
| Northumbria | 1.3 |
| Nottinghamshire | 0.7 |
| South Wales | 1.0 |
| South Yorkshire | 1.1 |
| Staffordshire | 0.7 |
| Suffolk | 0.4 |
| Surrey | 0.6 |
| Sussex | 0.9 |
| Thames Valley | 1.5 |
| Warwickshire | 0.4 |
| West Mercia | 0.7 |
| West Midlands | 2.5 |
| West Yorkshire | 1.8 |
| Wiltshire | 0.4 |
| Total England & Wales | 45.9 |

Table 5: Provisional change in total direct resource funding compared to 2015/16*

| Local Policing Body | 2015/16 | 2017/18 | Cash change | |
|----------------------------|-----------------|-----------------|-------------|-------------|
| | £m | £m | £m | % |
| Avon & Somerset | 269.3 | 272.2 | 3.0 | 1.1% |
| Bedfordshire | 99.6 | 100.8 | 1.2 | 1.2% |
| Cambridgeshire | 128.1 | 129.3 | 1.3 | 1.0% |
| Cheshire | 169.5 | 171.8 | 2.3 | 1.4% |
| City of London | 55.4 | 56.0 | 0.7 | 1.2% |
| Cleveland | 122.3 | 122.8 | 0.5 | 0.4% |
| Cumbria | 99.2 | 100.1 | 0.9 | 0.9% |
| Derbyshire | 160.7 | 162.1 | 1.4 | 0.8% |
| Devon & Cornwall | 278.0 | 280.8 | 2.8 | 1.0% |
| Dorset | 118.4 | 120.1 | 1.7 | 1.5% |
| Durham | 112.5 | 112.8 | 0.3 | 0.3% |
| Dyfed-Powys | 93.3 | 93.7 | 0.4 | 0.4% |
| Essex | 260.8 | 265.8 | 5.0 | 1.9% |
| Gloucestershire | 104.3 | 106.0 | 1.6 | 1.6% |
| Greater London Authority** | 2,517.4 | 2,500.0 | -17.4 | -0.7% |
| Greater Manchester | 541.2 | 543.1 | 1.9 | 0.4% |
| Gwent | 117.8 | 119.7 | 1.9 | 1.6% |
| Hampshire | 299.1 | 303.0 | 3.9 | 1.3% |
| Hertfordshire | 181.1 | 182.0 | 0.9 | 0.5% |
| Humberside | 169.4 | 170.5 | 1.1 | 0.6% |
| Kent | 273.1 | 277.9 | 4.8 | 1.8% |
| Lancashire | 258.9 | 259.5 | 0.6 | 0.2% |
| Leicestershire | 167.7 | 169.6 | 1.8 | 1.1% |
| Lincolnshire | 108.4 | 110.2 | 1.8 | 1.7% |
| Merseyside | 307.0 | 307.0 | 0.0 | 0.0% |
| Norfolk | 145.5 | 147.9 | 2.3 | 1.6% |
| North Wales | 139.8 | 141.8 | 1.9 | 1.4% |
| North Yorkshire | 137.1 | 139.8 | 2.8 | 2.0% |
| Northamptonshire | 119.2 | 121.2 | 2.0 | 1.7% |
| Northumbria | 259.5 | 259.6 | 0.1 | 0.0% |
| Nottinghamshire | 188.9 | 189.8 | 0.9 | 0.5% |
| South Wales | 255.1 | 259.2 | 4.1 | 1.6% |
| South Yorkshire | 239.1 | 240.0 | 0.9 | 0.4% |
| Staffordshire | 176.7 | 177.0 | 0.2 | 0.1% |
| Suffolk | 110.9 | 112.3 | 1.3 | 1.2% |
| Surrey | 205.0 | 209.2 | 4.2 | 2.1% |
| Sussex | 249.7 | 255.1 | 5.4 | 2.2% |
| Thames Valley | 369.7 | 374.5 | 4.8 | 1.3% |
| Warwickshire | 89.5 | 90.9 | 1.4 | 1.6% |
| West Mercia | 198.5 | 201.7 | 3.1 | 1.6% |
| West Midlands | 522.8 | 523.3 | 0.4 | 0.1% |
| West Yorkshire | 404.6 | 407.1 | 2.5 | 0.6% |
| Wiltshire | 102.8 | 104.8 | 1.9 | 1.9% |
| TOTAL | 10,927.0 | 10,991.9 | 64.9 | 0.6% |

* Total direct resource funding consists of core grant funding, NICC grants, Legacy Council Tax Grants and police precept. These figures reflect actual precept outcomes in 2016/17 and assume that PCCs in England increase their precept to the maximum referendum limit in 2017/18, PCCs in Wales raise council tax by 2%, and tax base growth of 0.5% across England and Wales in 2017/18. All PCCs who maximise precept in both 2016/17 and 2017/18 will receive at least cash flat direct resource funding compared to 2015/16.

** The forecast reduction in Greater London Authority funding compared to 2015/16 reflects that rather than maximising precept income in 2016/17, the Mayor of London reduced precept by 3.24%.

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Revenue Budget Summary 2017/18

| | 2016/17 Budget | Inflation | Savings | Virements | Growth | 2017/18 Budget |
|--|----------------------|-------------------|--------------------|-----------------|-------------------|----------------------|
| <i>PCC Controlled Expenditure</i> | | | | | | |
| Office of the PCC | £949,393 | £1,707 | 0 | 31,113 | 30,707 | £1,012,920 |
| Democratic Representation | £191,913 | £437 | 0 | 9,111 | 0 | £201,461 |
| Other Costs | £209,271 | £3,768 | 0 | 0 | 0 | £213,039 |
| Commissioned Services | £5,652,467 | £0 | 0 | 193,112 | -31,000 | £5,814,579 |
| | £7,003,044 | £5,912 | 0 | 233,336 | -293 | £7,241,999 |
| <i>TVP Operational Budget - Direction and Control of Chief Constable:</i> | | | | | | |
| Employees | £317,222,525 | £3,164,571 | -4,766,847 | 5,083,106 | 8,882,983 | £329,586,338 |
| Premises | £16,779,817 | £510,716 | -1,729,088 | 464,640 | 1,465,000 | £17,491,085 |
| Transport | £8,769,996 | £85,992 | -447,254 | -276,065 | 505,000 | £8,637,669 |
| Supplies & Services | £53,839,219 | £793,816 | -2,018,050 | -5,656,761 | 4,225,597 | £51,183,821 |
| Third Party Payments | £11,206,665 | £192,249 | -702,000 | 180,785 | 613,488 | £11,491,187 |
| Force Income | -£28,808,929 | £0 | -834,870 | 173,242 | -1,780,417 | -£31,250,974 |
| | £379,009,293 | £4,747,344 | -10,498,109 | -31,053 | 13,911,651 | £387,139,126 |
| <i>Net Capital Financing Costs:</i> | | | | | | |
| Capital Financing | £3,097,112 | £0 | 0 | 0 | -613,150 | £2,483,962 |
| Interest on Balance | -£1,000,000 | £0 | 0 | 0 | 500,000 | -£500,000 |
| | £2,097,112 | £0 | 0 | 0 | -113,150 | £1,983,962 |
| <i>Appropriations to/from Balances:</i> | | | | | | |
| Appropriations | -£1,467,976 | £0 | 0 | 0 | -2,635,304 | -£4,103,280 |
| | -£1,467,976 | £0 | 0 | 0 | -2,635,304 | -£4,103,280 |
| Cost of Services | £386,641,473 | £4,753,256 | -10,498,109 | 202,283 | 11,162,904 | £392,261,807 |
| <i>Funded By:</i> | | | | | | |
| Council Tax - Surplus on Collection | -£2,017,920 | £0 | 0 | 0 | -276,411 | -£2,294,331 |
| Council Tax Precept Income | -£143,504,511 | £0 | 0 | 0 | -5,707,570 | -£149,212,081 |
| Formula Grant | -£73,890,389 | £0 | 0 | 0 | 1,035,590 | -£72,854,799 |
| Legacy Council Tax Grants | -£15,278,329 | £0 | 0 | 0 | 0 | -£15,278,329 |
| Police Current Grant | -£141,221,422 | £0 | 0 | 0 | 1,972,871 | -£139,248,551 |
| Specific Grant | -£10,728,902 | £0 | 0 | -202,283 | -2,442,531 | -£13,373,716 |
| | -£386,641,473 | £0 | 0 | -202,283 | -5,418,051 | -£392,261,807 |
| Total Funding | -£386,641,473 | £0 | 0 | -202,283 | -5,418,051 | -£392,261,807 |

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Thames Valley Police

Medium Term Financial Plan 2017/18 - 2019/20

| | <u>2017/18</u> | <u>2018/19</u> | <u>2019/20</u> |
|--|--------------------|--------------------|--------------------|
| Annual Base Budget | 386,641,473 | 392,261,807 | 393,786,458 |
| In Year Virements (Contra Entry in Funding) | 202,283 | 0 | 0 |
| <u>Inflation</u> | | | |
| General | 1,013,426 | 1,240,140 | 1,192,536 |
| Police Pay | 1,983,210 | 2,009,644 | 2,035,210 |
| Police Staff Pay | 1,050,000 | 1,050,000 | 1,000,000 |
| Specific | 706,620 | 680,741 | 678,361 |
| Inflation | 4,753,256 | 4,980,525 | 4,906,107 |

Productivity Plan

| | | | |
|---|--------------------|-------------------|-------------------|
| Committed Full Year Effect Savings | 0 | 0 | 0 |
| Collaborative Units | -3,051,962 | -2,568,000 | -2,568,000 |
| Structure & Process Reviews | -586,282 | -700,000 | -1,172,000 |
| Value for Money Reviews | -2,629,980 | -920,420 | -837,693 |
| Priority Based Budget Review | -4,229,885 | -2,171,643 | -100,104 |
| Review of Remuneration and Conditions | 0 | 0 | 0 |
| Future Productivity Strategy Programmes | 0 | 0 | 0 |
| Total Productivity Plan Savings | -10,498,109 | -6,360,063 | -4,677,797 |

Committed Expenditure

Police Officer - Pay Allowances

| | | | |
|--|-----------------|----------------|---------------|
| 9 Compensatory Grant | -46,495 | -27,000 | -29,000 |
| 58 Restructure of Police Housing & Rent Allowance | -508,440 | -171,343 | -171,386 |
| 252 Police Officer Increments Payable | 2,251,000 | 2,251,000 | 2,251,000 |
| 253 Police Officer - Turnover Pay Changes | -2,575,675 | -1,719,664 | -2,139,828 |
| 276 Implementation of Auto Enrolment to Police Pension | 251,000 | 0 | 0 |
| 345 Reserve Funding for Additional Bank Holidays | 185,000 | -370,000 | 185,000 |
| 370 Unsocial Hours Allowance | -75,000 | 0 | 0 |
| 407 Base Growth for Bank Holiday Overtime Funding | 155,971 | 0 | 0 |
| <i>Police Officer - Pay Allowances</i> | -362,639 | -37,007 | 95,786 |

Police Staff - Pay Allowances

| | | | |
|--|----------|-----------|-----------|
| 7 Committed Police Staff Pay Performance Award | 740,000 | 320,000 | 460,000 |
| 8 Police Staff Performance Award from July | 960,000 | 1,380,000 | 1,240,000 |
| 265 Police Staff - Turnover Pay Changes | -350,000 | -350,000 | -350,000 |

| | | | | |
|--------------------------------------|---|------------------|------------------|----------------|
| 277 | Implementation of Auto Enrolment to Staff Pension | 314,000 | 0 | 0 |
| 346 | Reserve Funding for Additional Bank Holidays | 30,000 | -60,000 | 30,000 |
| 372 | Apprentice Scheme Levy Fee | 1,335,000 | -250,000 | -500,000 |
| 403 | Increase In Contribution to Staff Pension Fund | 1,297,299 | 0 | 0 |
| <i>Police Staff - Pay Allowances</i> | | <i>4,326,299</i> | <i>1,040,000</i> | <i>880,000</i> |
| <i>Legal & Compliance</i> | | | | |
| 365 | Charges for National ICT Systems | -230,000 | 0 | 0 |
| 401 | Review of Rateable Values for Force Properties | 300,000 | 0 | 0 |
| 406 | Increase to Insurance Fund Contribution | 63,114 | 0 | 0 |
| <i>Legal & Compliance</i> | | <i>133,114</i> | <i>0</i> | <i>0</i> |
| Committed Expenditure | | 4,096,774 | 1,002,993 | 975,786 |

Current Service

| | | | | |
|-------------------------|--------------------------------------|----------------|-----------------|----------------|
| <i>Support Services</i> | | | | |
| 48 | Changes in Debt Charges | 86,850 | 69,694 | 97,683 |
| 299 | Community Safety Fund - Expenditure | -31,000 | -30,000 | -30,000 |
| 382 | Firearms Bonus Payment | 300,000 | 0 | 0 |
| 405 | Abingdon PFI Contract Renegotiation | 0 | -250,000 | 0 |
| <i>Support Services</i> | | <i>355,850</i> | <i>-210,306</i> | <i>67,683</i> |
| <i>Income</i> | | | | |
| 232 | Changes to Firearms Licensing Income | 40,821 | 86,658 | -92,346 |
| 332 | Interest Receipt Reductions | 500,000 | 0 | 0 |
| <i>Income</i> | | <i>540,821</i> | <i>86,658</i> | <i>-92,346</i> |
| Current Service | | 896,671 | -123,648 | -24,663 |

Improved Service

| | | | | |
|---|--|------------------|------------------|------------------|
| <i>Support Services</i> | | | | |
| 373 | Direct Revenue Funding for Capital Programme | -700,000 | 300,000 | 1,400,000 |
| 376 | Police Officer Redeployment | 2,266,250 | 393,750 | 0 |
| 388 | ARV Uplift for Non-Pay Support Costs | 350,000 | 0 | 0 |
| 402 | CMP Programme Additional Growth | 742,031 | 826,594 | 0 |
| <i>Support Services</i> | | <i>2,658,281</i> | <i>1,520,344</i> | <i>1,400,000</i> |
| <i>Legal & Compliance</i> | | | | |
| 368 | CAIU Resourcing | 262,500 | 0 | 0 |
| <i>Legal & Compliance</i> | | <i>262,500</i> | <i>0</i> | <i>0</i> |
| <i>Specific Revenue Funded Projects</i> | | | | |
| 254 | Data Centre Resilience | 520,000 | -520,000 | 0 |
| 294 | Return to work initiatives | -100,000 | 0 | 0 |
| 325 | Langford Locks A/C Replacement | 250,000 | -250,000 | 0 |

| | | | | |
|--|--|-------------------|-------------------|-----------------|
| 340 | Temporary Funding for PVP Posts | -30,796 | 0 | 0 |
| 354 | KFC - Ground Floor Electrical Works | 25,000 | 175,000 | -200,000 |
| 355 | Lodden Valley - Custody Ventilation | 190,000 | -190,000 | 0 |
| 381 | ICT - Investment for Rationalisation | -413,600 | -224,680 | -487,720 |
| 395 | Maintenance Fountain Court | 180,000 | -180,000 | 0 |
| 398 | Temporary Growth for CRED Staff | 770,000 | -770,000 | 0 |
| 404 | Development Fund for Force Change Board | 150,000 | 0 | 0 |
| 410 | UCPI - IICSA Public Enquiries | 197,000 | -197,000 | 0 |
| 411 | Lodden Valley - Lighting and Asbestos | 0 | 165,000 | -165,000 |
| 412 | Maidenhead Lighting & Asbestos | 0 | 415,000 | -415,000 |
| 413 | Newbury Heating | 0 | 0 | 130,000 |
| 414 | Meadow House Air Conditioning | 0 | 0 | 440,000 |
| 415 | ICT 2020 Programme Resources | 580,880 | -580,880 | 0 |
| <i>Specific Revenue Funded Projects</i> | | <i>2,318,484</i> | <i>-2,157,560</i> | <i>-697,720</i> |
| <i>Ring Fenced Specific Grant</i> | | | | |
| 384 | CTSFO Expenditure Uplift | 1,874,417 | -339,000 | 0 |
| 387 | Protection Grant Expenditure Uplift | 629,033 | 0 | 0 |
| <i>Ring Fenced Specific Grant</i> | | <i>2,503,450</i> | <i>-339,000</i> | <i>0</i> |
| <i>ICT Projects</i> | | | | |
| 380 | ICT Technical Infrastructure Growth | 695,548 | 0 | 0 |
| 390 | Secure Email Gateway | 28,000 | 0 | 0 |
| 391 | Application, Infrastructure Monitoring | 9,500 | 9,500 | 0 |
| 392 | Test Automation - ICT | 5,000 | 0 | 0 |
| 393 | Portfolio/Programme Management Tool | 19,500 | 19,500 | 0 |
| 394 | Service Desk Co-Sourcing | 68,500 | 68,500 | 0 |
| 396 | Corporate Wi-Fi | 166,000 | 166,000 | 0 |
| 397 | Live Links to Courts | 18,000 | 0 | 0 |
| 399 | N3 Connectivity to HCP in Custody | 52,000 | 0 | 0 |
| <i>ICT Projects</i> | | <i>1,062,048</i> | <i>263,500</i> | <i>0</i> |
| Improved Service | | 8,804,763 | -712,716 | 702,280 |
| <u>In Year Appropriations From Reserves</u> | | | | |
| <i>Appropriations from Performance Reserve</i> | | | | |
| 185 | Appropriation from Improvement Performance Reserve | -2,318,484 | 2,307,560 | 697,720 |
| <i>Appropriations from Performance Res</i> | | <i>-2,318,484</i> | <i>2,307,560</i> | <i>697,720</i> |
| <i>Appropriations from General Balances</i> | | | | |
| 334 | Appropriation to General Reserves | -101,820 | 0 | 0 |
| 347 | Reserve Funding for Additional Bank Holidays | -215,000 | 430,000 | -215,000 |
| <i>Appropriations from General Balances</i> | | <i>-316,820</i> | <i>430,000</i> | <i>-215,000</i> |
| In Year Appropriations From Reserves | | -2,635,304 | 2,737,560 | 482,720 |

| | | | |
|-----------------------------------|--------------------|--------------------|--------------------|
| Net Budget Requirement | 392,261,807 | 393,786,458 | 396,150,891 |
| Percentage Budget Increase | 1.45% | 0.39% | 0.60% |
| Cash Budget Increase | 5,620,334 | 1,524,651 | 2,364,433 |

