



Staffordshire Police and Crime Panel

2.00 pm Monday, 29 January 2018
Oak Room, County Buildings, Stafford

John Tradewell
Secretary to the Panel
Friday, 19 January 2018

A G E N D A

1. **Apologies**
2. **Declarations of Interest**
3. **Minutes of the meeting held on 1 November 2017** (Pages 1 - 6)
4. **Decisions published by the Police and Crime Commissioner**

<http://www.staffordshire-pcc.gov.uk/decisions/>
2017/18 Decision Nos. 15 – 18 published since the last meeting.

5. **Questions to the PCC**

Members of the Public living or working within the constituent authorities have the opportunity to put questions to the PCC.

Questions must have been submitted three clear working days prior to the Panel meeting. A questioner may submit up to two questions per Panel meeting. (All questions should be submitted to julie.plant@staffordshire.gov.uk or helen.phillips@staffordshire.gov.uk, alternatively you can contact either officer by telephone on 01785 276135 or 01785 276143)

6. **National Conference for Police and Crime Panels - 6 November 2017 - Feedback** (Pages 7 - 8)

Report Attached

7. **Proposed Changes to Governance Arrangements for Police and Fire and Rescue Services in Staffordshire**

Verbal Update Report by Police and Crime Commissioner

8. **Police and Crime Commissioner's Proposed 2018/19 Precept for the Policing Element of the Council Tax Bill and Medium Term Financial Strategy** (Pages 9 - 60)

Procedure Note, Report and Appendices Attached

9. **Safer, Fairer, United Communities for Staffordshire**
- a. Overall Strategy - Update (Pages 61 - 78)
- b. Modern Policing Priority - Update (Pages 79 - 82)
10. **Questions to the PCC by Panel members**
11. **Dates of Future Meetings and Work Programme** (Pages 83 - 86)

12. **Exclusion of the Public**

The Chairman to move:

'That the public be excluded from the meeting for the following item of business which involves the likely disclosure of exempt information as defined in the paragraph of Part 1 of Schedule 12A of the Local Government Act, 1972 indicated below'

PART TWO

NIL

Membership	
Deneice Florence-Jukes	East Staffs Borough Council
Stephen Doyle	Tamworth BC
Ann Edgeller	Stafford Borough Council
Brian Edwards MBE	South Staffordshire District Council
Peter Jackson	Staffordshire Moorlands DC
Carl Bennett	Cannock Chase District Council
Randolph Conteh	Stoke on Trent City Council
Paul Darby (Co-Optee)	
Keith Walker (Co-Optee)	
Doug Pullen	Lichfield DC
David Williams	

(Chairman)	
Jill Waring	Newcastle - under-Lyme BC

Note for Members of the Press and Public

Filming of Meetings

The Open (public) section of this meeting may be filmed for live or later broadcasting or other use, and, if you are at the meeting, you may be filmed, and are deemed to have agreed to being filmed and to the use of the recording for broadcast and/or other purposes.

Recording by Press and Public

Recording (including by the use of social media) by the Press and Public is permitted from the public seating area provided it does not, in the opinion of the chairman, disrupt the meeting.

Contact Officer: Helen Phillips, (01785 276135),
Email: helen.phillips@staffordshire.gov.uk

Minutes of the Staffordshire Police and Crime Panel Meeting held on 1 November 2017

Present: David Williams (Chairman)

Deneice Florence-Jukes
Stephen Doyle
Ann Edgeller
Brian Edwards
Tony Kearon

Peter Jackson
Carl Bennett
Randolph Conteh
Paul Darby (Co-Optee)

The Vice-Chairman (Mr P Darby) in the Chair

Apologies: Mr K. Walker and Doug Pullen

PART ONE

16. Declarations of Interest

There were no declarations of interest on this occasion.

17. Minutes of the meeting held on 24 July 2017

RESOLVED: That the minutes of the meeting held on 24 July 2017 be confirmed and signed by the Chairman.

18. Decisions published by the Police and Crime Commissioner

Details of decisions taken and published by the Police and Crime Commissioner since the last Panel meeting had been circulated to members..

In relation to decision number 2017/11 to award a contract valued at £145,252 for the installation of a canopy at the Baden Hall Firing Range the Commissioner was questioned on the cost effectiveness of the work and the feasibility of sharing either that or an alternative facility with a neighbouring Force. Responding the Commissioner reported on the decision to abandon the previous joint arrangement with the West Midlands Force on the use of their Firing Range as it was no longer cost effective. On the suggestion that other Forces share the Staffordshire facility, the Commissioner reported that no requests had been received.