Funded By:

| | | | |
|----------------------------------|---------------------|---------------------|---------------------|
| Opening Budget | -386,641,473 | -392,261,807 | -393,786,458 |
| In Year Funding Virements | -202,283 | 0 | 0 |

Funding Changes

Formula Grant

| | | | |
|--------------------------------------|-----------|-----------|-----------|
| 274 Police Grant Funding Changes | 1,972,871 | 2,409,188 | 2,470,960 |
| 304 Formula Grant Allocation Changes | 1,035,590 | 1,260,544 | 1,292,865 |

Formula Grant

| | | |
|------------------|------------------|------------------|
| 3,008,461 | 3,669,732 | 3,763,825 |
|------------------|------------------|------------------|

Specific Grants

| | | | |
|-----------------------------------|--------|---------|--------|
| 303 Changes to Loan Charges Grant | 60,919 | 101,486 | 39,198 |
|-----------------------------------|--------|---------|--------|

Specific Grants

| | | |
|---------------|----------------|---------------|
| 60,919 | 101,486 | 39,198 |
|---------------|----------------|---------------|

Council Tax Requirement

| | | | |
|--|------------|------------|------------|
| 305 Council Tax Precept Requirement | -5,707,570 | -5,929,200 | -6,167,456 |
| 307 Council Tax - Surplus on Collections | -276,411 | 294,331 | 0 |

Council Tax Requirement

| | | |
|-------------------|-------------------|-------------------|
| -5,983,981 | -5,634,869 | -6,167,456 |
|-------------------|-------------------|-------------------|

Ring Fenced Specific Grant

| | | | |
|-----------------------------------|------------|---------|---|
| 383 CTSFO Uplift | -1,874,417 | 339,000 | 0 |
| 386 Protection Group Grant Uplift | -629,033 | 0 | 0 |

Ring Fenced Specific Grant

| | | |
|-------------------|----------------|----------|
| -2,503,450 | 339,000 | 0 |
|-------------------|----------------|----------|

| | | | |
|------------------------|-------------------|-------------------|-------------------|
| Funding Changes | -5,418,051 | -1,524,651 | -2,364,433 |
|------------------------|-------------------|-------------------|-------------------|

| | | | |
|-------------------------------|---------------------|---------------------|---------------------|
| Total External Funding | -392,261,807 | -393,786,458 | -396,150,891 |
|-------------------------------|---------------------|---------------------|---------------------|

Cumulative Shortfall / (Surplus)

0 0 0

Annual Shortfall / (Surplus)

0 0 0

Analysis Of Growth Items

Appendix 4

| <i>Ref</i> | <i>Details</i> | <i>2017/18</i> | <i>2018/19</i> | <i>2019/20</i> |
|--|--|----------------|----------------|----------------|
| <u>Committed Expenditure</u> | | | | |
| Police Officer - Pay Allowances | | | | |
| 9 | Compensatory Grant | | | |
| | Calculation of requirements based on predicted Officer numbers shows an annual cash reduction year on year. This is excluding inflationary increases which have been set at zero and reflect the decreasing number of officers receiving rent allowance. | -46,495 | -27,000 | -29,000 |
| 58 | Restructure of Police Housing & Rent Allowance | | | |
| | Recalculation of the requirements based on estimated numbers of officers likely to be eligible to claim. | -508,440 | -171,343 | -171,386 |
| 252 | Police Officer Increments Payable | | | |
| | Separation out of police increments due based on annual pay progression. | 2,251,000 | 2,251,000 | 2,251,000 |
| 253 | Police Officer - Turnover Pay Changes | | | |
| | Reduction in police officer pay bill based on annual leavers being removed at a higher salary rate that those new starters coming into the organisation, and also to reflect the phasing of recruitment intakes within the financial years. | -2,575,675 | -1,719,664 | -2,139,828 |
| 276 | Implementation of Auto Enrolment to Police Pension | | | |
| | All Officers to be automatically enrolled in the police pension scheme with the option to opt out post enrolment. | 251,000 | 0 | 0 |
| | Assumed that 50% of currently not enrolled will stay in scheme, with a staging date expected of May 2017 | | | |
| 345 | Reserve Funding for Additional Bank Holidays | | | |
| | Funding from general reserves for additional Bank Holiday overtime due to the fluctuation in the number of Bank Holidays per financial year from the base level of 8. | 185,000 | -370,000 | 185,000 |
| | 2017/18: Total 09 days - 1 Additional Day @ £185k | | | |
| | 2018/19: Total 07 days - 1 less day @ -£185kk | | | |
| | 2019/20: Total 08 days - No Adjustment | | | |

Page 1 of 10

| Ref | Details | 2017/18 | 2018/19 | 2019/20 |
|--------------------------------------|---|-----------------|----------------|----------------|
| 370 | Unsocial Hours Allowance | | | |
| | Review of requirement for unsocial hours payments based on the officer workforce profile | -75,000 | 0 | 0 |
| 407 | Base Growth for Bank Holiday Overtime Funding | | | |
| | Base growth for Bank Holiday overtime requirements based on the average spend per day over the last 3 years | 155,971 | 0 | 0 |
| Total | Police Officer - Pay Allowances | -362,639 | -37,007 | 95,786 |
| Police Staff - Pay Allowances | | | | |
| 7 | Committed Police Staff Pay Performance Award | | | |
| | The growth element of the award relating to the committed 3 months from the previous years pay award. | 740,000 | 320,000 | 460,000 |
| 8 | Police Staff Performance Award from July | | | |
| | The increment equivalent pay uplift used to underwrite the performance related pay element from July annually. | 960,000 | 1,380,000 | 1,240,000 |
| 265 | Police Staff - Turnover Pay Changes | | | |
| | Reduction in police staff pay bill based on annual leavers being removed at a higher salary rate that those new starters coming into the organisation. | -350,000 | -350,000 | -350,000 |
| 277 | Implementation of Auto Enrolment to Staff Pension | | | |
| | All Staff to be automatically enrolled in the local government pension scheme with the option to opt out post enrolment. Assumed that 50% of currently not enrolled will stay in scheme. | 314,000 | 0 | 0 |
| 346 | Reserve Funding for Additional Bank Holidays | | | |
| | Funding from general reserves for additional Bank Holiday overtime due to the fluctuation in the number of Bank Holidays per financial year from the base level of 8. 2017/18: Total 09 days - 1 Additional Day @ £30k 2018/19: Total 07 days - 1 less day @ £30k 2019/20: Total 08 days - no adjustment | 30,000 | -60,000 | 30,000 |

| <i>Ref</i> | <i>Details</i> | <i>2017/18</i> | <i>2018/19</i> | <i>2019/20</i> |
|------------------------------------|--|------------------|------------------|----------------|
| 372 | Apprentice Scheme Levy Fee Additional funding required to meet the new legislation around apprentice schemes being introduced by the Government, for which TVP is actively engaged. | 1,335,000 | -250,000 | -500,000 |
| 403 | Increase In Contribution to Staff Pension Fund Following the actuarial review of the police staff pension fund, it has been recommended that the employer contributions are increased by 1.50% of the police staff pay bill. | 1,297,299 | 0 | 0 |
| Total | Police Staff - Pay Allowances | 4,326,299 | 1,040,000 | 880,000 |
| Legal & Compliance | | | | |
| 365 | Charges for National ICT Systems Decrease in Charges for National ICT Systems based on the initial charging schedules outlined to forces. | -230,000 | 0 | 0 |
| 401 | Review of Rateable Values for Force Properties The rateable values for TVP properties are being reviewed in line with national guidance, and it is expected there will be a significant increase in some areas which will affect the business rates due on those property's. | 300,000 | 0 | 0 |
| 406 | Increase to Insurance Fund Contribution Increase in Employers Liability insurance fund contributions as recommended by the Insurance Fund Audit. | 63,114 | 0 | 0 |
| Total | Legal & Compliance | 133,114 | 0 | 0 |
| Total Committed Expenditure | | 4,096,774 | 1,002,993 | 975,786 |

Current Service

Support Services

| <i>Ref</i> | <i>Details</i> | <i>2017/18</i> | <i>2018/19</i> | <i>2019/20</i> |
|---------------|---|----------------|-----------------|----------------|
| 48 | Changes in Debt Charges | | | |
| | Anticipated revenue changes associated with changes to borrowing requirements as the capital programme funding is reviewed. | 86,850 | 69,694 | 97,683 |
| 299 | Community Safety Fund - Expenditure | | | |
| | Community Safety Fund - Expenditure Reduction in line with Home Office Police Grant reduction | -31,000 | -30,000 | -30,000 |
| 382 | Firearms Bonus Payment | | | |
| | Firearms Bonus Payment as agreed by CCMT for firearms trained officers | 300,000 | 0 | 0 |
| 405 | Abingdon PFI Contract Renegotiation | | | |
| | Potential future reduction in finance charges for Abingdon PFI | 0 | -250,000 | 0 |
| Total | Support Services | 355,850 | -210,306 | 67,683 |
| Income | | | | |
| 232 | Changes to Firearms Licensing Income | | | |
| | Profile of income to reflect expected requests and income | 40,821 | 86,658 | -92,346 |
| 332 | Interest Receipt Reductions | | | |
| | Reduction in interest received on invested balances as a result continued low interest rates. | 500,000 | 0 | 0 |
| Total | Income | 540,821 | 86,658 | -92,346 |
| Total | Current Service | 896,671 | -123,648 | -24,663 |

Improved Service

Support Services

| <i>Ref</i> | <i>Details</i> | <i>2017/18</i> | <i>2018/19</i> | <i>2019/20</i> |
|---|---|------------------|------------------|------------------|
| 373 | Direct Revenue Funding for Capital Programme | | | |
| | Direct Revenue Funding for the Capital Programme | -700,000 | 300,000 | 1,400,000 |
| 376 | Police Officer Redeployment | | | |
| | Potential redeployment of officers from savings identified through the Productivity Plan and PBB process. | 2,266,250 | 393,750 | 0 |
| 388 | ARV Uplift for Non-Pay Support Costs | | | |
| | Uplift in non-pay support costs, including vehicles, fuel and equipment for the expansion of the force's Armed Response Vehicle (ARV) capability. | 350,000 | 0 | 0 |
| 402 | CMP Programme Additional Growth | | | |
| | Revenue growth to support the on-going CMP Programme development and implementation | 742,031 | 826,594 | 0 |
| Total | Support Services | 2,658,281 | 1,520,344 | 1,400,000 |
| Legal & Compliance | | | | |
| 368 | CAIU Resourcing | | | |
| | Full year effect of previous years funding for CAIU. | 262,500 | 0 | 0 |
| Total | Legal & Compliance | 262,500 | 0 | 0 |
| Specific Revenue Funded Projects | | | | |
| 254 | Data Centre Resilience | | | |
| | Review of physical requirements to align with the overall force data strategy. | 520,000 | -520,000 | 0 |
| 294 | Return to work initiatives | | | |
| | Cessation of the ongoing annual funding of the Optima medical scheme to facilitate quicker returns to work after injury or serious illness. | -100,000 | 0 | 0 |
| 325 | Langford Locks A/C Replacement | | | |
| | To replace the air conditioning units at Langford Locks as they will be unusable in a couple of years time. | 250,000 | -250,000 | 0 |

| <i>Ref</i> | <i>Details</i> | <i>2017/18</i> | <i>2018/19</i> | <i>2019/20</i> |
|------------|--|----------------|----------------|----------------|
| 340 | Temporary Funding for PVP Posts | | | |
| | Removal of 1 temporary Intell based PVP position. | -30,796 | 0 | 0 |
| 354 | KFC - Ground Floor Electrical Works | | | |
| | Electrical upgrade to ensure sustainability of the building and new CRED/PEC working environment. | 25,000 | 175,000 | -200,000 |
| 355 | Lodden Valley - Custody Ventilation | | | |
| | Replacement on a like for like basis of end of life equipment. | 190,000 | -190,000 | 0 |
| 381 | ICT - Investment for Rationalisation | | | |
| | Growth, funded from reserve, to cover a distinct piece of work in rationalising the ICT estate to deliver permanent savings identified within the productivity plan. | -413,600 | -224,680 | -487,720 |
| 395 | Maintenance Fountain Court | | | |
| | Required Air con Maintenance for Fountain Court - post purchase – could be part funded from the returned sinking fund. | 180,000 | -180,000 | 0 |
| 398 | Temporary Growth for CRED Staff | | | |
| | Temporary increase of 22 FTE for CRED staffing during 2017/18 to enable the introduction and embedding of the new CMP software. | 770,000 | -770,000 | 0 |
| 404 | Development Fund for Force Change Board | | | |
| | Development fund for the Force Change Board to enable them to support smaller investment initiatives and scoping work for new ideas. | 150,000 | 0 | 0 |
| 410 | UCPI - IICSA Public Enquiries | | | |
| | Funding for temporary staff to support the national undercover policing and child sexual abuse enquiries. | 197,000 | -197,000 | 0 |
| 411 | Lodden Valley - Lighting and Asbestos | | | |
| | Maintenance - Lodden Valley - Lighting and Asbestos | 0 | 165,000 | -165,000 |
| 412 | Maidenhead Lighting & Asbestos | | | |
| | Maintenance - Maidenhead Lighting & Asbestos | 0 | 415,000 | -415,000 |
| 413 | Newbury Heating | | | |
| | Maintenance - Newbury Heating | 0 | 0 | 130,000 |

| <i>Ref</i> | <i>Details</i> | <i>2017/18</i> | <i>2018/19</i> | <i>2019/20</i> |
|---|---|------------------|-------------------|-----------------|
| 414 Meadow House Air Conditioning | | | | |
| | Maintenance - Meadow House Air Conditioning | 0 | 0 | 440,000 |
| 415 ICT 2020 Programme Resources | | | | |
| | Funding for the staffing resources specifically required to managed and deliver the ICT 2020 Programme. | 580,880 | -580,880 | 0 |
| Total | Specific Revenue Funded Projects | 2,318,484 | -2,157,560 | -697,720 |
| Ring Fenced Specific Grant | | | | |
| 384 CTSFO Expenditure Uplift | | | | |
| | Matched uplift in expenditure for CTSFO's, fully funded by the increase in specific grant. | 1,874,417 | -339,000 | 0 |
| 387 Protection Grant Expenditure Uplift | | | | |
| | Matched uplift in expenditure for Protection Group, fully funded by the increase in specific grant. | 629,033 | 0 | 0 |
| Total | Ring Fenced Specific Grant | 2,503,450 | -339,000 | 0 |
| ICT Projects | | | | |
| 380 ICT Technical Infrastructure Growth | | | | |
| | Growth to cover the requirement to invest in the ICT infrastructure as part of the overall 5 year ICT transformation plan. | 695,548 | 0 | 0 |
| 390 Secure Email Gateway | | | | |
| | This bid refers to the installation of a secure and controlled Email Gateway across both Forces, allowing secure transfer of files by each other to partners in other agencies, saving time and providing process efficiencies. | 28,000 | 0 | 0 |
| 391 Application, Infrastructure Monitoring | | | | |
| | Improved ICT systems, application and network monitoring and alerting across the estate, allowing the proactive identification and resolution of issues, limiting outages and network problems and improving ICT support capabilities | 9,500 | 9,500 | 0 |

| Ref | Details | 2017/18 | 2018/19 | 2019/20 |
|--|---|------------------|-----------------|----------------|
| 392 Test Automation - ICT | | | | |
| | The introduction of automated systems testing using specialist software, increasing assurance on system changes and reducing manual intervention / input. | 5,000 | 0 | 0 |
| 393 Portfolio/Programme Management Tool | | | | |
| | The upgrading of currently employed project management tools to a Cloud/Software as a service based Portfolio and Project Management Tool (PPM) to enable the effective management and delivery of Force Change Programmes. This will mitigate risk of future resource waste and bring numerous other benefits. | 19,500 | 19,500 | 0 |
| 394 Service Desk Co-Sourcing | | | | |
| | This bid supports the introduction of a service management tool to allow multi force ICT help desk request sharing across TVP & HC and sets out a platform for Surrey and Sussex to potentially join, which would enable a co-sourced 3rd party overflow solution for out of hours help desk requests. | 68,500 | 68,500 | 0 |
| 396 Corporate Wi-Fi | | | | |
| | The roll out of commercial standard Wi-Fi across the Force addressing areas that currently have no or limited provision. This requires acceleration of existing capital funding and incurs additional Revenue costs. | 166,000 | 166,000 | 0 |
| 397 Live Links to Courts | | | | |
| | Expansion of existing Live link to courts facility to up to 13 sites | 18,000 | 0 | 0 |
| 399 N3 Connectivity to HCP in Custody | | | | |
| | Providing online connection to NHS medical data in custody. | 52,000 | 0 | 0 |
| Total ICT Projects | | 1,062,048 | 263,500 | 0 |
| Total Improved Service | | 8,804,763 | -712,716 | 702,280 |