Decision number 2017/13 instigating a feasibility study into establishing a social enterprise company to assist young offenders to access the labour market, was welcomed. The Commissioner commented that, if successful, he would seek partnerships with other agencies for the creation of similar schemes.

19. Questions to the PCC

There were no questions from the public on this occasion.

20. Visit to MASH (Multi-Agency Safeguarding Hub) - 15 September 2017

Members of the Panel reported on their findings during a site visit to the MASH on 15 September 2017. A significant issue had been the number and complexity of referrals being made which highlighted the importance of information sharing amongst agencies. Members sought confirmation that funding levels for the service would be maintained and suggested ways in which awareness of responsibilities for the safeguarding and general protection of vulnerable children and adults could be promoted by elected members, for example in schools.

The Commissioner gave assurances that the funding of the MASH was a budget priority adding that his Office were supporting the MASH in developing the use of technology to aid the management of the information received and prioritise their workload. He sought to secure best advantage from the MASH resource partly from the adoption of the Connected Staffordshire initiative and cited the outcome of research by Stoke-on-Trent City Council on the effectiveness of work with vulnerable families as the basis of his approach. The Commissioner voiced his concern at the potential limitations on information sharing which might result from new Data Privacy Regulations effective from 2018.

P DARBY
Vice-Chairman (In the Chair)

The Chairman, Mr D Williams, in the Chair

21. Proposed Formation of National Body for Police and Crime Panels

The Secretary gave an update on the proposal to establish a National Association of Police and Crime Panels reporting that a survey of options had shown the most favourable to be the creation of a Special Interest Group (SIG) under the 'wing' of the Local Government Association. This option gave direct access to national resources and networks at minimum cost.

Panel members discussed the possible extension of the initiative to the creation of Regional or Shire based networks with views expressed ranging from concern at the risk of creating an unnecessarily bureaucratic structure to the opportunities which could be presented to better consider cross-Force activity such as tackling organised crime.

The Commissioner commented on his involvement in the formation of the National Police Chiefs Council and his chairmanship of the West Midland Regional Policing Group both of which had highlighted the cross –Force nature of much of the work of the Police service.

RESOLVED- That a further update on the proposed formation of a National Association of Police and Crime Panels be submitted to a future Panel meeting

(NB subsequent to the Panel meeting the Vice-Chairman volunteered to serve on a Steering Group to further the development of an Association)

22. Proposed Changes in Police and Fire and Rescue Services' Governance in Staffordshire and Stoke-on-Trent

The Panel had formally supported the Commissioner's Business Case for the adoption of the Governance Model for collaboration between the Police and Fire and Rescue Services in Staffordshire. (under which the Commissioner would become the Fire and Rescue Authority and the two services remain independent of each other). The Principal Authorities in Staffordshire had supported the Representative Model whereby the Commissioner would be afforded a seat on the existing Fire and Rescue Authority.

The Commissioner reported that the Business Case together with his response to the outcome of consultation on its content had been forwarded to the Home Office on 3 October 2017 for consideration under an independent assessment procedure prior to final decision by the Home Secretary. He understood that representations had been made to the Home Office about the assessment procedure and could not therefore give a detailed timetable for any future developments.

Commenting on the submission to the Home Office, the Commissioner envisaged the Business Case, if supported, would provide a further 40-70 front line Police officers and give stability to the Fire and Rescue Service, removing the risk of redundancies. The Case was based on robust, tested evidence and was the most comprehensive of those submitted to the Home Office. He was heartened by the level of engagement in the consultation exercise both by the community and public sector groups.

Questioned on the absence from the Case of any information on the operational implementation of changes, the Commissioner stressed that his role would relate to the 'governance' of the services and that the implementation of change was entirely for each, independent Chief Officer to lead on. That degree of detail was not appropriate at this stage of discussions.

It was noted that the Panel's role would extend to the Fire and Rescue Service, with its remit and responsibilities mirroring those already in place in relation to the Police service.

RESOLVED – That the update be noted.

23. Safer, Fairer, United Communities for Staffordshire

a) Update on Overall Strategy and 'Victims and Witnesses' Priority

Introducing his update report the Commissioner highlighted the fifth priority introduced into the Strategy which related to Modern Policing, more specifically the use of technology and measures to address the rapidly changing nature of crime. Cross border activity such as had already been discussed by the panel was a significant element of this work.

Continuing, the Commissioner highlighted and responded to questions on the following issues:

Changes in approach to dealing with persons suffering mental health issues -

There had been an 83% reduction in the number of persons held in Police custodial facilities following closer working with, and Commissioner funding for, NHS mental

health service support. More recently research has been commissioned to identify the extent to which 'natural' mental health issues contribute to crime compared to those instances where issues had resulted from other circumstances such as drug abuse.