In Year Appropriations From Reserves

Appropriations from Performance Reserve

| <i>Ref</i> | <i>Details</i> | <i>2017/18</i> | <i>2018/19</i> | <i>2019/20</i> |
|---|---|-------------------|------------------|-----------------|
| 185 | Appropriation from Improvement Performance Reserve | | | |
| | Appropriation of funding to support specific revenue projects from the Improvement and Performance reserve. | -2,318,484 | 2,307,560 | 697,720 |
| Total | Appropriations from Performance Reserve | -2,318,484 | 2,307,560 | 697,720 |
| Appropriations from General Balances | | | | |
| 334 | Appropriation to General Reserves | | | |
| | Appropriation to General Reserves | -101,820 | 0 | 0 |
| 347 | Reserve Funding for Additional Bank Holidays | | | |
| | Reserve funding for Police and Staff additional Bank Holidays - Ref: 346 & 345 | -215,000 | 430,000 | -215,000 |
| Total | Appropriations from General Balances | -316,820 | 430,000 | -215,000 |
| Total | In Year Appropriations From Reserves | -2,635,304 | 2,737,560 | 482,720 |

Funding Changes

Formula Grant

| | | | | |
|--------------|---|------------------|------------------|------------------|
| 274 | Police Grant Funding Changes | | | |
| | Reduction in funding received through the main government police grant. | 1,972,871 | 2,409,188 | 2,470,960 |
| 304 | Formula Grant Allocation Changes | | | |
| | Reduction in funding received through the ex-DCLG Grant Allocation. | 1,035,590 | 1,260,544 | 1,292,865 |
| Total | Formula Grant | 3,008,461 | 3,669,732 | 3,763,825 |

Specific Grants

| <i>Ref</i> | <i>Details</i> | <i>2017/18</i> | <i>2018/19</i> | <i>2019/20</i> |
|-----------------------------------|---|-------------------|-------------------|-------------------|
| 303 | Changes to Loan Charges Grant | | | |
| | Changes to Loan Charges Grant | 60,919 | 101,486 | 39,198 |
| Total | Specific Grants | 60,919 | 101,486 | 39,198 |
| Council Tax Requirement | | | | |
| 305 | Council Tax Precept Requirement | | | |
| | Council Tax Requirement Changes for Precept Billing | -5,707,570 | -5,929,200 | -6,167,456 |
| 307 | Council Tax - Surplus on Collections | | | |
| | Council Tax - Surplus on Collections | -276,411 | 294,331 | 0 |
| Total | Council Tax Requirement | -5,983,981 | -5,634,869 | -6,167,456 |
| Ring Fenced Specific Grant | | | | |
| 383 | CTSFO Uplift | | | |
| | CTSFO Grant Uplift | -1,874,417 | 339,000 | 0 |
| 386 | Protection Group Grant Uplift | | | |
| | Protection Group Grant Uplift | -629,033 | 0 | 0 |
| Total | Ring Fenced Specific Grant | -2,503,450 | 339,000 | 0 |
| Total | Funding Changes | -5,418,051 | -1,524,651 | -2,364,433 |

| | 2017/18 | | | 2018/19 | | | 2019/20 | | | TOTAL | | | |
|---|--|-------|--------|-----------|-------|-------|-----------|-------|-------|-----------|-------|--------|-----------|
| | Year 1 | | £ | Year 2 | | £ | Year 3 | | £ | Police | Staff | £ | |
| | Police | Staff | | Police | Staff | | Police | Staff | | | | | |
| <u>Collaborative Units</u> | | | | | | | | | | | | | |
| 303 | Joint ICT Unit | 0.00 | 0.00 | 1,884,262 | 0.00 | 0.00 | 135,000 | 0.00 | 0.00 | 810,000 | 0.00 | 0.00 | 2,829,262 |
| 382 | Review of Contact Management Function | 0.00 | 17.00 | 565,700 | 0.00 | 53.00 | 1,665,000 | 0.00 | 0.00 | 990,000 | 0.00 | 70.00 | 3,220,700 |
| 397 | Business Support Review | 0.00 | 0.00 | 0 | 0.00 | 0.00 | 768,000 | 0.00 | 0.00 | 768,000 | 0.00 | 0.00 | 1,536,000 |
| 464 | Review of JOU Establishments | 0.00 | 0.00 | 602,000 | 0.00 | 0.00 | 0 | 0.00 | 0.00 | 0 | 0.00 | 0.00 | 602,000 |
| | | 0.00 | 17.00 | 3,051,962 | 0.00 | 53.00 | 2,568,000 | 0.00 | 0.00 | 2,568,000 | 0.00 | 70.00 | 8,187,962 |
| <u>Structure & Process Reviews</u> | | | | | | | | | | | | | |
| 387 | Review of CCTV Provision | 0.00 | 0.00 | 100,000 | 0.00 | 0.00 | 100,000 | 0.00 | 0.00 | 0 | 0.00 | 0.00 | 200,000 |
| 466 | VISOR Workforce Modernisation | 11.00 | -11.00 | 83,000 | 0.00 | 0.00 | 78,000 | 0.00 | 0.00 | 0 | 11.00 | -11.00 | 161,000 |
| 467 | Review of Essential User Mileage Payments | 0.00 | 0.00 | 26,000 | 0.00 | 0.00 | 0 | 0.00 | 0.00 | 0 | 0.00 | 0.00 | 26,000 |
| 469 | Implementation of the New Governance Structure | 0.00 | 0.00 | 27,282 | 0.00 | 0.00 | 100,000 | 0.00 | 0.00 | 0 | 0.00 | 0.00 | 127,282 |
| 470 | Review of Duties and Rest Day Working | 0.00 | 0.00 | 250,000 | 0.00 | 0.00 | 0 | 0.00 | 0.00 | 0 | 0.00 | 0.00 | 250,000 |
| 472 | Review of LPA Commanders Fund | 0.00 | 0.00 | 100,000 | 0.00 | 0.00 | 0 | 0.00 | 0.00 | 0 | 0.00 | 0.00 | 100,000 |
| 473 | Service Desk Co-Sourcing | 0.00 | 0.00 | 0 | 0.00 | 0.00 | 47,000 | 0.00 | 0.00 | 47,000 | 0.00 | 0.00 | 94,000 |
| 474 | ESMCP Changeover Annual Usage Costs | 0.00 | 0.00 | 0 | 0.00 | 0.00 | 375,000 | 0.00 | 0.00 | 1,125,000 | 0.00 | 0.00 | 1,500,000 |
| | | 11.00 | -11.00 | 586,282 | 0.00 | 0.00 | 700,000 | 0.00 | 0.00 | 1,172,000 | 11.00 | -11.00 | 2,458,282 |
| <u>Value for Money Reviews</u> | | | | | | | | | | | | | |
| 336 | PCSOs Review | 0.00 | 0.00 | 0 | 0.00 | 11.00 | 181,500 | 0.00 | 10.00 | 165,000 | 0.00 | 21.00 | 346,500 |
| 368 | Carbon Management Savings | 0.00 | 0.00 | 50,000 | 0.00 | 0.00 | 50,000 | 0.00 | 0.00 | 0 | 0.00 | 0.00 | 100,000 |
| 375 | Estates Review through the Asset Management Plan | 0.00 | 0.00 | 1,329,088 | 0.00 | 0.00 | 178,920 | 0.00 | 0.00 | 222,693 | 0.00 | 0.00 | 1,730,701 |

| | 2017/18 | | | 2018/19 | | | 2019/20 | | | TOTAL | |
|---|---------|-------|-----------|---------|-------|---------|---------|-------|---------|--------------|-----------|
| | Year 1 | | £ | Year 2 | | £ | Year 3 | | £ | Police Staff | £ |
| | Police | Staff | | Police | Staff | | Police | Staff | | | |
| 394 Review of Roles Not Requiring Police Powers | 0.00 | 0.00 | 200,892 | 0.00 | 0.00 | 0 | 0.00 | 0.00 | 0 | 0.00 | 200,892 |
| 413 Review of Transport Costs | 0.00 | 0.00 | 400,000 | 0.00 | 0.00 | 260,000 | 0.00 | 0.00 | 200,000 | 0.00 | 860,000 |
| 414 Review of Property & Premises Costs | 0.00 | 0.00 | 500,000 | 0.00 | 0.00 | 250,000 | 0.00 | 0.00 | 250,000 | 0.00 | 1,000,000 |
| 415 Review of Future Contract Savings | 0.00 | 0.00 | 150,000 | 0.00 | 0.00 | 0 | 0.00 | 0.00 | 0 | 0.00 | 150,000 |
| | 0.00 | 0.00 | 2,629,980 | 0.00 | 11.00 | 920,420 | 0.00 | 10.00 | 837,693 | 0.00 | 4,388,093 |

Priority Based Budget Review

| | | | | | | | | | | | |
|--|-------|-------|------------|------|-------|-----------|------|-------|-----------|-------|-----------|
| 432 Intelligence & Specialist Ops | 0.00 | 0.00 | 71,127 | 0.00 | 0.00 | 0 | 0.00 | 0.00 | 0 | 0.00 | 71,127 |
| 434 Provision of Learning & Professional Development | 0.00 | 0.00 | 76,100 | 0.00 | 0.00 | 0 | 0.00 | 0.00 | 0 | 0.00 | 76,100 |
| 445 Corporate Support | 0.00 | -3.08 | 47,703 | 0.00 | 0.00 | 0 | 0.00 | 0.00 | 0 | 0.00 | 47,703 |
| 446 Criminal Justice | -1.00 | 1.44 | 578,843 | 1.00 | 19.68 | 334,143 | 0.00 | 0.00 | 100,104 | 0.00 | 1,013,090 |
| 447 Digital Forensics | 0.00 | 0.00 | 13,473 | 0.00 | 0.00 | 0 | 0.00 | 0.00 | 0 | 0.00 | 13,473 |
| 459 SOC & Forensics | 0.00 | 3.00 | 114,322 | 0.00 | 0.00 | 0 | 0.00 | 0.00 | 0 | 0.00 | 114,322 |
| 461 Business Support | 0.00 | 1.00 | 54,393 | 0.00 | 0.00 | 0 | 0.00 | 0.00 | 0 | 0.00 | 54,393 |
| 465 Review of Demand Led Operating Model | 70.00 | 0.00 | 3,170,000 | 0.00 | 0.00 | 1,837,500 | 0.00 | 0.00 | 0 | 70.00 | 5,007,500 |
| 468 Windsor Guard Change Duty Review | 1.00 | 2.00 | 103,924 | 0.00 | 0.00 | 0 | 0.00 | 0.00 | 0 | 1.00 | 103,924 |
| | 70.00 | 4.36 | 4,229,885 | 1.00 | 19.68 | 2,171,643 | 0.00 | 0.00 | 100,104 | 71.00 | 24.04 |
| | 81.00 | 10.36 | 10,498,109 | 1.00 | 83.68 | 6,360,063 | 0.00 | 10.00 | 4,677,797 | 82.00 | 104.04 |

| | | | | | | | | | | | |
|---------------------|--------------|--------------|-------------------|-------------|--------------|------------------|-------------|--------------|------------------|--------------|---------------|
| Force Totals | 81.00 | 10.36 | 10,498,109 | 1.00 | 83.68 | 6,360,063 | 0.00 | 10.00 | 4,677,797 | 82.00 | 104.04 |
|---------------------|--------------|--------------|-------------------|-------------|--------------|------------------|-------------|--------------|------------------|--------------|---------------|

Risk Analysis - 2017/18 Annual Revenue Budget

| | RISK DESCRIPTION | RISK ASSESSMENT | | | SENSITIVITY |
|---|--|-----------------|--------|-------|---|
| | | Likelihood | Impact | Total | |
| 1 | The Force is unable to deliver, in full, the £10.5m of cash savings removed from the base budget by the year-end. | 2 | 4 | 8 | The residual risk is that we won't deliver the full £10.5m, e.g. a couple of £m shortfall or slippage. Although the Force has an excellent track record of managing expenditure within reduced budgets, this process is obviously becoming more challenging and complex, particularly as demands (e.g. child abuse, threat of terrorism etc.) are increasing. |
| 2 | That specific grant income, when confirmed, is lower than currently assumed in the draft budget | 2 | 4 | 8 | We are still waiting for confirmation of specific grants estimated £13.37m in 2017/18 |
| 3 | The change in the IR35 legislation in relation to public sector organisations could increase the cost of engaging IT contractors | 3 | 2 | 6 | We are waiting for further information from HMRC about how the changes are to be implemented. |
| 4 | That inflation exceeds the levels currently provided for in the draft budget | 2 | 2 | 4 | In total inflation is estimated to add £4.75m to the base budget in 2017/18, which equates to an average increase of 1.23%. A 1% increase in general inflation (up from the 1.8% currently provided for) will add £0.6m |
| 5 | That the Police & Crime Panel vetoes the PCC's proposed 1.99% increase in the council tax precept | 1 | 3 | 3 | Each 1% increase in council tax generates £1.46m. In the event that the Panel vetoes the proposed precept increase the PCC will resubmit a revised budget and council tax proposal for the Panel to consider. |

Risk Analysis - Medium Term Financial Forecast 2018/19 to 2019/20

| | RISK DESCRIPTION | RISK ASSESSMENT | | | SENSITIVITY |
|---|--|-----------------|--------|-------|--|
| | | Likelihood | Impact | Total | |
| 1 | That due to the impact of the new police funding formula in 2018/19 future Government Grant Allocations are lower than expected, therefore requiring a greater level of revenue savings than currently planned for | 3 | 4 | 12 | The MTFP is based on a net 0.62% cash increase in police grant and precept income. At this stage we do not know what impact the new police funding formula will have, or what additional grant topslices (or reallocations) will be taken from police grant in 2018/19 and later years. Each 1% reduction in police grant equates to £2.1m. |
| 2 | That the Force is unable to deliver the full £10.7m of identified budget cuts over the two year period 2018/19 to 2019/20 without having a serious and detrimental impact on service delivery | 2 | 4 | 8 | The Chief Constable has produced a number of mitigating factors which could be implemented should savings prove difficult to achieve, including taking 'amber' efficiency savings or reducing the number of redeployed officers. Although the Force has an excellent track record of managing expenditure within reduced budgets, this process is obviously becoming more challenging and complex, particularly as demands (e.g. child abuse, threat of terrorism etc.) are increasing. |
| 3 | Inadequate money in revenue reserves and balances to fund one-off expenditure items required by the Force | 2 | 4 | 8 | General revenue balances are currently above the agreed 3% guideline level and forecast to remain above this level throughout the period. In addition the PCC has earmarked revenue reserves of around £5.8m (estimated level at 31.3.20) which could be called upon in an emergency |
| 4 | That the taxbase will not grow at the assumed annual rate of 1.95% per annum | 3 | 2 | 6 | Although the average increase in taxbase over the last 4 years is 1.9%, this is far higher than all previous years. Each 1% increase in taxbase generates additional council tax income of around £1.46m |

| | | Likelihood | Impact | Total | |
|----|--|------------|--------|-------|---|
| 5 | That the surplus on collection funds is less than the £2.00m per annum currently budgeted for | 3 | 2 | 6 | Although the average annual surplus over the last five years is £2.00m, this sum exceeds the annual surplus in all years before 2014/15 when the new local council tax reduction schemes were introduced. |
| 6 | Technology – the need for investment in new and emerging technology is moving from the traditional capital based funding to more revenue based Software as a Service (SaaS), together with increasing demands for licences as staff and officers require greater access. | 3 | 2 | 6 | Investment strategies are being constantly reviewed to ensure that the consequential ongoing costs are provided for within the future budgetary plans as soon as possible, with the impact being offset by continued scrutiny of other costs through the productivity strategy. |
| 7 | The impact of the Brexit decision on costs and prices due to fluctuating exchange rates, and equipment and services being supplied from the EU may increase cost pressures in the future. | 3 | 2 | 6 | Constant monitoring of procurement and contract prices, together with a collaborative approach to contracts, should enable us to maximise the value attained from contracts and minimise the negative impact of price variations. |
| 8 | That future pay settlements for police officers and police staff are at a higher level than currently assumed in the MTFP | 1 | 4 | 4 | Pay increases are currently assumed at 1% throughout the MTFP in line with the Chancellors public sector pay restraint policy. Each 1% increase in police officer and staff pay adds £3m |
| 9 | That the Government reduces the level of security grant paid to the PCC in future years beyond current estimates. | 2 | 2 | 4 | The budgeted amount for 2017/18 is £5.8m. Future cuts in grant will be matched by a reduction in the resources provided to this area of business. |
| 10 | That the Government reduces the threshold at which a council tax referendum is required and/or the Police and Crime Panel does not support a council tax increase of 2% per annum | 1 | 3 | 3 | A 1% increase in council tax is equivalent to additional income, or reduced budget reductions, of around £1.46m. The Government's Spending review is predicated on PCC's increasing their council tax precept by the maximum permissible amount each year. |

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APPENDIX 7

Latest position (4-1-16) on Taxbase and Surplus/Deficit on collection funds

| | Provisional Taxbase | Surplus / Deficit (-) on collection funds £ | Annual Precept £ |
|----------------------|------------------------|---|------------------------|
| Aylesbury Vale | 71,106.59 | 171,000.00 | |
| Bracknell Forest | 44,581.00 | 82,972.00 | |
| Cherwell | 51,639.50 | 115,320.00 | |
| Chiltern | 43,918.01 | 81,327.00 | |
| Milton Keynes | 81,878.87 | 288,000.00 | |
| Oxford City | 44,623.40 | 95,000.00 | |
| Reading | 53,650.00 | 105,850.00 | |
| Slough | 41,174.70 | -79,050.00 | |
| South Bucks | 32,464.70 | 17,762.00 | |
| South Oxfordshire | 55,557.20 | 245,329.00 | |
| Vale of White Horse | 49,406.00 | 329,661.00 | |
| West Berkshire | 62,748.50 | -23,700.00 | |
| West Oxfordshire | 42,580.71 | 100,071.00 | |
| Windsor & Maidenhead | 66,709.64 | 455,303.00 | |
| Wokingham | 67,400.00 | 65,000.00 | |
| Wycombe | 67,139.20 | 235,557.00 | |
| | | | |
| Totals | 876,578.02 | 2,285,402.00 | |

Note: Those cells that have been shaded light blue are confirmed figures; the rest are still provisional estimates and subject to change

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Comparison of Council Tax Prece

| | Average Band D Equivalent Council Tax 2016-17 | | Net Cost per 1,000 Population | | Council tax net budget as a % of net budget | HO grants net budget as a % of net budget |
|------------------------|---|------------------------|--|----------------------|--|--|
| | £ p | | £'000s | | % | % |
| Surrey | 220.19 | Metropolitan Police | 288,335 | Surrey | 52.01% | 47.99% |
| North Yorkshire | 217.00 | Merseyside | 220,939 | North Yorkshire | 45.34% | 54.66% |
| Cumbria | 216.63 | Cleveland | 220,591 | Dorset | 45.08% | 54.92% |
| Norfolk | 212.94 | Cumbria | 201,857 | Gloucestershire | 43.67% | 56.33% |
| Cleveland | 210.36 | Greater Manchester | 198,520 | Warwickshire | 41.15% | 58.85% |
| Gloucestershire | 210.31 | Humberside | 186,272 | Lincolnshire | 40.87% | 59.13% |
| Lincolnshire | 201.51 | West Midlands | 186,063 | Norfolk | 40.71% | 59.29% |
| Warwickshire | 191.98 | Durham | 182,353 | Cambridgeshire | 40.17% | 59.83% |
| Dorset | 190.80 | Northumbria | 181,656 | West Mercia | 40.01% | 59.99% |
| West Mercia | 189.60 | Surrey | 179,345 | Wiltshire | 39.87% | 60.13% |
| Humberside | 183.67 | West Yorkshire | 179,183 | Thames Valley | 38.71% | 61.29% |
| Leicestershire | 183.58 | Lancashire | 176,931 | Suffolk | 37.77% | 62.23% |
| Cambridgeshire | 183.15 | South Yorkshire | 176,024 | Cumbria | 35.94% | 64.06% |
| Nottinghamshire | 179.91 | North Yorkshire | 173,238 | Devon & Cornwall | 35.87% | 64.13% |
| Avon & Somerset | 178.26 | Gloucestershire | 172,597 | Avon & Somerset | 35.72% | 64.28% |
| Suffolk | 173.43 | Nottinghamshire | 169,082 | Essex | 35.47% | 64.53% |
| Devon & Cornwall | 172.84 | Norfolk | 168,280 | Cheshire | 35.44% | 64.56% |
| Wiltshire | 167.10 | Avon & Somerset | 164,722 | Hampshire | 35.37% | 64.63% |
| Thames Valley | 166.96 | Warwickshire | 164,449 | Sussex | 35.32% | 64.68% |
| Durham | 165.95 | Devon & Cornwall | 164,292 | Hertfordshire | 35.22% | 64.78% |
| Bedfordshire | 162.85 | West Mercia | 162,400 | Leicestershire | 33.31% | 66.69% |
| Merseyside | 162.80 | Leicestershire | 161,796 | Kent | 33.12% | 66.88% |
| Lancashire | 162.22 | Thames Valley | 159,386 | Bedfordshire | 32.70% | 67.30% |
| Cheshire | 161.23 | Dorset | 158,113 | Nottinghamshire | 28.63% | 71.37% |
| Hampshire | 160.46 | Cheshire | 157,705 | Humberside | 28.13% | 71.88% |
| Greater Manchester | 157.30 | Hertfordshire | 156,167 | Lancashire | 26.38% | 73.62% |
| South Yorkshire | 153.16 | Hampshire | 155,271 | Cleveland | 25.52% | 74.48% |
| Kent | 152.15 | Bedfordshire | 154,937 | Durham | 24.74% | 75.26% |
| Essex | 152.10 | Kent | 154,561 | Metropolitan Police | 22.68% | 77.32% |
| Sussex | 148.91 | Sussex | 153,075 | West Yorkshire | 22.34% | 77.66% |
| Hertfordshire | 147.00 | Suffolk | 152,441 | South Yorkshire | 21.92% | 78.08% |
| West Yorkshire | 145.95 | Lincolnshire | 150,512 | Greater Manchester | 21.49% | 78.51% |
| Metropolitan Police | 137.30 | Wiltshire | 149,930 | Merseyside | 18.75% | 81.25% |
| West Midlands | 111.55 | Essex | 149,001 | West Midlands | 14.62% | 85.38% |
| Northumbria | 93.33 | Cambridgeshire | 148,241 | Northumbria | 13.59% | 86.41% |
| England Average | 172.13 | England Average | 173,665 | | | |
| WALES | | WALES | | WALES | | |
| North Wales | 240.12 | Gwent | 205,465 | North Wales | 48.43% | 51.57% |
| Gwent | 220.06 | North Wales | 203,121 | Dyfed-Powys | 46.42% | 53.58% |
| South Wales | 207.85 | South Wales | 198,101 | Gwent | 39.35% | 60.65% |
| Dyfed-Powys | 200.07 | Dyfed-Powys | 180,965 | South Wales | 38.34% | 61.66% |

Note: Excludes Derbyshire, Northamptonshire and Staffordshire

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**OFFICE OF THE POLICE & CRIME
COMMISSIONER FOR THAMES VALLEY**

**INFORMATION REPORT TO THE
THAMES VALLEY POLICE AND CRIME PANEL
3rd February 2017**

**JOINT INDEPENDENT AUDIT COMMITTEE
ANNUAL ASSURANCE REPORT 2016**

Background

The purpose of the Joint Independent Audit Committee is to provide independent assurance to the Police and Crime Commissioner (PCC) and the Chief Constable regarding the adequacy and effectiveness of the risk management framework and the associated control environment within Thames Valley Police (TVP) and the Office of the PCC (OPCC). It has oversight of general governance matters and may provide comment on any new or amended PCC policies and strategies with regard to financial risk and probity.

The committee comprises five (5) members who are independent of the PCC and TVP and has specific responsibility for reviewing the adequacy and effectiveness of the following corporate management control functions and processes:

- Financial management and reporting
- Internal control and governance environment
- Corporate risk management
- Business continuity management
- Internal audit
- External audit
- Health and safety
- Equality and diversity
- Inspection and review
- Accountability arrangements

The Committee produces an Annual Assurance Report for the PCC and Chief Constable each December. The 2016 Annual Assurance Report is attached.

Anthony Stansfeld

Police and Crime Commissioner for Thames Valley

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JOINT INDEPENDENT AUDIT COMMITTEE



Annual Assurance Report 2016 from the Joint Independent Audit Committee to the PCC for Thames Valley and the Chief Constable of Thames Valley Police

Introduction

This Annual Assurance Report 2016 explains how the Committee has complied with each of its specific responsibilities, referred to in Appendix 1, during the last twelve months covering the period December 2015 to December 2016.

The Committee's last annual report, presented to the PCC and Chief Constable at the Joint Independent Audit Committee meeting held on 16th December 2015, provided an assurance opinion that the risk management and internal control environment in Thames Valley Police (TVP) and the Office of the Police and Crime Commissioner (OPCC) was operating efficiently and effectively. However, we did state that we would retain a close interest in, and scrutiny of, the transformation of the ICT systems and infrastructure which are recognised as being business critical, costly and in need of ongoing improvement. We will explore this issue in more detail later in this report.

Financial management

We received and reviewed the separate Statement of Accounts for 2015/16 for the PCC & Group and the Chief Constable at our special meeting on 9th August 2016, together with the external auditors 'Audit results report for the year ended 31st March 2016'.

We note with approval that the external auditor, Ernst & Young, issued an unqualified audit opinion and an unqualified value for money conclusion for both the PCC and Chief Constable. It was also pleasing to hear from the external auditor that TVP were one of their first clients nationally, including local policing bodies, to have their 2015/16 accounts formally closed and signed-off and this was due to excellent project planning within and between the OPCC and Force Finance Departments and their effective working relationship with external audit staff.

We received the Annual Audit Letter on 1st November together with the full audit closure certificate which had been held up due to delays in being able to submit the Whole of Government Accounts work. We understand that this delay was due to problems at the Government end (i.e. DCLG) rather than TVP staff or Ernst & Young.

Last December [2015] we received a draft copy of the Annual Treasury Management Strategy Statement for 2016/17 which we reviewed and scrutinised robustly, before it was formally approved by the PCC in January 2016. Following the member training session on

treasury management in June 2016 we considered and noted the annual treasury report for 2015/16. This report explained how officers had complied with the annual treasury strategy statement. We were reminded that regular progress reports during the year were presented to the PCC and Chief Constable rather than the Committee.

Having considered all the information available to us we are satisfied that both the PCC's Chief Finance Officer and the Force Director of Finance have the necessary capability and capacity to ensure the proper administration of the PCC's and Force's financial affairs. Indeed, the experience and skills of the two individuals concerned, and the teams they lead, have been of real benefit to the PCC and the Force and we commend their efforts.

Internal control and governance

As a result of serious concerns identified and raised in last year's assurance report, we have continued to retain a close interest in, and scrutiny of, the transformation of the ICT systems and infrastructure. Several unexpected challenges have arisen this year requiring even greater scrutiny by the JIAC of the overall ICT strategy, which is business critical, costly to transform and requires radical improvement.

In March 2016 we received a confidential briefing on the critical issue of the sudden departure of the Interim Head of ICT in January and the subsequent review of the ICT Business Partner model for delivering the ICT strategy.

In June we received a further update on ICT delivery. Whilst there were still a number of challenges to be overcome, the report highlighted the progress that had been made both in reducing the level of risk to the organisation and in restructuring and reshaping of the structures and processes to deliver the new plan.

In addition to receiving regular update reports on ICT to each meeting we have also been invited in October 2016 to attend appropriate meetings of the ICT 2020 Vision Board and Force Transformation Board to see, for ourselves, the corrective action being taken to overcome the problems identified earlier in the year and the progress being made to implement the agreed 5 year ICT strategy. We remain as observer on the joint Hampshire/TVP Bilateral Governance Board.

In June 2016 we considered and scrutinised the updated Framework for Corporate Governance which included the Statement of Corporate Governance, the Joint Code of Corporate Governance for the PCC and Chief Constable, and the Scheme of Corporate Governance which included Financial and Contract Regulations. The Code of Corporate Governance had been completely re-written in order to comply with the CIPFA publication '*Delivering Good Governance in Local Government: Guidance note for police (2016)*'. Minor amendments were also made to Scheme of Corporate Governance and Financial Regulations to ensure they remain timely and fit for purpose.

We received a report from officers on the 'Review of the effectiveness of internal audit' and were pleased to note that the review team had concluded that the system of internal audit in Thames Valley was operating effectively and that the Annual Report and Opinion from the

Chief Internal Auditor could be relied upon to support the Annual Governance Statement (AGS) for 2015/16.

We then reviewed and considered the draft AGS for 2015/16. Whilst welcoming the fact that officers had not identified any significant governance issues that required immediate attention, and that there were only four potential issues that may have an adverse impact on the internal control environment during 2016/17, we challenged officers as to why the various collaboration meetings were not being held in a timely manner given the importance of the subject areas. We note that a timetable for regular meetings have now been established and implemented, and we will continue to monitor the process.

We requested and received in June a comprehensive report on the PCC's victims' commissioning activities and service provision. As well as outlining the contracts that had been awarded since 1st April 2015, we also received a copy of the PCC's Contract Management Strategy and the recent internal audit report on PCC commissioning arrangements which provided 'FULL' assurance on the relevant systems and processes.

We received a report in March 2016 which outlined progress against the three potential issues in the 2014/15 AGS action plan and a further update in September 2016 which provided an update on the four potential issues in the 2015/16 AGS action plan.

In her Annual Audit Letter, published on 26 October 2016, the external auditor stated '*We are required to consider the completeness of disclosures in the PCC's and CC's annual governance statement, to identify any inconsistencies with the other information of which we are aware from our work, and consider whether it is misleading. We completed this work and did not identify any areas of concern.*'

Based on the information provided to the Committee during the last twelve months we can provide assurance that, to the best of our knowledge, the corporate governance framework within Thames Valley is operating efficiently and effectively.

Complaints, integrity and ethics

Force Oversight arrangements

In December 2015 we received an update on the Anti-Fraud and Corruption Strategy which explained, in particular, the various structures and processes the Force has in place to address issues relating to corruption in the workplace.

We have been provided with details of how complaints against the Force are managed by the Professional Standards Department (PSD) and, if recorded, are investigated and resolved either locally or by PSD investigators, depending on the severity of the case, with a right of appeal in every case. We have also been advised that the Head of PSD and the DCC meet monthly to review serious investigations.

We have been informed that the 'Integrity Sub-Group' reviews and make decisions on critical issues surrounding integrity which impact on the Force. It is chaired by the Head of PSD and

reports into the Force Security Board, which is chaired by the DCC. As with complaints, there is a degree of independent external oversight from the Independent Police Complaints Commission (IPCC) around integrity issues as all corruption allegations (conduct or complaints) must be referred to them at the intelligence gathering stage. They liaise directly with the investigators to ensure that their concerns are met and may, on occasion, take the lead on the investigation.

We attend, as observers, the bi-monthly meetings of the Complaints, Integrity and Ethics Panel to ensure that the PCC's oversight of complaints against the Force and other integrity and ethics issues are operating effectively in practice.

Corporate risk management

We have reviewed regular quarterly updates from both the Force and the Office of the PCC (OPCC) in terms of their strategic risk management systems and processes, supplemented by the annual report on Force Risk Management in June 2016.

This is an area of business we take very seriously, and question and challenge officers on a regular basis to ensure that we are sighted on all significant corporate risks and are satisfied that these risks are being dealt with in a timely, effective and appropriate manner.

Based on the information provided to the Committee during the last twelve months it appears that the organisational risks in both the OPCC and Force are being managed effectively and that there is appropriate capability for their respective published goals and objectives to be achieved efficiently and effectively.

Business continuity management

As with risk management we have considered quarterly updates from the Force on business continuity, supplemented by the annual report in June 2016. We have made various recommendations to officers in order to improve the appropriateness and usefulness of these reports and are pleased that these have been acted upon.

We are content that business continuity is treated as a serious issue by senior officers within the Force and that regular and practical exercises are undertaken in order to test business continuity planning and to provide learning opportunities for key staff.

We are satisfied that the business continuity management processes are operating efficiently and effectively in identifying issues and capturing organisational learning and there are no significant issues that we need to draw to your attention.

To strengthen further the Committee's oversight in this area, the JIAC also attends the bi-annual strategic business continuity meeting chaired by the DCC.

Internal audit

We scrutinised the proposed in-sourcing of internal audit, and were keen to ensure that the Chief Internal Auditor will have sufficient professional oversight and independence. The Chairman of the JIAC was invited to sit on the interview panel for the new Chief Internal Auditor, who formally started in May.

We received and endorsed the Internal Audit Strategy and Annual Plan 2016/17 at our meeting on 23rd March 2016. We noted that the annual plan included all relevant financial systems, as well other business critical functional areas and activities. In reviewing the Plan we asked officers to consider whether adequate audit coverage had been included for ICT systems, particularly given the number of business continuity failures in this key area, inconclusive ICT audits during 2015/16 and problems and delays being experienced earlier this year in implementing the 5 year ICT strategy. Having raised our concerns, officers reviewed the ICT coverage and presented regular updates during the year. We were pleased, in particular, to note the change in emphasis for ICT audits with a move away from auditing specific systems to a more inclusive review of project governance and programmes.

Although the costed audit plan does not include a specific allocation of days for use by the Committee, there is an extant agreement with the CC and PCC that the Committee may, at its discretion, draw on up to 10 audit days for its own specific use.

In June 2016 we received the annual report from the Chief Internal Auditor. We were pleased to note that of the 24 audits planned for 2015/16, 21 had been completed. We received adequate explanations as to why 3 ICT programme audits had not been formally issued. Of the 21 completed audits, 2 had received full assurance, 13 had received majority assurance and 3 had received limited assurance. The remaining 3 audits were follow-up audits for which no rating was issued. We probed with internal auditors and appropriate officers the reasons for the reported shortcomings in the assurance levels for some reports and the completion of the associated action plans. Based on the reviews completed during the year, the opinion on the organisation's system of internal control was that key controls in place are adequate and effective, such that an assessment of majority assurance could be placed on the operation of the organisation's functions. The opinion demonstrates a good awareness and application of effective internal controls necessary to facilitate the achievement of objectives and outcomes. There was, in general, an effective system of risk management, control and governance to address the risk that objectives are not fully achieved.

In March 2016 and September 2016 we received updates from the Chief Internal Auditor on progress with delivery of the annual internal audit plan, including a summary of key issues arising from recently completed audits. We continue to receive final audit reports which give us early sight of any key issues arising from completed audits that require management action. This is particularly useful for those few audits where limited or no assurance is given.

We have received and debated regular update reports each quarter on progress of agreed actions in internal audit reports. Although the number of overdue actions has started to increase in recent months, we are reassured that management continues to take the

implementation of actions arising from internal audit reports very seriously. We shall, however, continue to monitor this situation rigorously in coming years.

In September we received an update from the Chief Internal Auditor on some of the additional actions and pieces of work that had been undertaken since the internal audit service was brought in house in April. These included: a review of internal audit processes and documentation to simplify matters and avoid duplication; a change of 'audit opinions' to provide a more equal and gradual scale and a change of 'priority' wordings to provide more clarity on the significance of each action; revised the collaboration auditing principles which clarify and simplify the process for SE and bilateral audit reviews; will be seeking new sources of assurance for the annual internal audit report; implemented new internal governance arrangements including bi-monthly meetings with the Director of Finance and the Chief Finance Officer and are actively preparing for an external peer assessment of the internal audit service during 2017, to establish the service's compliance level with the Public Sector Internal Audit Standards (PSIAS).

We are satisfied that the system of internal audit in Thames Valley is operating efficiently and effectively and there are no specific issues or areas of concern that we would wish to highlight to the PCC and/or Chief Constable.