Responding to a question on the alternative accommodation to custodial facilities, the Commissioner reported that a number of Places of Safety had been opened in NHS facilities and agreed to provide Panel members with clarity on legislation relating to children being held in Places of Safety.

Victims Gateway - The service led by the Citizens' Advice Bureau continued to be accessible for everyone delivering significant improvements in support for victims.

Child Sexual Exploitation - Co-ordinated early intervention work, such as that delivered by the MASH was key to addressing CSE. A framework was being developed to standardise definitions and reporting systems to improve the information available.

Early Intervention – Work was ongoing with the Early Intervention Foundation on training Police Officers and identifying the contribution which the service could make. The complex circumstances experienced by some families required a multi-agency approach.

SPACE - The project had coincided with a 15% reduction in anti-social behaviour. The proposal to expand the scheme was welcomed by Panel members.

Youth Foundation/Princes Trust – Support for both had contributed to valuable youth engagement

Organised Crime – Required co-operation across the Criminal Justice System.

RESOLVED – That the update reports be noted.

24. Medium Term Financial Strategy - Update

Whilst it was usual for the November Panel meeting to receive an MTFS/Budget update from the Commissioner within which he gave an overall picture of the anticipated financial position of both the Force and his Office based on preliminary funding figures, he reported that he was unable to do so on this occasion due to the number and wide ranging nature of budgetary uncertainties affecting policing. These included the need for increased funding to address the challenges facing policing including terrorism and cyber crime, the government's decision to grant a bonus award to Police Officers at a cost of approximately £700,000 over the next 2 years and queries as to whether any action will be taken to address the resulting disparity with other personnel, and the postponement of a review of the police funding formula. Of local significance was the possible effect of changes in governance arrangements for Police and Fire and Rescue Services in Staffordshire.

The Commissioner commented that the National Association of PCCs is lobbying government for the relaxation of the cap on the Policing Precept.

RESOLVED – That the current position on the MTFs and preparation of the 2018/19 Budget proposals be noted.

25. Questions to the PCC by Panel members

Members of the Panel questioned/sought the views of the Commissioner on the following issues and received the responses indicated:

Question/Issue	Response
CCTV- The Commissioner had sought to extend the use of CCTV as part of the Modern Policing agenda – what progress has been made?	The original aim was to secure a standard system across Staffordshire however the current piecemeal approach had hampered progress. In the next few weeks exploratory meetings would be held with interested Authorities. An update would be provided to members
Policing Numbers – Is the Force operating with a full establishment or is a recruitment campaign proposed? Reference was made to a recent interview with the Chief Constable when the need to change the type of resource employed to address the changing nature of crime had been stressed.	The outcomes of collaboration proposals and funding levels for 2018/19 are key considerations.
Is the Commissioner proposing to abolish the role of PCSO as has been reported for the Norfolk Force	No. That approach isn't favoured for Staffordshire.
Taxi Licensing /CSE – The Bradford report had highlighted links between the taxi trade and CSE – The OPCC has worked with South Staffs Council on licensing issues- can the information be shared?	An update on action to address taxi-licensing will be provided to the Chairman.
Neighbourhood Watch Scheme – The Commissioner's commitment to it's continuation was sought	Grant funding has been allocated to District and Borough councils to support NW schemes. Local Council based initiatives will be supported. People Power Fund monies is available for NW schemes to apply for. The Smart Alert service was increasing in popularity.

26. Dates of Future Meetings and Work Programme

The Secretary submitted details of dates and the work programme for future Panel meetings and reported on discussions with the Local Government Association on

Staffordshire hosting a training event for the Panel on the implications on its work of collaboration between Police and Fire and Rescue Services.

RESOLVED - That the report and proposed training event be noted.

Chairman

STAFFORDSHIRE POLICE AND CRIME PANEL – 29 January 2018

**NATIONAL CONFERENCE FOR POLICE AND CRIME PANEL
6 NOVEMBER 2017**

Report of the Secretary

Your Chairman, Vice-Chairman and support officer attended the National Conference for Police and Crime Panels at Warwick University on 6 November 2017. This was the 6th National Conference organised by Frontline Consulting and has now become a recognised valuable opportunity to update on the national picture for Panels.

Presentations/Discussions

The opening session covered the development of the role of the Panels since their inception. Whilst it was acknowledged that in exercising their scrutiny role Panels have limited 'powers,' it was argued that their strength lay in the influence which they have through their links with local authorities and the communities that they represent. Some Panels reported regular liaison meetings with stakeholders as part of their community engagement work.

Discussion on the responsibilities and workload of Panels highlighted the importance of defining the required outcomes of any piece of work undertaken to ensure that best use is made of the limited resources allocated by the Home Office. Some Panels used nominated members ('Champions') to take up specific issues on their behalf.

Your Chairman is reviewing our current practices and whether we should be pursuing any of the options discussed to ensure that we're engaged in best practice.

A further discussion topic was the proposed formation of a National Association for Police and Crime Panels. Members may recall that I reported to their last meeting that a survey of all Police and Crime Panels had shown the majority in favour of a national group being established as a Special Interest Group (SIG) 'under the wing of' the Local Government Association. That option was seen to offer the most cost effective and relatively immediate way of establishing a national body to help raise the profile and influence of Panels. Conference agreed to establish a working group to progress the formation of the SIG. Your Vice-Chairman volunteered to serve on that group.

Workshops

Police complaint system reforms (feedback from your Support Officer)- The Policing and Crime Act 2017 introduces reforms to the police complaints and disciplinary systems giving three Models for the Police and Crime Commissioners involvement the handling of complaints against the police. The first Model is the minimum legislative requirement and makes the

Commissioner the appellant body for appeals about the outcome of complaints made against police officers and police staff (these are currently dealt with by the Chief Constable). The timetable for implementation is understood to have been delayed and is now expected to be around Spring 2019. Models 2 and 3 are optional and offer the Commissioner varying degrees of direct involvement in the handling and consideration of complaints.

Police and Fire Collaboration (feedback from your Chairman, Mr Williams) - This Workshop looked at working practices and required transitional arrangements. We discussed how the panel carried out its scrutiny work and what changes they had to introduce. Fortunately the Essex Panel had already completed this work and had the same model that the Staffordshire PCC is currently applying for. They explained that there was no requirement to introduce a change to the Panel in size or increase the number of meetings and that the scrutiny of the new Police, Fire and Crime Commissioner continued in the same manner as was previously carried out, with the only difference being the plans and working practices proposed and managed by the new office were discussed and explained to enable effective scrutiny of the Fire Service part of the portfolio.

Co-responding in Mental Health (feedback from your Vice-Chairman – Mr Darby)- This very informative workshop was led by a representative of the Leicestershire Street Triage and PAVE team. Their approach is to have a CCG and Police and Crime Commissioner funded (NHS employed) mental health nurse based at each of their custody sites. They also have four dedicated police officers on patrol to deal with cases where mental health issues are apparent or suspected. Between 2014 -2016 the scheme saw a 66% reduction in the number of people with mental ill health detained in Police custody. It has also seen a significant reduction in the average time taken to deal with individuals under section 136 of the Mental Health Act 1983 (taking a person to a place of safety where they are thought to be at risk due to mental illness).

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Secretary to the Panel

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STAFFORDSHIRE POLICE AND CRIME PANEL – 29 January 2018

**POLICE AND CRIME COMMISSIONER FOR STAFFORDSHIRE
DRAFT BUDGET AND PRECEPT 2018/19**

Report of the Secretary

The PCC has submitted his Draft Budget and Precept for consideration by this Panel.

Relevant sections of the Police Reform and Social Responsibility Act 2011 and associated Regulations set out specific powers and duties for this Panel in relation to the Police and Crime Commissioner's proposed Precept. These are summarised below:

The Police and Crime Panels (Precept and Chief Constable Appointments) Regulations 2012 set out the following timetable for the Panel's consideration of the proposed Precept for 2018/19:

- PCC to notify Panel of proposed Precept by 1 February 2018
- Panel to review proposed Precept by 8 February 2018

At this point the Panel has to decide whether to support or veto the proposed Precept.

If the Panel supports the Precept:

The Panel has to make a report (including any recommendations) to the PCC. In turn the PCC have regard to and respond to the report and publish that response.

If the Panel vetoes the Precept:

NB A veto must be by two-thirds of the **total** membership of the Panel at the time of the veto.

The Panel has to make a report (including a statement that the veto has been exercised).

The PCC must not issue the proposed precept.

By 15 February 2018 the PCC must have regard to and respond to the report and must publish that response. The response must include notification of the Precept that the PCC now proposes to issue.

(If the veto was exercised due to the proposed Precept being too high, the revised version must be lower.

If the veto was exercised due to the proposed Precept being too low, the revised version must be higher)

By 22 February 2018 the Panel must consider and make a report to the PCC accepting or rejecting the revised Precept and make recommendations including recommendations as to the Precept that should be issued for the financial year.