External audit

In March 2016 the external auditor, Ernst & Young [EY], presented its joint audit plan for the PCC and Chief Constable for the financial year ending 31st March 2016. This explained the context for the audit, as well as outlining the auditor's process and strategy. EY highlighted the various risks to the financial statements. We were pleased to note that the audit fee for 2015/16 was held at the same cash level as in 2014/15.

Prior to the June 2016 meeting we received a presentation from EY on their work as external auditors. During the actual meeting we received their quarterly progress report in which the EY Executive Director informed us that they would have to include a new significant value for money (VFM) risk in relation to the key sub-criteria of informed decision making, resulting from concerns around ICT procurement and the 5 year ICT strategy Review in response to investigations underway within the force. The approach to this specific piece of work had been agreed with relevant chief officers, and was explained clearly to us. In addition to the above piece of work we were notified that the Director of Finance had also commissioned EY to assess the robustness of the response since the incident was identified and to ensure that the control structure moving forward is both robust and sound.

We probed the boundaries of EY's audit of TVP and Hampshire, and noted that Chinese walls operate between the two audits. This reinforced the importance of effective governance of the extensive collaboration arrangements.

At the June meeting we were informed of the new audit fees for 2016/17 which, we were pleased to note, were held at the same cash level for the second successive year.

At the special meeting on 9th August the External Auditor presented her Audit Results Report which summarised her audit conclusion in relation to the Group (i.e. PCC and Chief Constable) financial position and results of operations for 2015/16. This audit was designed to express an opinion on the 2015/16 financial statements for the PCC and Chief Constable, reach a conclusion on the PCC and Chief Constable's arrangements for securing economy, efficiency and effectiveness in the use of resources, and address current statutory and regulatory requirements. We were pleased to note that EY had not identified any significant errors or misstatements in the accounts and were able to issue an unqualified audit opinion. Although EY had completed their additional work in respect of the significant VFM risk referred to above, and were able to conclude that TVP had put in place proper arrangements to secure VFM in its use of resources, we challenged very robustly some of the language being used in the Audit Results Report in this area. As in previous years we were informed that EY could not issue the final audit completion certificate due to delays at the DCLG end in being able to submit the Whole of Government Accounts (WGA) work.

On 1 November the External Auditor issued her Annual Audit Letter for the year ending 31st March 2016 to the PCC and Chief Constable which confirmed that she had issued an unqualified audit opinion in respect of the financial statements, an unqualified value for money conclusion and the audit completion certificate.

In terms of the financial statements and the year-end audit we are very pleased with the final outcome. We welcomed the efforts made by officers to close the accounts early again this year and were pleased to hear that TVP were one of the first local policing bodies nationally to have their 2015/16 accounts formally signed-off by external audit. This is an excellent achievement and one we hope can be continued and built upon as we move towards the statutory earlier closedown (31st May) and audit sign-off (31st July) for the 2017/18 accounts. We would also like to express our gratitude to the external auditors for their key role in the effective closedown and early audit sign-off process.

Future Audit Arrangements

In September we received a report from the Chief Finance Officer which provided information on a sector-led procurement opportunity to join Public Sector Audit Appointments (PSAA) Limited for the procurement of external audit contracts with effect from 2018/19. Having listened to the arguments for and against such an approach, we were happy to support the principle of signing up to a sector led approach when the formal invites are issued later in 2016.

Health & safety and environment

We need to be satisfied that an adequate and effective policy and practice framework is in place to discharge legal duties in relation to health and safety and has regard to the safety, health and welfare of police officers and police staff, people in the care and custody of Thames Valley Police (TVP) and all members of the public on police premises or property and/or affected by the activities of the police. The annual report of H&S is scheduled to be presented to the December 2016 JIAC meeting and we have not been able to scrutinise the

contents in time to provide assurances on whether this area of business is operating efficiently and effectively.

Equality & diversity

Last December [2015] we received a comprehensive Equality and Diversity monitoring report which explained a number of changes to systems and process which had recently been approved by the Chief Constable's Management Team (CCMT), including proposals for the Diversity Board and Single Equality Scheme 2015-16.

Whilst the Chief Constable retains overall responsibility for equality and diversity, responsibility for external facing equality and diversity issues rests with the Assistant Chief Constable for Neighbourhood Policing and Partnerships and responsibility for internal facing equality and diversity issues with the Director of People.

The Single Equality Scheme has been moved under objective 7 of the Force Delivery Plan (i.e. Build confidence with all our communities and our people through our commitment to equality, diversion and inclusion) and, as such, is subject to quarterly reporting to the PCC as per the other 6 objectives. The equality and diversity annual report for 2016/17 will be presented to this Committee in June 2017. However, given that we haven't received any formal updates in the last 12 months we cannot provide an assurance opinion on whether the revised processes are operating effectively in practice.

Inspection and review

Her Majesty's Inspectorate of Constabulary (HMIC) independently assesses police forces and policing across activity from neighbourhood teams to serious crime and the fight against crime – in the public interest. HMIC decides on the depth, frequency and areas to inspect based on their judgements about what is in the public interest.

We understand that the Chief Constable and his management team considers each report in detail, irrespective of whether it relates directly to Thames Valley Police and, where appropriate, agrees an appropriate action plan. We also understand that the PCC is required to consider and publish a response to each HMIC report relevant to Thames Valley Police. The Committee has asked to be copied the reports and responses of the PCC

As far as we know HMIC has not issued any report during the last twelve months that has specifically referred to assurance on the internal control environment and/or highlighted governance issues for the PCC and Chief Constable to consider.

General

We are pleased to report that the arrangements agreed two years ago, as set out below, are working effectively:

- Be regularly briefed by the Chief Constable and PCC on the full range of activities falling within our specific responsibilities and attend other relevant internal meetings

- Have direct access to the oversight of professional standards and ethics matters by regularly attending the Complaints, Integrity and Ethics Panel as an observer
- Attend any training and conference events that will ensure members are up to date with the policing landscape and audit requirements

During the year we were provided with training by our Treasury management consultants on the principles of treasury management and how to scrutinise such management reports.

Some members attended the CIPFA Policing annual conference, discussing challenges faced by audit committees and proposed legislative changes that will impact on the work of audit committees.

One new member gained deeper insight on policing by spending a busy evening “ridealong” with police officers.

Over the year we had meetings with the Chief Constable, PCC and Senior staff for updates between formal JIAC meetings.

These briefings and invitations to attend internal Force meetings, coupled with the sharing of appropriate CCMT reports of interest, are raising our awareness and knowledge of legislative, policy or operational initiatives that are relevant to the Committee’s remit, such as organisational structural changes, service delivery initiatives, and financial and service planning issues. In turn, this is improving our collective understanding of how the Force and OPCC governance arrangements and control environments are operating in practice.

We are grateful to the PCC and Chief Constable for agreeing to increase the membership of this committee from 3 to 5, and believe that the additional capacity has enabled us to increase our collective skills, knowledge, experience and resilience.

JIAC operating principles

Our current operating principles are shown in Appendix 1. These are consistent with those previously used in the member recruitment process.

Conclusions

The purpose of the Joint Independent Audit Committee is to provide independent assurance to the PCC and Chief Constable regarding the adequacy of the risk management framework and the associated control environment within Thames Valley Police and the Office of the PCC.

Constructive challenges over the past twelve months on a wide range of topics have given us greater access to information and meetings; the positive relationship with the PCC and the Chief Constable and senior staff has enabled us to contribute to improved audit, risk management and internal controls.

We will continue our scrutiny around ICT and its impact on force change management, the delivery of force financial performance and operational effectiveness.

Based on the information that we have seen collectively, or know about individually, we can assure the PCC and Chief Constable that the risk management and internal control environment in Thames Valley is operating efficiently and effectively.

Joint Independent Audit Committee

Members:

Dr Louis Lee (Chairman)
Mr Richard Jones
Mrs Alison Phillips OBE
Dr Gordon Woods
Mr Michael Day

15 December 2016

Joint Independent Audit Committee - Operating Principles

Statement of Purpose

- Our Joint Independent Audit Committee is a key component of the PCC and Chief Constable's arrangements for corporate governance. It provides an independent and high-level focus on the audit, assurance and reporting arrangements that underpin good governance and financial standards.
- The purpose of the Committee is to provide independent assurance to the PCC and the Chief Constable regarding the adequacy of the risk management framework and the associated control environment within Thames Valley Police and the Office of the PCC. It will consider the internal and external audit reports of both the PCC and Chief Constable and advise both parties according to good governance principles. It has oversight of general governance matters and provides comment on any new or amended PCC policies and strategies with regard to financial risk and probity.
- These operating principles will summarise the core functions of the Committee in relation to the Office of the PCC and the Force and describe the protocols in place to enable it to operate independently, robustly and effectively.

The Committee will report directly to the PCC and the Chief Constable.

Committee Composition and Structure

The Committee will consist of five members who are independent of the PCC and Thames Valley Police. They will be appointed by the Chief Constable and the PCC (or their representatives).

The Chairman will be elected by the Committee on an annual basis.

The Committee will hold four formal meetings a year – in public - although there may be a requirement to hold additional meetings at short notice.

The PCC and Chief Constable will attend or be appropriately represented at formal meetings. Committee meetings will be held at key strategic times of the year to coincide with the budget process and publication of financial management reports and accounts:

1. **March** – to consider the Internal Auditor's Internal Audit Plan
2. **June** – to consider the End of Year Report, the External Audit Plan and Fee and the Annual Governance Statement;
3. **September** – to consider the Statement of Accounts;
4. **December** – to receive the Annual External Audit Letter and agree the Annual Assurance Report of the Committee.

The agenda, reports and minutes of all Committee meetings will be published on the PCC and Force websites. However, members of the press and public shall be excluded from a meeting whenever it is likely that confidential information will be disclosed. Confidential information is defined as:

- a) Information furnished to the Committee by a Government department upon terms (however expressed) which forbid the disclosure of the information to the public; and
- b) Information the disclosure of which to the public is prohibited by or under any enactment or by the order of a Court.

Methods of Working

The Committee will:

- Advise the PCC and Chief Constable on good governance principles
- Adopt appropriate risk management arrangements
- Provide robust and constructive challenge
- Take account of relevant corporate social responsibility factors when challenging and advising the PCC and Chief Constable (such as value for money, diversity, equality and health and safety)
- Be regularly briefed by the Chief Constable and PCC on the full range of activities falling within its specific responsibilities and attend other relevant internal meetings
- Have direct access to the oversight of professional standards and ethics matters by regularly attending the Complaints, Integrity and Ethics Panel as an observer
- Attend any training and conference events that will ensure members are kept up to date with the policing landscape and audit requirements
- Provide an annual assurance report to the PCC and Chief Constable

Specific responsibilities

The Committee has the following specific responsibilities:

Financial Management and Reporting

- Provide assurance to the PCC and Chief Constable regarding the adequacy of the arrangements, capacity and capability available to their respective chief finance officers to ensure the proper administration of the Commissioner's and Force's financial affairs.
- Review the Annual Statement of Accounts. Specifically, to consider whether appropriate accounting policies have been followed and whether there are concerns arising from the financial statements or from the audit of the financial statements that need to be brought to the attention of the PCC and/or the Chief Constable.
- Consider the external auditor's report to those charged with governance on issues arising from the audit of the financial statements, and to give advice and make such recommendations on the adequacy of the level of assurance and on improvement as it considers appropriate.

Internal Control and Governance Environment

- Consider and endorse the local Code of Corporate Governance
- Consider and endorse the Annual Governance Statement (AGS)
- Monitor implementation and delivery of the AGS Action Plan
- Obtain assurance that an annual review of the effectiveness of the internal audit function takes place
- Consider and comment upon the adequacy and effectiveness of the assurance framework, and the specific governance and accountability policies, systems and controls in place, such as the Corporate Governance Framework; anti-fraud and corruption; whistle-blowing, declarations of interest and gifts and hospitality.

Corporate Risk Management

- Consider and comment upon the strategic risk management processes; and
- Receive and consider assurances that organisational risks are being managed effectively and that published goals and objectives will be achieved efficiently and economically, making recommendations as necessary

Business Continuity Management

- Consider and comment upon business continuity management processes, and
- Receive and consider assurances that business continuity is being managed effectively and that published goals and objectives will be achieved efficiently and economically, making recommendations as necessary

Internal Audit

- Receive and consider the adequacy and effectiveness of the arrangements for the provision of the internal audit service
- Consider and comment on the Internal Audit Strategy and Plan
- Receive and review internal audit reports and monitor progress of implementing agreed actions
- Consider and comment upon the annual report of the Head of Internal Audit

External Audit

- Receive and review reports from the external auditors, including the annual audit letter and audit opinion
- Review the effectiveness of external audit
- Consider and comment upon any proposals affecting the provision of the external audit service
- Consider the level of fees charged, and
- To undertake the future role of the Independent Audit Panel, as set out in the Local Audit and Accountability Act 2014, including considering and recommending appropriate arrangements for any future appointment of External Auditors

Health & Safety

- Satisfy itself on behalf of the PCC and the Chief Constable that an adequate and effective policy and practice framework is in place to discharge legal duties in relation to health and safety. In particular, having regard to the safety, health and welfare of police officers and police staff, people in the care and custody of Thames Valley Police and all members of the public on police premises or property

Equality and Diversity

- Satisfy itself on behalf of the PCC and Chief Constable that an adequate policy and practice framework is in place to discharge statutory requirements in relation to equalities and diversity

Inspection and Review

- To consider any HMIC report that provides assurance on the internal control environment and/or highlights governance issues for the PCC and/or Chief Constable

Accountability Arrangements

- On a timely basis report to the PCC and the Chief Constable with its advice and recommendations in relation to any matters that it considers relevant to governance, risk management and financial management.
- Report to the PCC and the Chief Constable on its findings, conclusions and recommendations concerning the adequacy and effectiveness of their governance, risk management and internal control frameworks; financial reporting arrangements and internal and external audit functions.
- On an annual basis to review its performance against its operating principles and report the results of this review to the PCC and the Chief Constable.



OFFICE OF THE POLICE & CRIME COMMISSIONER FOR THAMES VALLEY

INFORMATION REPORT TO THE THAMES VALLEY POLICE AND CRIME PANEL 3rd February 2017

THAMES VALLEY POLICE PROPERTY ASSET MANAGEMENT PLAN 2016-2020

Background

The Property Asset Management Plan (AMP) establishes the overall strategic direction for management of the Thames Valley Police (TVP) estate, and provides the context for making key decisions on the future of individual properties and investment priorities.

The current AMP was approved in 2014. It is refreshed in detail every two years, with annual updating of key annexes covering the future strategy of each operational building, and the ongoing disposal programme. The AMP document and associated work streams are monitored regularly and implications in respect of the annual budget cycle are highlighted for appropriate consideration.

The attached draft 2016 AMP covering the period 2016-2020 reflects the latest recommended position on individual site retention, confirms an ongoing disposal programme and required activity over the next two years to continue to improve how we manage our estate assets.

Summary

This covering report provides an overview of performance to date, highlights what is new and has changed in the AMP, and raises some issues/challenges for future consideration. While the AMP is formally refreshed every 2 years, specific components of it (such as site retention status and disposal programme) are “live” documents, responding to change or new opportunities, and an interim future update on key aspects will be provided during in 2017.

Drivers & enablers behind the AMP – key changes

- Increased budgetary pressure on reducing non-staff costs, and the cost of the estate overall - to achieve the additional £1.5m savings target included within the TVP Productivity Strategy by March 2019.
- ICT-facilitated ‘Smarter Ways of Working’ – to reduce the size of accommodation requirements and increase the potential to release/replace additional sites in the future at operational, support and HQ levels.

- LPA Operating Model, Digital Policing and Contact Management programmes - to enable change, reducing the need for space.

Disposals & Acquisitions - progress since 2014

- Residential property disposals - the stock of police houses has reduced significantly in recent years, and a gradual decreasing annual capital receipt profile to 2020 is currently projected, with the majority of remaining houses expected to be sold by 2024.
- Non-residential property disposals - significant work has been undertaken since 2014 in developing/progressing virtually all disposal projects to varying degrees.
- As the current AMP related disposal programme progresses to 2020, the expectation is still that the overall projected net reduction in floor space (from the level in 2010) will be around 26%.

Collaboration – current position

- The One Public Estate (OPE) initiative is progressing substantively in Berkshire, has just been initiated in Buckinghamshire, but has not yet commenced in Oxfordshire or Milton Keynes. It is not yet clear what the OPE partnership delivery model would ultimately be in Berkshire, and whether it is appropriate or desirable for TVP to formally be part of that. At the very least, there will be Terms of Reference that include collaborative working principles and outcome expectations to facilitate better or reinforce current positive working arrangements with our partners.
- The Memorandum of Understanding (MoU) with the Fire Services is working well, with a number of active and developing projects across the force area all of which have been progressed since 2014. Estates collaboration with other forces has remained focussed on location specific issues arising from operational collaboration activity, such as archive storage or the regional Counter-Terrorism Unit (CTU)/Regional Organised Crime Unit (ROCU) teams.

Future housing and population growth activity (S106) – progress since 2014

Most recent projections have identified that in total (between 2011 and 2031) 261,000 new homes in the Thames Valley region should be delivered; this equates to approximately 13,000 homes per year. Similarly the most recent population projections have identified that by 2031, the population of the Thames Valley area will increase by 260,000, a 14% increase.

- S106/CIL monies secured - £2.35m of cumulative developer contribution commitments have been legally secured, compared with £1.43m in 2014. Significant progress has also been made in the receipt of secured developer contributions.
- Policy recognition - the Community Infrastructure Levy (CIL) will eventually replace the current mechanism for securing developer contributions (S106 Agreements). In total 6 Councils across the force area have adopted CIL and TVP has secured recognition for CIL funding for our requirements from all of

these. The total amounts to £4.8m; however, the precise mechanism and timescale for accessing this funding is still to be determined. TVP continues to pursue recognition in CIL with all Councils.