NB Rejection of the revised Precept by the Panel does not prevent the PCC from issuing that revised Precept as the Precept for the financial year.

By 1 March 2018 the PCC must have regard to and respond to the report (including any recommendations) and publish that response.

Once this response is provided and published by the PCC the scrutiny process ends.

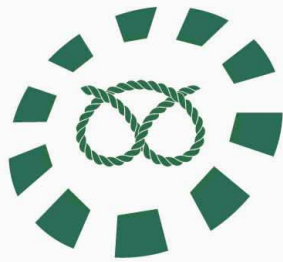
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Office of the Police and
Crime Commissioner
STAFFORDSHIRE

**PROPOSED 2018/19 PRECEPT FOR THE
POLICING ELEMENT OF THE COUNCIL TAX BILL
AND MEDIUM TERM FINANCIAL STRATEGY**

**Bipon Bhakri
Director of Finance and Performance**

Report to the Police and Crime Panel – 29th January 2018
Proposed Precept 2018/19 and Medium Term Financial Strategy (MTFS)

Report of the Police and Crime Commissioner

1. Purpose of the Report

1.1 The purpose of this report is to set out the proposed budget and precept proposals for 2018/19. It is the second budget report for the Police and Crime Commissioner (PCC) for Staffordshire in his second term in office, since May 2016. It will deliver one of the PCC's key responsibilities under the Police Reform and Social Responsibility Act 2011.

1.2 The report sets out the following:

- Net budget requirement for 2018/19
- Proposed precept for the policing element of the council tax 2018/19
- Proposed Medium Term Financial Strategy (MTFS) 2018/19 – 2020/21
- Outline capital budget 2018/19 – 2020/21
- Reserves strategy 2018/19 – 2020/21

2. Recommendations

2.1 The Police and Crime Panel is asked to:

- a) Examine the information presented in this report, including:
 - The Total 2018/19 net budget requirement of £183.449m, including
 - A council tax requirement for 2018/19 of £65.757m before collection fund surplus/deficits are taken into account.
- b) Support the proposal to increase the 2018/19 precept for the policing element of the council tax bill by 6.29% (£11.40 per annum, 95 pence per month), increasing this to £192.56 for a Band D Property.
- c) Support the Police and Crime Commissioner's (PCC's) use of additional funds to provide investment for the Chief Constable (CC) to deliver on key priorities, including local and neighbourhood policing.
- d) Support the proposed Capital Investment Programme to deliver improved productivity and efficiencies to enhance policing, community safety and services to victims.
- e) Note the future uncertainties and opportunities included in the precept proposal together with the proposed investments.
- f) Note that any changes required by a government grant alteration as notified through the final settlement or through amended council tax base and / surplus/deficit notifications received from the collecting authorities may be balanced either through further efficiency savings or through a transfer from the appropriate earmarked reserve.

- g) Note the current MTFS (Appendix 3), the anticipated investments and plans to identify further Transformation savings opportunities alongside the requirements of the Police and Crime Plan.
- h) Note the Reserve strategy that will support the MTFS, as detailed in a separate paper. (Appendix 8)

Matthew Ellis
Police and Crime Commissioner

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3. Executive Summary

- 3.1 This report, and the Council Tax precept proposal within it, is the result of considerable work by the Office of the Police and Crime Commissioner (OPCC), supported by Force colleagues and taking into account public and stakeholder consultation and key government announcements.
- 3.2 Following the announcement of the provisional Police Grant settlement by Government, the PCC has considered current and future funding requirements, together with the factors included within his Police and Crime Plan, the results of the survey with local residents, as well as actual and expected cost pressures and expected efficiency savings through the Police Transformation programme.
- 3.3 The PCC has reviewed the budget and precept requirements in light of all of the above and has also scrutinised in detail the budget proposals from the Force.
- 3.4 The PCC has understood the current and emerging operational challenges, both nationally, regionally and locally, with particular reference to those areas included within the Force's Strategic Assessment.
- 3.5 The PCC was the first to call on Government for the flexibility to be provided to increase the policing element of the Council Tax bill. He strongly believes that this brings more transparency and accountability on the need for any additional funding and how that will be used.
- 3.6 The proposed precept, together with current budget efficiency plans, enable the PCC to provide additional funding equal to the sum of £1.9m in 2018/19, with the opportunity of rising by £3m in 2019/20. In considering the need to do so, the PCC has tasked the CC with delivering costed investment plans to explain the benefits that such an increase in the precept will bring and will hold him to account in delivering these. The investment plans are detailed in Section 7.4 of this report, but at a high level they will achieve:
- An additional 44 Police Officers to be added to the current establishment by the end of 2018/19, rising to 69 additional officers by the end of 2019/20.
 - Creation of a county wide resolution service to speed up public access to the force around non-emergency/non-urgent incidents using a mix of telephone and online contact engagement.
 - Improved digital investigations capability of the force through enhanced CCTV and digital data handling.
 - Investment in mobile/speed enforcement technology and focussed patrol resources to improve road safety and disrupt criminal use of roads network.
- 3.7 The benefits of this investment is intended to result in:

- increased visibility in neighbourhood policing;
- reduced repeat offending and victimisation;
- greater public satisfaction;
- increased resilience towards the crime and terror threats;
- reduction in those serious killed or injured on our roads network;
- enhanced use of digital technology in policing so there is reduction in administrative processing by officers;

- 3.8 In responding to the challenges of greater demand, the PCC has set out in his Safer, Fairer, United Communities strategy the need for robust and effective multi-agency interventions across many work areas; he has said very clearly that policing alone cannot solve many of the problems faced, for example in responding to aspects of societal change, domestic abuse, or addressing the impact caused by some who abuse drugs, or alcohol. Through joint funding, governance arrangements and initiatives led through his office, the PCC has in place arrangements that support the management of demand across his key community safety priorities. From a budgetary perspective, the PCC has ensured that key investments that are not into policing, but broader community safety can be maintained from within the settlement.
- 3.9 Furthermore, whilst the PCC welcomed the anticipated Government settlement for 2018/19 (and 2019/20), he also recognises that there are still financial challenges faced over the coming 3 years in order to meet the increasing demand for police services.
- 3.10 The PCC will support the CC to develop the Staffordshire Police Transformation programme (SP25) and has committed to ensuring that the pace of the capital programme and achievement of capital receipts will support this, through new IT platforms and Estate. These include the implementation of a Core Policing IT Platform, with rollout starting on new modules within the coming financial year.
- 3.11 The PCC recognises that excellent governance is key to enabling good outcomes to be delivered and also providing assurance on progress, so the redesigned governance framework and risk management strategy implemented in 2017/18 will aid partnership and stakeholder engagement and ensure cognisance with the PCCs Strategy.
- 3.12 The PCC has taken into account the adequacy and level of reserves and the impact of future financial challenges and opportunities in the MTFs. Since coming into office he has maintained a position to keep reserves at a minimum safe level.
- 3.13 After careful consideration of all aspects and the consultation on precept, the PCC is proposing a precept increase of £11.40 for the 2018/19 financial year in order to build a sustainable base budget not only to maintain and safeguard policing and community safety services across Staffordshire and Stoke on Trent, but also to make additional investment support more policing visibility, better outcomes and helping people feel more reassured in their communities.

4. Precept Strategy and 2018/19 Proposal

- 4.1 The 2018/19 precept increase is only the second proposed by the Police and Crime Commissioner since 2013/14. For the period 2013/14 to 2016/17, the PCC maintained council tax levels at the same level as in 2012/13. His view had been that efficiencies should be delivered within policing and community safety before he would consider asking council taxpayers for more. Staffordshire Police has coped well and because money has been spent more effectively over recent years, local and neighbourhood policing numbers have remained broadly the same since 2013.
- 4.2 In 2017/18, the PCC implemented a 1.99% increase in council tax because of the substantial challenges facing policing in particular and because he was satisfied that the service had delivered efficiencies over the previous 4 years.
- 4.3 The PCC regularly engages with local residents and stakeholders on a wide range of matters. In relation to the precept, the recent consultation, undertaken between 16 December 2017 and 16 January in 2018 showed that 65% of those who responded would support an increase in the precept.
- 4.4 The PCC has listened to this feedback and has outlined his intention to increase funding in the coming year at £11.40, which will provide additional investment to the Chief Constable, subject to satisfactory delivery. Over the six years, including 2018/19, that the PCC has been responsible for proposing the policing precept, the average increase per year equates to 1.4%.
- 4.5 The draft Council Tax Referendum Principles for 2018/19¹ confirm that PCCs can increase the policing element of Council Tax by what they consider necessary, but that the maximum increase before a referendum is required is now £12.
- 4.6 In making his proposal, the PCC is satisfied that in doing so he is maximising the resources available to Staffordshire Police and into community safety, to deliver the priorities outlined in his Safer, Fairer, United Communities Strategy.