Overall estate change and performance

- The net impact has been a reduction in total “overt” sites from 154 in the 2014 AMP to 120 in the 2016 AMP. Within the context of the disposal programme alone, the net reduction in floor area achieved within that programme from 2010 is 12,648 sq m, of which 50% has been disposed of since 2014
- 88% of the estate is now owned, compared with 72% in 2010 and 82% in 2014. This reflects the surrender of more leases and the purchase of Meadow House, Kingfisher Court and Fountain Court. The successful purchase of Fountain Court, utilising current low interest rates/low cost borrowing, represents a positive consolidation of our holding at HQ North, and a revenue saving in rent of over £600,000 per annum. The freeholds of all three buildings at HQ North are now owned by the PCC.
- The space standard (sq m) per desk has achieved its target of 6 sq m set in 2010. This significant reduction, planned to be achieved by 2020, is as a result of pro-active space management over time, seeking to maximise space use in office areas where possible. In 2010 it was 7.30 sq m per desk
- 8 out of 10 internal Key Performance Indicators (KPIs) are rated ‘good’, with the remaining 2 (carbon footprint, and space per FTE) rated as ‘amber’, but with an expected positive direction of travel
- Overall the portfolio is fit or generally fit for purpose, and generally performs well in supporting service delivery, with no significant gaps in provision.

Specific issues/sites to note

Reduction in the Neighbourhood Office estate

- Aligned to the review of the new Operating Model and rollout of mobile ICT, this may result in the opportunity to further reduce the Neighbourhood Office estate over the AMP period.
- The extent to which a withdrawal from a location without a physical replacement is operationally acceptable will need to be tested; however, retaining expensive or underused sites is not sustainable if we are to reduce the estate cost materially.
- New approaches to Neighbourhood policing/patrolling will be essential to facilitate change. Inevitably a large number of relatively expensive offices are held in urban and other high risk areas.

Protecting the custody suite estate

- The presence of custody suites is an important consideration in the future retention or otherwise of our larger sites. Those without them represent potential new disposal/replacement projects where viable/affordable. This would enable buildings such as Witney, St Aldates, Bracknell and potentially Amersham to be

more overtly and robustly assessed for potential replacement/downsizing in the future.

- This AMP currently identifies one of these sites for retention but three as potential disposals with replacements. Replacement of sites with custody facilities is unlikely to be viable unless there is a radical change in how the custody function is provided in the future.
- In this AMP these sites are identified for retention but the business requirement will continue to be monitored.

St Aldates PS and Bracknell PS – both sites are identified as potential future disposals with replacements for different reasons.

- St Aldates PS was proposed during the Priority Based Budget (PBB) review for potential disposal, utilising the existing estate for most of the occupants, but with a substantive (c300-350 sq m) city centre replacement facility. It is an old, inefficient and expensive building to run/maintain, larger than is required and will require significant investment if it is to be retained. The viability of a replacement will be assessed over the next 18 months, once it is clear what the new Operating Model requirements will be and the outcomes of other programmes such as Contact Management Programme (CMP) are, some of which will influence the strategy. The Fire Service are keen to engage with TVP around a possible joint/co-located TVP/Fire/SCAS facility which may provide a solution to the need for TVP to retain a suitable city centre operational presence.
- Bracknell PS is increasingly likely to be included in a 2nd phase of the ongoing town centre regeneration. Bracknell Forest Borough Council (BFBC) are keen to start considering potential replacement requirements with TVP. Once the estate requirements are clarified we will be in a better position to assess options.

Conclusion

With the positive outcomes already achieved, work currently in progress and planned activity over the next 4 years, we are well placed to deliver a significantly leaner, more cost effective/value for money estate, retaining operational footprints where needed.

Achieving the disposal programme will remain challenging in view of factors beyond our control that impact on delivery/timing of sales and/or replacements, but we are doing what we can to mitigate this risk.

The profile and engagement by partners in estates collaboration has increased significantly since 2014, which should be helpful in achieving our estate rationalisation.

Further significant reduction/change, generating deliverable and worthwhile revenue savings, will require a more radical new approach to our use of accommodation and space. However, such approaches and changes can be reflected in future iterations of the AMP.

Anthony Stansfeld

Police and Crime Commissioner for Thames Valley

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OFFICE OF THE POLICE & CRIME COMMISSIONER FOR THAMES VALLEY

INFORMATION REPORT TO THE THAMES VALLEY POLICE AND CRIME PANEL 3rd February 2017

POLICING AND CRIME BILL 2016 IMPLICATIONS

Executive Summary

In the last Parliament, the previous Government brought about major changes to policing to introduce:

- greater accountability and transparency (through directly elected Police and Crime Commissioners (PCCs), an enhanced Independent Police Complaints Commission (IPCC) and strengthened inspectorate);
- increased capabilities (through the creation of the National Crime Agency (NCA)) and professionalism (through the establishment of the College of Policing);
- a focus on efficiency and cutting crime.

The current Government was elected with a manifesto commitment to “finish the job of police reform”. The purpose of the Policing and Crime Bill (“the Bill”) is to further improve the efficiency and effectiveness of police forces, including through closer collaboration with other emergency services; enhance the democratic accountability of police forces and fire and rescue services; build public confidence in policing; strengthen the protections for persons under investigation by, or who come into contact with, the police; ensure that the police and other law enforcement agencies have the powers they need to prevent, detect and investigate crime; and further safeguard children and young people from sexual exploitation.

The Bill is in nine parts:

Part 1 places a duty on police, fire and rescue and ambulance services to collaborate, and enables PCCs to take on responsibility for fire and rescue services. This part also seeks to strengthen the current inspection powers under the Fire and Rescue Services Act 2004 in order to ensure an independent inspection regime for fire and rescue services in England.

Part 2 reforms the police complaints and disciplinary systems, including the governance of the Independent Police Complaints Commission (“IPCC”), provides for a new system of “super-complaints” and confers new protections on police whistle-blowers. This part also aims to further strengthen the independence of Her Majesty’s Inspectorate of Constabulary (HMIC) and to ensure that it is able to deliver end-to-end inspections of the police, including by inspecting contractors and third parties who carry out policing functions.

Part 3 enables chief officers of police to confer a wider range of policing powers on police civilian staff and volunteers (excluding those reserved for warranted police

officers) and confers on the Home Secretary a power to specify police ranks in regulations. This part also updates the core purpose of the Police Federation for England and Wales and makes it subject to the Freedom of Information Act 2000 ("the FOI Act").

Part 4 contains a number of reforms to police powers, including in relation to:

- pre-charge bail to introduce a presumption in favour of release without bail and statutory time limits and judicial oversight of extensions of bail beyond three months, and a new offence of breaching pre-charge bail conditions that relate to travel restrictions in terrorism cases;
- powers to enable the retention of DNA profiles and fingerprints of those convicted outside of England and Wales;
- the powers under sections 135 and 136 of the Mental Health Act 1983 ("the 1983 Act") in respect of persons experiencing a mental health crisis, including banning the use of police cells for the detention of under-18s and reducing the maximum period of detention;
- the extension of police powers to investigate offences committed on vessels operating at sea;
- amendments to the Police and Criminal Evidence Act 1984 ("PACE") to ensure that 17 year olds who are detained in police custody are treated as children for all purposes, and to enable greater use of video-link technology; and
- cross-border powers of arrest to enable a person who commits an offence in one UK jurisdiction to be arrested without warrant by an officer in another jurisdiction.

Part 5 makes further provision in respect of the term of office of Deputy PCCs to enable them to be eligible for appointment as an acting PCC in the event of the office of PCC falling vacant mid-term. This part also provides for changes to the names of police areas to be made by regulations.

Part 6 seeks to better protect the public by amending the Firearms Acts so as to close loopholes that can be exploited by criminals and terrorists and by ensuring that, through statutory guidance, there is a consistent approach by chief officers of police to the consideration of applications for firearms licences and shotgun certificates.

Part 7 amends the Licensing Act 2003 ("the 2003 Act") to improve the effectiveness of the alcohol licensing regime in preventing crime and disorder.

Part 8 seeks to strengthen the enforcement regime for financial sanctions by increasing the maximum custodial sentence on conviction for breaching sanctions, expanding the range of enforcement options, including a new system of monetary penalties, and by providing for the immediate implementation of UN-mandated sanctions.

Part 9 contains miscellaneous and general provisions, including:

- new requirements on arrestees and defendants to confirm nationality;
- an amendment to the Sexual Offences Act 2003 ("SOA") to provide that the offences in relation to child sexual exploitation cover the streaming or transmission of indecent images of children;
- introducing lifelong anonymity for victims of forced marriage,
- makes provision for the Secretary of State to publish a training strategy to the police regarding the treatment of victims, and
- a power to issue statutory guidance to local taxi and private hire vehicle licensing authorities in relation to the safeguarding of children and vulnerable individuals.

The Bill is due to be enacted shortly but different provisions of the Bill will come into force at different times from April 2017 onwards.

Implications of the Policing and Crime Bill

Part 1: Emergency Services Collaboration

Part 1 places a duty on police, fire and rescue and ambulance services to collaborate, and enables PCCs to take on responsibility for fire and rescue services. It supports the implementation of the Government's manifesto commitment to "enable fire and police services to work more closely together and develop the role of our elected and accountable Police and Crime Commissioners". This Part also seeks to strengthen the current inspection powers under the Fire and Rescue Services Act 2004 in order to ensure an independent inspection regime for fire and rescue services in England.

The provisions:

- a) Introduce a duty to collaborate on all three emergency services, to improve efficiency or effectiveness.
- b) Enable PCCs to take on the functions and duties of Fire and Rescue Authorities (FRAs), where a local case is made ("the governance model").
- c) Further enable PCCs to create a single employer for police and fire staff where they take on the responsibilities of their FRA, where a local case is made ("the single employer model").
- d) In areas where a Police and Crime Commissioner has not become responsible for fire and rescue, enabling them to have representation on their local fire and rescue authority with voting rights, where the fire and rescue authority agrees.

The Bill does not mandate the transfer of fire and rescue services to PCCs. Instead, it introduces an enabling power which would allow a PCC to assume responsibility for their local fire and rescue service(s) where it would be in the interests of economy, efficiency and effectiveness or public safety where a local case is made.

The distinction between operational policing and firefighting will be maintained – legislation will remain in place (s37 of the Fire and Rescue Services Act 2004) that prevents a full time police officer from being a firefighter, and there is no intention to give firefighters the power of arrest or any other core policing powers.

The 'Governance' Model

The intended features of this model are as follows:

- Provides more direct accountability to the public
- Accelerates local collaboration
- The police force and fire and rescue service would remain two distinct organisations
- The PCC in his capacity as the Fire and Rescue Authority (FRA) would be the employer of all fire and rescue staff (but the Chief Fire Officer would continue to have operational responsibility)
- The Chief Constable will employ police staff and have direction and control over police officers

Where a PCC is interested in taking on governance of the fire and rescue service, they would work with the FRA(s), which will be under a duty to cooperate, to prepare and publish a business case.

The PCC will be required to consult the public locally and seek views as to whether the

transfer should take place in the interests of economy, efficiency and effectiveness or public safety.

Subject to the outcome of the public consultation, and where the PCC and all the relevant constituent local authorities for the area are in agreement that the fire service should transfer to the PCC, the PCC would request that the Government introduces secondary legislation to give effect to the transfer. If the Home Secretary agrees that the governance change is in the interests of economy, efficiency and effectiveness or public safety, she will be able to make an order to give effect to the transfer.

If agreement between all parties is not forthcoming, the PCC would still be able submit the business case to the Home Office. The Home Secretary would then decide whether the governance change is in the interests of economy, efficiency and effectiveness or public safety. To inform her view, the Home Secretary will be required to seek an independent assessment and would take into account the results from the local consultation.

Where the Police and Crime Commissioner takes on governance of the fire and rescue authority, they are to be renamed 'Police, Fire and Crime Commissioner for [name of police area]'. Similarly the Police and Crime Panel will be renamed.

The Single Employer Model

The single employer model enables a PCC to take on responsibility for fire and rescue services and put in place a single employer for fire and policing, following the same process as for the governance model.

The intended features of this model are as follows:

- Remove the barriers that can prevent the full potential of fire and police collaboration (including the need to draw up contracts and collaboration agreements to share back office services)
- Provide greater budget flexibility
- Ability to streamline upper tiers of management.

Under the single employer model, the PCC will appoint a chief officer who – as chief constable and the single operational head of the organisation – will employ both police and fire personnel. The chief officer would be appointed by and be accountable to the PCC for both fire and policing. The chief officer should appoint a senior fire officer to lead fire operations and a deputy chief constable to lead police operations, under their command.

Thames Valley Issues and Implications

In considering whether to prepare and submit a business case to take on the functions and duties of fire and rescue authorities, the key issue in the Thames Valley area that the PCC will face is the complexity of current service delivery and governance arrangements, and the implications that will have for planning and managing any proposed transfer of governance, e.g.:

- 3 fire and rescue services across the Thames Valley area (Berkshire, Buckinghamshire and Oxfordshire)
- 2 different governance models (FRAs in Buckinghamshire and Berkshire; in Oxfordshire the County Council acts as the FRA)
- 9 “relevant local authorities” across the Thames Valley (7 unitaries and 2 county councils) - as well as the general public - to consult and seek support from

regarding any proposed transfer of governance responsibility.

- Current collaboration arrangements and memorandums of understanding between fire and rescue services, South Central Ambulance Service, Thames Valley Police and local authorities.
- Current integration of the role of Oxfordshire Fire and Rescue Service senior fire officers within the Oxfordshire County Council senior management structure and functional responsibilities for other Council services.
- Equalisation of fire and rescue service council tax precepts and funding.
- Devolution debate (local authorities)

If the PCC seeks to make a case for taking on the governance of the three fire and rescue services, the business case will require a review of current service arrangements and options for future operating models in order to identify and demonstrate potential financial savings and operational benefits (“economy, efficiency and effectiveness” or “public safety” per the business case assessment criteria), how they will be delivered and how any significant business change and associated transitional risks will be managed and mitigated.

The development of the business case will therefore require strategic decisions to be taken as to what operating model the business case assumes, for example:

- a) The merger and rationalisation of the three current fire and rescue services into one new Thames Valley Fire and Rescue Service (to be co-terminus with Thames Valley Police and thereby facilitate more efficient and effective collaboration).
- b) Continuation of the three separate fire and rescue services but with greater PCC emphasis on planned collaboration/rationalisation of fire and rescue service operational functions (whether front line or back office) and the police.
- c) Continuation of the current arrangements for informal, ad hoc, estates collaboration between the three separate fire and rescue services (and the police), albeit facilitated by a single (PCC) governance model.
- d) Subject to the above decisions, whether the proposal assumes the ‘governance’ model or the ‘single employer’ model.
- e) Whether any change of governance and / or operating model will impact (adversely or favourably) on current collaboration activity or future opportunities for collaboration with the ambulance service or other bodies.

The Home Office is still working with relevant professional bodies to prepare a business case ‘template’ for use by PCCs.

Nevertheless, the business case for any proposed transfer of service responsibility to the PCC would need to address the advantages and disadvantages of the above options and be clear as to how well they meet and deliver the Government’s business case assessment criteria; how the preferred option will be achieved in practical terms (e.g. staffing, financial, legal and operational implications); indicative project timelines, and demonstrate a robust evidence base (including local authority and public consultation responses) to support the projected financial and operational benefits to the public of the preferred option.

The Deputy PCC will lead this project on behalf of the PCC. It is likely that the Office of the PCC (OPCC) will need to procure the services of an external consultant(s) to help assemble and analyse relevant data and evidence, assess and develop effective and

deliverable options, and prepare a business case.

Part 2: Police discipline, complaints and inspection

Part 2 of the Bill reforms the police complaints and disciplinary systems, including measures to extend the disciplinary regime to former officers for up to 12 months after they have left the police; making changes to the governance of the Independent Police Complaints Commission (IPCC), provides for a new system of "super-complaints" and confers new protections on police whistle-blowers. This Part also further strengthens the independence of Her Majesty's Inspectorate of Constabulary (HMIC) and ensures that it is able to deliver end-to-end inspections of the police, including by inspecting contractors and third parties who carry out policing functions.

Chapters 1 to 5 of Part 2 of the Bill relate to **police complaints, police super-complaints, whistle-blowing and discipline**, and give effect to the Government's commitment to "overhaul the police complaints system".

The key provisions are summarised below:

- a) Strengthening PCCs' oversight role of the local complaints system, giving them an explicit responsibility for ensuring the effective and efficient delivery of the local police complaints system, and making PCCs the appellate body for those appeals currently heard by chief constables.
- b) Enabling PCCs to take on other functions within the complaints system, giving them the option of taking on responsibility for the front-end of the complaints system and responsibility for all duties regarding contact with the complainant.
- c) Clarifying the definition of a complaint – currently defined in section 12 of the Police Reform Act 2002 as 'any complaint about the conduct of a person serving with the police' – to one that defines a police complaint broadly as 'an expression of dissatisfaction with a force'.
- d) Retaining and clarifying the focus on immediate resolution of customer-service issues where appropriate, before such issues become complaints.
- e) Removing the non-recording categories (such as vexatious and out of time complaints) so that any issue that is not possible to resolve immediately or that the complainant wants recording, is recorded.
- f) Removing the opaque categorisation for handling complaints – local resolution, local investigation, disapplication, discontinuance – and replacing this with statutory duties based on taking "reasonable and proportionate" action to resolve a complaint.
- g) Streamlining the complex appeal process so that there is one appeal point at the outcome of the complaint.
- h) Extending the disciplinary regime to former officers where an allegation arose before they resigned or retired, or arose within a period of time following their resignation or retirement;
- i) Creating a statutory framework for the College of Policing to receive, hold, make available and, in some circumstances, publish details from a "police barred list" of former members of police forces, former special constables and former members of the civilian staff of police forces who have been dismissed or who would have been dismissed had they not resigned or retired.
- j) Allowing for regulations to be made to require the IPCC to investigate all chief officer

misconduct allegations (including gross misconduct).

k) Protecting the identity of a whistle-blower by allowing the IPCC to control who in a police force is notified of an independent investigation and obtain information and evidence confidentially from those individuals (to enable covert investigations).

l) Introduce a system of super-complaints to capture national or cross-force issues that are not otherwise captured by the existing complaints system, IPCC investigations or HMIC inspections.

m) Reformed IPCC will be known as the Office for Police Conduct (OPC).

Chapter 6 of Part 2 ('**Inspection**') strengthens the role and independence of HMIC, by:

a) Extending HMIC's remit to enable it to inspect private contractors and PCCs' staff who are engaged to support the police force and are delivering policing functions.

b) Conferring on HMIC powers to acquire information from third parties and access to relevant people and premises.

c) Enabling HM Chief Inspector of Constabulary (HMCIC) to initiate inspections that have not been included in the published inspection programme.

d) Transferring the power to appoint Assistant Inspectors of Constabulary from the Home Secretary to HMCIC.

e) Introducing a requirement on PCCs to respond to HMIC reports within 56 days, address each recommendation in a report, and copy the Inspectorate into their response.

Thames Valley Issues and Implications

As a minimum legislative requirement, the PCC will become the appellate body to hear those appeals currently heard by chief constables concerning the outcomes of complaints made against police officers and police staff.

At this time the PCC is not minded to take advantage of the enabling legislation which would allow him to take on responsibility for the front-end of the police complaints system and responsibility for all duties regarding contact with the complainant.

It is anticipated that the responsibility for undertaking the role of appellate body will not transfer to PCCs until around June 2018. The police force can transfer staff to the PCC to assist with their additional complaint responsibilities.

At present the PCC has two main concerns about taking on the role of appellate body:

(1) It is considered inevitable by the PCC that this transfer of responsibility will result in a greater volume of escalated complaints (whether spurious or not) being made against the PCC (rather than the Chief Constable/Head of Professional Standards Department (PSD) as at present) from complainants who are not satisfied with the outcome of their appeal.

If this scenario manifests itself in reality, this presumed increase in volume of complaints will have a direct impact on the workload of the Police and Crime Panel which has the statutory responsibility to handle and resolve non-serious complaints made against the PCC. However, the Bill is silent on this aspect of the proposed changes to the police complaints system and does not address the potential issue of the limited capacity of police and crime panels to deal with any significant increase in workload.

(2) The transfer of a discrete specialist complaints function (hearing appeals) and associated staff resources away from the TVP PSD to the OPCC (in order to demonstrate to the public the independence of the PCC from TVP in undertaking this

function) raises a concern over the future resilience of that function (e.g. in the event of staff turnover or absence), as the function and relevant staff may, in the future, be operating in relative isolation from the general expertise, experience and cover otherwise currently available to it/them within the PSD.

Finally, there is nothing specific in the Bill to help the police service / PCCs / Police and Crime Panels manage 'vexatious complainants'.

Part 3: Police workforce and representative institutions

Part 3 of the Bill enables chief officers of police to confer a wider range of policing powers on police civilian staff and volunteers (excluding those reserved for warranted police officers) and confers on the Home Secretary a power to specify police ranks in regulations. This part also updates the core purpose of the Police Federation for England and Wales and makes it subject to the Freedom of Information Act 2000 ("the FOI Act").

Chapter 1 of Part 3 ('**Police workforce**') introduces a number of reforms relating to the police workforce.

These provisions:

- a) Enable chief officers to designate a wider range of power on police staff and volunteers.
- b) Create a list of 'core' police powers, such as the power of arrest, that would remain exclusive to police officers.
- c) Abolish the office of traffic warden under the Road Traffic Acts.
- d) Allow the Home Secretary, in conjunction with the College of Policing, to amend the police rank structure by regulations.

Chapter 2 of Part 3 ('**Representative institutions**') implements reforms of the Police Federation for England and Wales recommended by the Normington Review.

The provisions:

- a) Enshrine in statute the Police Federation's new core purpose which reflects the organisation's commitment to act in the public interest alongside its accountability to its members.
- b) Make the Police Federation subject to the FOI Act 2000.

In addition, this Chapter removes references in statute to the now-defunct Association of Chief Police Officers (ACPO) and replaces them with references to the National Police Chiefs' Council (NPCC) (for example, in respect of provisions requiring the Home Secretary to consult specified persons before making regulations about certain policing matters).

Thames Valley Issues and Implications

None specific

Part 4: Police powers

Part 4 of the Bill contains reforms to police powers, including in relation to: pre-charge bail to introduce a presumption in favour of release without bail and statutory time limits and judicial oversight of extensions of bail beyond 28 days; creates a new offence of breach of pre-charge bail conditions which relate to travel for individuals arrested on suspicion of terrorism offences; the powers under sections 135 and 136 of the Mental Health Act 1983 in respect of persons experiencing a mental health crisis, including banning the use of police cells for the detention of under-18s and reducing the maximum period of detention; the extension of police powers to investigate offences committed on vessels operating at sea; amendments to the Police and Criminal Evidence Act 1984 to ensure that 17 year olds who are detained in police custody are treated as children for all purposes, and to enable greater use of video-link technology.

Chapter 1 of Part 4 (**'Pre-charge bail'**) reforms pre-charge bail including by:

- a) Providing for a presumption in favour of releasing a suspect without bail, with bail only being imposed when it is both necessary and proportionate.
- b) Setting a clear expectation that pre-charge bail should not last longer than 28 days, extendable to three months on the authority of a senior police officer in complex cases. In exceptional circumstances, the police will have to apply to a magistrates' court for an extension beyond three months.
- c) Providing that, in exceptionally complex cases, such as those dealt with by the Serious Fraud Office or the Central Casework Units of the Crown Prosecution Service, it will be possible to extend bail administratively to a total of six months before seeking the approval of the courts.

Chapter 2 of Part 4 (**'Powers under the Police and Criminal Evidence Act 1984'** (PACE)) makes a number of amendments to PACE, including to:

- a) Ensure that 17-year-olds are treated as children for all purpose whilst in police custody.
- b) Allow the police to make greater use of video-link technology, including when interviewing suspects and authorising the continued detention of a suspect for up to 36 hours.
- c) Enable more timely revisions to PACE codes of practice to better equip the police in their daily operational duties.

Chapter 3 of Part 4 (**'Powers under the Mental Health Act 1983'** ("the 1983 Act")) amends the police powers under sections 135 and 136 of the 1983 Act in respect of persons who are experiencing mental health problems, but have committed no crime.

It will:

- a) Further reduce the use of police stations as a place of safety by providing that they can never be used in the case of under 18s, and making provision for their use to be restricted to exceptional circumstances in the case of adults.
- b) Provide a wider definition of "places of safety" to help increase local capacity and flexibility to respond to local needs.
- c) Enable the police to act promptly under the 1983 Act to protect individuals or the public from harm on private property (such as railway lines, work places and the rooftops of buildings), without the need to seek a warrant (a warrant will still be required for

private dwellings).

d) Reduce the maximum time period for which a person can be detained under section 135 or 136 from 72 hours to 24 hours (with the possibility of an extension to 36 hours in certain specified circumstances).

e) Require the police to consult a health professional (where practicable) before detaining a person under section 136.

f) Ensure that assessments can be conducted in private dwellings where these are designated as places of safety.

Chapter 4 of Part 4 ('**Maritime enforcement**') builds on the maritime enforcement powers available to the police and others in respect of drug trafficking and modern slavery offences committed at sea, by providing the police, National Crime Agency and Border Force with the necessary powers to investigate all crimes that take place on vessels where the courts in England and Wales have jurisdiction. This will include powers to stop, board, divert, detain and search vessels, and powers of arrest and seizure.

Thames Valley Issues and Implications

The expectation that pre-charge bail should not last longer than a specified finite period of 28 days (subject to possibility of extension) and a presumption to release without bail will represent a big cultural shift for the police service. The police will need to manage the expectations of their staff, victims and offenders.

Computer systems will need to be updated to manage the change – due to come into force in April 2017 - but system upgrades will not come in until the end of 2017 which means that there will have to be a workaround during the interim period (NB This will affect all police forces, not just TVP).

Regarding amendments to the Police and Criminal Evidence Act 1984, new PACE s.45ZA will allow the use of 'Live-link' to extend pre-charge detention and to interview suspects provided the superintendent considers that to be "appropriate" (and that a number of other criteria are also satisfied).

Technological issue – TVP currently does not have 'Live-link' in its custody suites.

Part 5: Police and Crime Commissioners and police areas

Part 5 of the Bill extends the term of office of Deputy PCCs so that, in the event of a PCC vacancy occurring mid-term (through death or resignation), the Deputy PCC's term automatically ends upon a new PCC taking office rather than, as now, upon the former PCC ceasing to hold office.

This will enable a Deputy PCC to be appointed, by the Police and Crime Panel, as the Acting PCC pending the outcome of a by-election.

This Part also enables the Home Secretary to change the name of a police force area outside London by regulations.

Thames Valley Issues and Implications

None specific

Part 6: Firearms

Part 6 of the Bill seeks to better protect the public by amending the Firearms Acts so as to close loopholes that can be exploited by criminals and terrorists and by ensuring that, through statutory guidance, there is a consistent approach by chief officers of police to the consideration of applications for firearms licences and shotgun certificates. This Part also provides for the full cost recovery, through the levying of fees, of the Home Office's licensing functions in respect of companies trading in prohibited weapons, museums with firearms collections and shooting clubs.

The amendments:

- a) Define what constitutes a "lethal barrelled weapon", an "antique firearm" and the "component parts" of a firearm.
- b) Create a new offence of possession of tools and equipment with intent to use them to unlawfully convert an imitation firearm into a live firing weapon.
- c) Make provision for the charging of fees for an authorisation to possess prohibited weapons.
- d) Confer power on the Home Secretary to issue statutory guidance to chief officers of police on the exercise of their licensing functions under the Firearms Acts.

Thames Valley Issues and Implications

None specific

Part 7: Alcohol - licensing

Part 7 of the Bill makes various amendments to the Licensing Act 2003 to improve the effectiveness of the alcohol licensing regime in preventing crime and disorder which will:

- a) Clarify the definition of "alcohol" to ensure that it includes powdered and vaporised alcohol.
- b) Clarify the summary review process following serious crime or serious disorder at licensed premises.
- c) Give licensing authorities the power to revoke or suspend personal licences if the licensee is convicted of a relevant offence.
- d) Update the list of offences, a conviction for which may be grounds to refuse or revoke a personal licence, including additional sexual, violent and terrorism-related offences.
- e) Place conditions on availability and use of gaming machines proposed (including use, maximum charge, number of machines, etc.) and a requirement that when a licence is being considered, levels of crime and disorder and levels of economic deprivation, etc. are given weight.

Thames Valley Issues and Implications

None specific

Part 8: Financial sanctions

Part 8 of the Bill seeks to strengthen the enforcement regime for financial sanctions by increasing the maximum custodial sentence on conviction for breaching sanctions, expanding the range of enforcement options, including a new system of monetary penalties, and by providing for the immediate implementation of European Union (EU), United Nations (UN) and other financial mandated sanctions.

The provisions:

- a) Increase the maximum penalty for breaches of financial sanctions from 2 to 7 years' imprisonment.
- b) Introduce a framework for administrative monetary penalties for breaches of financial sanctions where action short of prosecution is appropriate.
- c) Include breaches of financial sanctions in the list of offences to which Deferred Prosecution Agreements and Serious Crime Prevention Orders apply.
- d) Ensures that the UK meets its UN obligations by implementing UN-mandated sanctions without delay.

Thames Valley Issues and Implications

None specific

Part 9: Miscellaneous and general

Part 9 of the Bill contains miscellaneous and general provisions, including new requirements on arrestees and defendants to confirm nationality, an amendment to the Sexual Offences Act 2003 to provide that the offences in relation to child sexual exploitation cover the streaming or transmission of indecent images of children, and makes provision for lifelong anonymity for victims of forced marriage. It also contains provision to require arrested persons to state their nationality, for suspected foreign nationals to produce their nationality document(s) following arrest and for defendants in criminal proceedings to provide their name, date of birth and nationality to the court. This Part makes provision for the Secretary of State to publish a training strategy to the police regarding the treatment of victims, and enables the Secretary of State to issue statutory guidance to local taxi and private hire licensing authorities with regard to the protection of children and vulnerable adults.

National Crime Agency (NCA)

Part 9 makes two changes to the legislation governing the NCA to reflect experience of the first two years of operation.

First, it enables the NCA to enter into a collaboration agreement with one or more police forces, rather than, as now, two or more such forces.

Second, it enables the Director General of the NCA and NCA officers to be designated with the powers of a general customs official as well as, as now, the powers of a constable, immigration officer and an officer of Revenue and Customs. This will ensure that NCA officers can be designated with any new powers relating to customs matters necessary to fulfil their crime reduction function, including combating drug trafficking and the smuggling of firearms or other prohibited goods.

Anonymity of victims of forced marriage

Part 9 introduces a new provision of lifelong anonymity for victims of forced marriage.

Child sexual exploitation

Part 9 amends the Sexual Offences Act 2003 to ensure that the live streaming, or transmission of images of child sexual abuse by any other means (as well as recorded images), is caught by the offences of causing or inciting child sexual exploitation, controlling a child in relation to his or her sexual exploitation, and arranging or facilitating the sexual exploitation of a child.

It introduces a new provision that the local policing body will be under a duty to disclose information about children who are victims of sexual exploitation or other forms of abuse to child mental health service commissioners.

Powers to require arrestees/defendants to state their nationality

Part 9 facilitates the early identification of foreign nationals by conferring on the police and immigration officers the power to require a person to provide their nationality following arrest and to require suspected foreign nationals to produce their nationality document(s). The courts will also have a statutory power to require defendants in criminal proceedings to provide to the court their name, date of birth and nationality. A failure to comply with these requirements, without reasonable excuse, will be an offence. Identifying foreign national offenders early, including by obtaining relevant documents such as passports, is crucial to speeding up removal at a later stage.

Victims' entitlement - new framework

Part 9 introduces new police training requirements regarding the treatment of victims. A new training strategy is to be published by the Secretary of State to apply to the police.

Thames Valley Issues and Implications

None specific

Anthony Stansfeld

Police and Crime Commissioner for Thames Valley

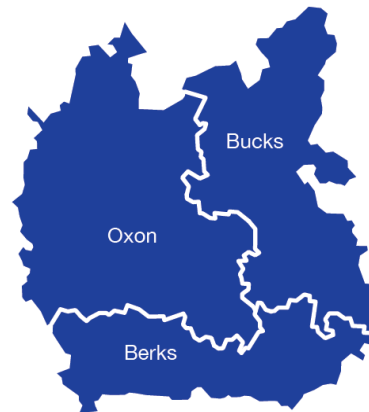
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Report to the Thames Valley Police & Crime Panel

Title: Topical issues

Date: 3 February 2016

Author: Clare Gray, Scrutiny Officer,
Thames Valley Police & Crime
Panel



National Association for Police and Crime Panels

A meeting is being held by Frontline Consulting to discuss the setting up of a National Association for Police and Crime Panel and Grant Thornton have offered to host the meeting on 17 February 2017.

PCC Policy Planning and Performance meeting (January 2017 – not already covered by the budget)

Minutes

- In relation to capital monitoring the PCC had asked for a briefing paper on the issue of speed cameras in view of the fact that he received numerous correspondence regarding road safety.
- Additional body worn cameras would be increased to 1100 by next year.

Annual Assurance Report from the Complaints Integrity and Ethics Panel

- One of the PCC's related duties was to ensure that he is kept informed of matters relating to the handling of complaints against the Police Force by the Chief Constable so he can hold him to account for this function if required.
- The Chief Constable is responsible for handling all complaints from members of the public against officers and staff under his direction and control which he delegates to his Professional Standards Department.
- The CIE Panel provides a transparent forum for constructive challenge over the way complaints against police officers and staff are handled by Thames Valley Police and are overseen by the Chief Constable and the PCC. A Member of the Joint Independent Audit Committee attends meetings of the Panel to observe in order to inform its own assurance assessment of this aspect of corporate governance and to ensure that the PCC's oversight of complaints against the Force are operating effectively.
- The Force had seen an increase of 8.1% in the number of recorded complaints this year. Under the heading investigations over 70 days Oxford and Reading LPA's were significantly higher than other areas and they were investigating the reasons for this.
- TVP were setting up an internal Code of Ethics Committee which would link in with the Complaints, Integrity and Ethics Panel.

- The Panel receive a random selection of complaint files based on a theme of which some for 2016 were injuries to the public following police contact, investigations not upheld and stop and search. The dip test of complaints has however revealed a number of issues that might benefit from formal policy review, which was being considered.
- The Panel also receives a copy of the PSD performance data and Local Police Area Commanders are invited to address areas of complaints and misconduct within their local performance data
- Other areas the Panel has looked at included attending training sessions at Sulhamstead, and the use of body worn cameras. The Panel also received a presentation on the work being undertaken by the South East Covert Operations Unit.
- There were three new Members of the Complaints, Integrity and Ethics Panel and the OPCC was waiting for their completed vetting forms to be returned.
- The PCC and the Chief Constable have jointly agreed to continue this Panel until the elections in 2020. Future work programme items include Stop and Search, use of tasers and the morals and ethics of officer relationships and the relationship with the public.

Capital Monitoring 2016/17

The approved capital budget for this year was increased to £38.283m at the October PPP meeting to reflect an additional £0.747m of grant funded approvals. In preparing for the MTCP the budget has been adjusted to £30.613m to reflect project re-phasing of £6.5m across a number of programmes of work, acknowledging changes to planning and tendering timelines.