5. Grant Settlement and Funding

- 5.1 On the 19th December 2017, the Government announced the outcome of the Provisional 2018/19 Police Finance Settlement.
- 5.2 The significant element of this announcement was that for 2018/19 and 2019/20 financial years, there would be precept flexibility of up to £12 for all PCCs.
- 5.3 The Minister's letter and statement has confirmed that to assist PCCs plan more effectively, the Home Office intention for 2019/20 is to maintain the cash flat settlement for the main Policing Grant with the same precept flexibility, subject to progress against agreed efficiency milestones (to be agreed in early 2018).
- 5.4 The impact of the change in precept flexibility over the next 2 financial years will enable the PCC to plan with Staffordshire Police over a longer time frame and removes the previous threshold limits of having to be under 2% on precept.

¹ https://www.gov.uk/government/uploads/system/uploads/attachment_data/file/670392/Draft_2018-19_principles_report_for_provisional_settlement.pdf

- 5.5 For Staffordshire, the PCCs proposal to increase precept by £11.40, will mean a maximum increase of 6.29% in Council Tax Band rates. In financial terms, this provides just under £5 million to the PCC that he can allocate to Staffordshire Police, or to community safety priorities.
- 5.6 The table below illustrates the financial impact of the policing element of the precept changes on the Council Band D rate and increase in funding for Staffordshire Police.

Council Tax (Police Element)	2017/18	2018/19
Band D Rate Council Tax Proposed	£181.16	£192.56
Increase on Prior Year	£3.55	£11.40
Percentage Increase on prior year	1.99%	6.29%
Council Tax Increase	£1,192,064	£3,893,079
Total Precept Levied	£60,832,222	£65,756,587

- 5.7 The increase in Council Tax funding also takes into account the actual tax base increases for 2018/19 (1.7% for Staffordshire) when calculating the financial impact of the precept flexibility, rather than the 1.34% assumed within the 2018/19 Grant Settlement.
- 5.8 The Home Office has also referenced the precept flexibility to help meet additional funding for any Police Officer and Staff pay settlements. Alongside the expected opportunities for increased efficiencies the belief is that there would be sufficient funding for PCCs to make appropriate provisions for likely cost increases over the next year and future years in their financial plans.
- 5.9 In relation to the Police funding formula, which had been due to be communicated in 2017/18, then the Minister has stated that any review of the Formula will not be revisited until the next spending review.
- 5.10 In addition to the change in precept principles, the Minister also confirmed the continuation of flat cash grant funding for the main Police Grant (i.e. the same allocations as in 2017/18 for the Home Office Core Police Settlement, and Legacy Council Tax).
- 5.11 Since 2014/15, PCCs have received their core policing funding from the Home Office which subsumed the former DCLG grants (including previous funding from Business Rates).
- 5.12 The table below confirms for Staffordshire, the Home Office funding arrangements for 2018/19, to be held at exactly the same level as 2017/18.

Funding Source	2017/18	2018/19
Home Office Police Grant	£104,936	£104,936
Revenue Support Grant	£8,423	£8,423
Council Tax Freeze Grant	£3,541	£3,541
Home Office Funding for Staffordshire Police	£116,900	£116,900

5.13 The Police and Crime Commissioners Treasurers Society (PACCTS) have advised that reallocations (top slicing) have been simplified to enable easier year on year comparisons. In 2018/19 reallocations total £945m, 16% than the 2017/18 equivalent. However this has had no effect on the core policing grant for the years up to 2019/20, as the Home Office has reallocated its overall budget to enable this increase.

5.14 The national reallocations elements are detailed further as follows:

Top Slice	2017/18 £(m)	2018/19 £(m)
Total	812	945
PFI	73	73
Police Technology Programmes	417	495
Arm's Length Bodies	54	63
Strengthening the response to Organised Crime	28	42
Police Transformation Fund	175	175
Special Grant	50	93
Pre-charge Bail	15	4

5.15 The key issues in relation to the settlement and top slice elements include the following:

- Counter terrorism (CT) funding is negotiated separately to the police settlement, therefore, increases should not impact on the rest of the Police settlement. In 2018/19, the funding for CT has increased to £757m, which is a 7% increase on 2017/18 funding. The 2018/19 budget also includes £29m for armed policing.
- The Police Transformation Fund (PTF) for 2018/19 has remained the same, in cash terms, as 2017/18 at £175m. PACCTS have advised that future allocations from the PTF will be for commissioned work rather than bids.
- The Police Technology Programme has a budget for 2018/19 of £495m, which is an increase of £78m on 2017/18 funding. PACCTS have scrutinised this budget and have advised that £75m (or 96%) of the additional funding to this reallocation relates to Emergency Services Network (ESN) costs. This programme relates to the planned replacement for Airwave. Since 2016/17, approximately £180m has been top sliced to fund the ESN programme costs. At this stage, however, there is still uncertainty about total ESN costs which will impact on the PCC and national timescales continue to slip.