Revenue Monitoring 2016

The financial position has improved marginally with a £0.503m overspend against profile to date and a forecast full year overspend of £0.641m. For the Force, this is due to a slight increase in police officer wastage. However, the Force's commitment to the Didcot Power Station incident was causing further pressure on this year's budget. For the OPCC there is a slight underspend due to staff vacancies and lower legal fees.

The police officer establishment has been reduced this year by 95FTE posts through changes to the recruitment process, workforce modernisation and productivity savings. Wastage has remained slightly higher in the last quarter and hence officer numbers are now anticipated to be 30FTE under the original year end establishment target. The Force has currently only two recruit intakes planned for January and March 2017. Police officer strength at the end of December was 4,107 FTE including regional units.

Investment in priority areas include an additional 19 Domestic Abuse investigators, 2 additional Forensic Science Accreditation personnel, 2.5 additional Data Quality personnel, 2 additional drug expert witness co-ordinators, 1 additional Hi Tec Crime Unit personnel, Service Improvement Analyst and Management Information Technical Developer, reinstatement of 15 roads police officers (as further work is being undertaken on the business case).

PCSO's target strength is 454 FTEs (475 last year) with Grant/TVP funded posts and 37 joint partnership funded posts. The Productivity Plan anticipated a reduction of 21 partner funded posts however fewer partners than expected have not renewed their contracts. The current strength is 459 FTE which will continue to fall to the year end with no further recruitments planned. Police staff strength at the end of December was 2,697 FTE.

OPCC Strategic Delivery Plan

- Improve partnership working with Safeguarding Boards – PCC met with Slough Children’s Service Trust in July and work with other Boards is to be developed.
- **PCC Review of Domestic Violence** – first draft completed. The complex needs pilots are also being evaluated and a report prepared for the PCC.
- Discussions are taking place between PCC and Berkshire CCG regarding a Transformation Fund application for a specialist FGM Clinic in Reading.
- Hate Crime Contract – there is a meeting shortly to discuss contract issues and agree an action plan with timescales for the service provider to deliver.
- Review and redesign of **Victims Services** – Project Board update will be provided in February on development themes and models for Thames Valley
- Victims First website will be launched January 2017
- **Local Criminal Justice** Planning Day will consider process for identifying and implementing scrutiny of individual and collective effectiveness of LCJB partners and optimising performance.
- **Cyber crime** – PCC has concerns re wider national cyber fraud approach and how this impacts at a local level. This issue will be raised with Sir Tom Winsor (HMIC) at a January meeting. There is also an event being hosted by the Police and Crime Panel and Bucks County Council Community Safety Partnership on cyber crime to look at producing a Thames Valley wide approach.
- Developing a Business Plan for the possible transfer of governance responsibility for the Thames Valley **Fire and Rescue Services** – the PCC has an indicative date for submission to the Home Secretary by the end of June 2017 and appropriate external support is being identified to develop the business case. Officers will be undertaking a visit to Sussex OPCC to learn from their experience to date (the Sussex PCC has engaged consultants to review the various options presented in the Bill)
- The 2017/18 OPCC Strategic Delivery Plan is due by March 2017.

Treasury Management Strategy Statement 2017

This statement includes the proposed borrowing and investment strategies and also sets out the prudential indicators and treasury management activity limits that provide the OPCC treasury service with an operational performance and control framework within which the relevant functions are undertaken. The overall strategy is very similar to that adopted by the PCC in this current year.

HMIC – Efficiency Legitimacy and Police Leadership

- Efficiency – whilst ‘good’ the Force should ensure its understanding of the demand for its services and of the expectations of the public are up to date by regularly reviewing its evidence base and these reviews should be conducted with partners to ensure that the Force takes the necessary steps to meet current and likely future demand, including hidden demand.
- HMIC on legitimacy stated that Thames Valley was a ‘Good’ force. There was some areas where the Force could improve which was sharing the outcomes of misconduct hearings which were now being posted by the PSD area on ‘Knowzone’. Another area was highlighted which was that the Force does not currently comply with national vetting guidelines as a result of a decision not to complete routine re-vetting. However, this did not impact on the Force’s overall approach and commitment to tackling corruption or its ethos. Finally the Force should improve how it seeks feedback from the public about their

experiences of how the police have treated them and should improve how it identifies and understands its workforce's wellbeing needs.

- HMIC had also issued its inspection report on leadership within the Thames Valley which referred to the range of programmes TVP had in place to support leadership development and found evidence that TVP was working to transform the way services were provided to the public.
- National comparisons show Thames Valley Police favourably across a range of indicators from cost, through levels of recorded crime to public complaints and victim satisfaction.

Published documents

New advice on reducing health inequalities in the criminal justice system

Public Health England has worked with Revolving Doors, a charity working to improve the lives of those in contact with the criminal justice system, the Home Office and NHS England to publish 'Rebalancing Act'. It is a resource for directors of public health, police and crime commissioners and other system leaders at local, regional and national level, to support collaborative work to improve health, reduce offending and health inequalities among people in contact with the criminal justice system.

<http://bit.ly/2jAsrDP>

New crackdown on corporate economic crime

Ministers have announced that new laws will be considered as part of a crackdown on corporate economic crime. A call for evidence seeks views on whether further reform is needed to combat corporate criminality, following fraudulent, dishonest activity by some banks and other commercial organisations. The call for evidence will run until 24th March 2017

<http://bit.ly/2jfMjfG>

New national strategy for police custody

The National Police Chief's Council has developed a set of nationally consistent principles to complement existing legislation and guidance and help forces ensure that they are using custody in a way that is legitimate, effective and efficient. The strategy has been launched in response to developments in policing, including more focus on vulnerability, increased scrutiny, and further collaboration between forces. At the centre of the strategy is the consideration of the impact of custody on vulnerable people and the commitment to ensure all detainees, particularly those that are vulnerable, are treated with respect and their rights protected. The National Custody Strategy sets out a number of aspirations for police custody, including:

- eliminating the use of police custody for Mental Health Act detentions;
- ensuring children are only held in custody as a last resort;
- encouraging innovative but appropriate alternatives to custody;
- utilising opportunities to collaborate where it will save money or help us work better;
- consistently identifying and managing risk
- <http://bit.ly/2jnmAVc>

Crest report (referred to by the PCC at the last meeting)

"In a world of rising demand and shrinking budgets, justice devolution is firmly on the agenda and there is growing interest in and support for the idea of a more localised justice system.

This argues that it no longer makes sense for government to continue tinkering around the edges, attempting top-down reform of individual criminal justice agencies from above. Instead, local

leaders should be empowered to join up services from the bottom up – in order to deal with the root cause of crime – rather than managing its consequences and to ensure services can be built around the needs of victims.

<http://crestadvisory.com/its-time-to-take-back-control-of-our-criminal-justice-system/>

Press Articles

London and Thames Valley

Thames Valley – drink/drive arrests

<http://www.getreading.co.uk/news/reading-berkshire-news/more-100-drink-drive-arrests-12349043>

Windsor – Retired teacher gets six months suspended prison sentence for historic sexual assault on pupil

http://www.windsorobserver.co.uk/news/15028252.Judge_tells_sex_offender_teacher_it_would_not_be_in_the_public_interest_to_send_him_to_prison/

Driving caught picking up illegal fares in Milton Keynes

Milton Keynes Council and Thames Valley Police have on-going concerns over the public's use of Private Hire vehicles (also known as minicabs) that have not been booked in advance. The vehicle involved was displaying private hire door signs for Private Hire Operator Speedline and was licensed by South Northants Council.

<http://www.miltonkeynes.co.uk/news/driver-caught-picking-up-illegal-fare-in-milton-keynes-1-7776571>

Sadiq Khan claims Londoners are at risk from police cuts

<http://www.bbc.co.uk/news/uk-england-london-38636247>

National articles

West Midlands PCC to hold summit on unauthorised encampments – being webcast

<http://www.westmidlands-pcc.gov.uk/news/news-2017/pcc-to-hold-summit-on-unauthorised-traveller-encampments/>

More cyber attacks in North Wales than street crime

<http://www.bbc.co.uk/news/uk-wales-38634289>

Dial 999 and cough if you can't speak

<http://www.independent.co.uk/life-style/call-999-emergency-services-what-to-do-if-cant-talk-advice-crime-accident-police-ambulance-a7524196.html>

Met officers to be asked whether they want to carry guns

<http://www.bbc.co.uk/news/uk-england-london-38547203>

Policing for the future inquiry launched

<http://www.parliament.uk/business/committees/committees-a-z/commons-select/home-affairs-committee/news-parliament-2015/170111-new-inquiry-policing-future/>

Inquiry to look into cybercrime after drugs found in the post

<http://www.bbc.co.uk/newsbeat/article/38507612/inquiry-to-look-at-police-and-cybercrime-after-drugs-in-the-post-investigation>

Forensic science standards at significant risk

<http://www.bbc.co.uk/news/uk-38527830>

Online safety – internet not designed for children

<http://www.bbc.co.uk/news/education-38508888>

Online dating fraud victims numbers at record high

<http://www.bbc.co.uk/news/uk-38678089>

One in three children put inappropriate pictures on line because parents let them roam free on the internet.

<http://www.telegraph.co.uk/news/2017/01/05/one-three-children-send-naked-selfies-online-parents-let-roam/>

UK schools targeted by web fraudsters

<http://www.bbc.co.uk/news/technology-38519649>

Thousands of drivers caught in mobile phone crackdown

<http://www.bbc.co.uk/news/uk-38711931>


<http://theconversation.com/britains-criminal-justice-system-doesnt-know-what-to-do-about-autism-68996>

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Thames Valley Police & Crime Panel Work Programme 2016/17

| Date | Main Agenda Focus | Other agenda items |
|-------|---|---|
| 16/12 | Police and Crime Plan – To review and make recommendations on the draft Police and Crime Plan for 2017-21 and to receive a report from the Plan Task and Finish Group | <ul style="list-style-type: none"> • Public questions • Report of the CSE Sub Committee • Topical Issues – Mental Health (delivering against the commitments of the Mental Health Crisis Care Concordant) • Work Programme • Followed by Confirmation Hearing for Deputy PCC |
| 3/2 | PCC Draft Budget – To review and make recommendations on the proposed precept for 2017/18 and to receive a report from the Budget Task and Finish Group | <ul style="list-style-type: none"> • Public questions • Report of the CSE/Complaints Sub Committee • Annual Assurance Report • Report on implications of the Policing and Crime Bill • Estates Strategy • Topical Issues • Work Programme |
| 7/4 | PCC Revised Delivery Plan | <ul style="list-style-type: none"> • Public questions • Report of the CSE/Complaints Sub • Presentation from PCC on his role in the wider criminal justice system to understand in detail what areas the Panel should be including in their work programme • Topical Issues • Work Programme |

| <div>  <div> Thames Valley Police & Crime Panel </div> </div> <div> (01895) 837529 contact@thamesvalleypcp.org.uk www.thamesvalleypcp.org.uk @ThamesValleyPCP </div> | | |
|--|---|---|
| Date | Main Agenda Focus | Other agenda items |
| 16/6 | PCC Annual Report Neighbourhood Policing and Community Safety Partnerships | <ul style="list-style-type: none"> • Election of Chairman/Appt of Vice Chairman • Public questions • Report of the CSE/Complaints Sub Committee • PCP Annual Report • Annual Review of PCP Rules of Procedure and Budget • Topical Issues • Work Programme |
| 8/9 | | <ul style="list-style-type: none"> • Public questions • Report of the CSE/Complaints Sub • Topical Issues • Work Programme |
| 17/11 | | <ul style="list-style-type: none"> • Public questions • Report of the CSE/Complaints Sub Committee • Six monthly progress report on PCC performance against his Strategic Objectives • Topical Issues • Work Programme |

Report of: Panel Secretary

Date: 16 January 2017

DRAFT TERMS OF REFERENCE: SUPPORTING THE PCC'S WIDER CRIMINAL JUSTICE REMIT

1 Purpose

- 1.1 At the last Panel meeting in November, Panel Members agreed to undertake an inquiry into the wider criminal justice system and the PCC's role within it. This document sets out the draft terms of reference, to be discussed with the PCC at the meeting.

2 Reason for the Inquiry

The Duty to Co-operate

- 2.1 Under the Police Reform and Social Responsibility Act 2011, there is a reciprocal duty for the Police and Crime Commissioner and certain criminal justice bodies to co-operate in ensuring an efficient and effective criminal justice system:

Section 10 (3): ... make arrangements (so far as it is appropriate to do so) for the exercise of functions so as to provide an efficient and effective criminal justice system for the police area.

- 2.2 The Explanatory Note under this section states "It is anticipated that these arrangements will involve the agreement of a protocol or memorandum of understanding between the various bodies setting out the matters in respect of which they will co-operate and the means by which they will do so."
- 2.3 The criminal justice bodies included within this duty are the Chief Constable, Courts and Tribunal Service, Crown Prosecution Service, the Probation Service and prison providers. The statutory duty is flexible to allow working arrangements to develop in a way that is most meaningful locally, and to leave room for innovation.

The Police and Crime Plan

- 2.4 The WMPCC's Police and Crime Plan refers to the duty to co-operate. The PCC states:

I have a democratic mandate to ensure improved partnership working and overcome 'barriers' between police, Community Rehabilitation Companies, National Probation Service (NPS), the Crown Prosecution Service and the Courts Service. I will review current partnership arrangements and bring agencies together to ensure joined-up thinking in relation to outcomes.

- 2.5 The Plan goes on to say that "the current approach is failing to address wider issues: reducing reoffending, supporting economic development, supporting people with mental health needs, increased reporting of 'hidden crimes' and data-sharing to improve prevention."
- 2.6 The PCC therefore intends to "take a stronger co-ordinating and leadership role within the criminal justice system" (pages 33 and 34 of the Plan).

- 2.7 Beyond that, the WMPCC's Plan makes clear that effective partnership working is central to delivering the plan's objectives, in particular the two headline measures relating to increased reporting of 'hidden crimes' and low levels of reoffending (page 7 of the Plan). Related to reducing re-offending are substance misuse (pages 11 and 12) and better support for people with mental health needs (page 30).
- 2.8 The Police and Crime Plan is available at:
<http://www.westmidlands-pcc.gov.uk/media/435616/2016-2020-Police-and-Crime-Plan-digital.pdf>.

3 Potential Approaches and Areas of Questioning

- 3.1 There are a wide range of partnerships or areas of partnership that could be considered, so it is suggested that the Panel focus on those areas where most value can be added. Panel members could choose one of two approaches:
- The operational relationships between the relevant bodies: how are the bodies working together to meet performance targets and to ensure effective operation of the system. This would include the developing role of the Local Criminal Justice Partnership¹;
 - The broader agenda that the criminal justice partners contribute to: e.g. reducing offending (including help with employment, housing, substance misuse etc.), restorative justice, assisting victims etc.
- 3.2 If the latter approach is taken, then this could be examined through a case study such as re-offending or youth re-offending.
- 3.3 Some potential areas of questioning are set out in the draft terms of reference in Appendix 1.

4 Background Reading

- 4.1 To assist panel members, the following reports may be of interest:
- A recent inspection report which questioned the effectiveness of Local Criminal Justice Partnership arrangements: *A joint inspection of local criminal justice partnerships by HMIC, HMCPsI and HMI Probation*
<https://www.justiceinspectorates.gov.uk/hmcpsi/joint-hmic-hmcpsi-and-hmi-probation-report-on-local-criminal-justice-partnerships/>
 - A thinktank report on devolution of the criminal justice system:
<http://crestadvisory.com/examining-justice-devolution/>.

¹ The criminal justice bodies included in the duty to co-operate – the Police, Prosecution, Courts, Youth Offending Teams, Prisons and Probation – often come together as a Local Criminal Justice Partnership. These are non-statutory bodies whose purpose is to bring together the partners at the right time, to agree shared priorities and work collectively to improve the effectiveness and efficiency of the criminal justice system in their areas. In the West Midlands, the LCJP had not been active for a number of years, until recently when the Chief Constable re-constituted the partnership.

5 For Decision

5.1 Following discussion and debate with the PCC and Chief Constable, members of the panel area asked to:

- Agree the focus of the inquiry, i.e.:
 - To consider relationships with key criminal justice agencies and how overall operation might be improved; or
 - To consider the case-study of youth re-offending; or
 - Another topic, to be agreed at the meeting.
- Agree potential witnesses and the timescale of the inquiry.

Lead Officer:

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Appendix 1: Terms of Reference

| | |
|---------------------------------------|--|
| Purpose | To explore how the PCC and other criminal justice agencies are co-operating to ensure that there is an efficient and effective criminal justice system in the West Midlands |
| Suggested key lines of inquiry | <p>[To be determined following the meeting on 16th January:</p> <p>(1) If focus on operational relationships:</p> <ul style="list-style-type: none"> • Are there good bi-lateral relationships with all key partners? • Where are the weaknesses; what can be done to strengthen these areas? • What value would a functioning LCJB add? • What links are made with or through the West Midlands Combined Authority and how can this be improved? <p>or</p> <p>(2) If focus on case study of (youth) re-offending:</p> <ul style="list-style-type: none"> • How well are partners working together to improve meet youth justice outcomes and reduce youth offending? • Are there agreed priorities across the organisations? How are resources targeted? • What other models of partnership working with regard to youth re-offending are used in the UK, and what can be learned from these • What lessons have been learned from the Gangs and violence commission |
| Anticipated outcome | The Panel will produce a report with recommendations for the PCC. |
| Key witnesses/organisations | To be determined |
| Suggested timeframe | <p>It is proposed that all witnesses will be invited to submit evidence (via a letter sent following the Panel meeting in January).</p> <p>Selected witnesses will then be invited to the February and March Panel meetings. Draft recommendations will be agreed following that meeting.</p> <p>A report will then be agreed outside the meetings.</p> |