- Arms-Length Bodies include Her Majesty’s Inspectorate (HMI), Gangmasters and the Independent Office for Police Conduct, which replaces the Independent Police Complaints Commission (IPCC).
- Police Technology Programmes include ESN, existing Airwave System, Home Office Biometrics and the National Law Enforcement Database.

5.16 Whilst the total value of the national reallocations for 2018/19 is known, there does remain a level of uncertainty about the impact on the Police Grant of top slices (which are anticipated to increase). Therefore the long term impact on the MTFs must be considered alongside the precept options presented in this report.

5.17 A summary of the provisional settlement (based on the proposed £11.40 precept increase) is shown in the table below:

Funding Source	2017/18	2018/19
Home Office Police Grant	£104,936	£104,936
Revenue Support Grant	£8,423	£8,423
Council Tax Freeze Grant	£3,541	£3,541
Home Office Funding for Staffordshire Police	£116,900	£116,900
Precept (proposed £11.40 increase in 2018/19)	60,832	65,757
Council Tax Collection Fund Surplus	855	792
Total	178,587	183,449

6. Change Programme

6.1 The underlying funding gap before delivering the Transformation savings illustrates clearly the importance of the force delivering the SP25 transformation programme.

6.2 The programme over the next three years will deliver a more effective police service, at a lower cost. The savings are set out in the Outline Business Case.

6.3 Delivering these savings, along with the funding generated by the additional precept set out in this report, provides an investment fund for the PCC to commission outputs from the force to address key priorities in his Safer, Fairer and United Communities of Staffordshire strategy.

6.4 The SP25 programme began in August 2017, with 42 work packages to be delivered over three years. The work packages identify a series of quantifiable savings and service improvements, and are included in the 2018/19 budget and for future years in the MTFs.

6.5 For 2018/19, the Chief Constable is committed to delivering £2m of savings during the reporting year. The majority of the savings will be realised by the implementation of the Core Policing Platform. These savings will be realised from reducing processing inefficiencies. With IT systems being integrated there is significantly reduced administration time in both front line input and support services. There will also be enhanced benefits in data analytics which will allow

more robust data connections leading to more informed and quicker decisions reducing analysis time and providing a timely response to the public, improving public confidence and credibility in policing, with reductions in non-police pay and associated efficiencies.

- 6.6 For 2019/20, it is expected that there will be an additional £4.4m of savings off the base budget as the change programme is implemented during the year.
- 6.7 The work packages delivering these changes are set out in Appendix 4 with expected timelines for delivery supporting the financial expectations for 2018/19 and 2019/20.
- 6.8 The majority of these efficiency savings are supported by the PCC's ongoing capital investment in IT. There is an assumption built into the plans that planning, approval and delivery of this investment will be swift. There will need to be joined-up working across all agencies to deliver on these plans.
- 6.9 The confidence around the force's capability to deliver these financial commitments in both 2018/19 and future years is underpinned by the new governance framework in place. This is made up of the force's Strategy Board, which provides assurance on progress with the SP25 programme, as well as other Force operational and strategic areas.
- 6.10 OPCC management representatives also attend these meetings and provide 'check and challenge' on progress and report back to the PCC.
- 6.11 The recent internal audit on the Change Programme controls and governance arrangements reported "Satisfactory Assurance", which provides for confidence in the controls in place and ability to deliver the necessary changes.

7 PCC Additional Investment

- 7.1 Since taking office, the PCC has set out his vision for a Safer, Fairer and United Staffordshire and Stoke on Trent, which will deliver:
- Better Early Intervention
 - Timely and Effective support to Victims and Witnesses
 - Improved Public Confidence in the Police
 - Multi Agency Offender Management
 - A Modern and Transformed Policing Service
- 7.2 To achieve these objectives more swiftly, taking into account the financial pressures, the PCC will require an increase in the policing element of the council tax precept, and provide some additional investment from reserves. This, alongside the Chief's Constable's commitment of £750k per annum to reduce the force's overtime budget provides:

- £1.932m additional investment in 2018/19
- £3.003m additional investment in 2019/20

With this being built into the base budget there will need to be savings or income generated in 2020/21 of £3.403m to maintain the investment made in 2018/19 and 2019/20.

7.3 The key priority areas for investment across the Force are:

- Local Neighbourhood Policing
- Investigations
- Roads Policing

7.4 The table below identifies the level of investment in each area and the outcomes through which the PCC will assess the Chief Constable's performance:

Area	Local Neighbourhood Policing	Investigations	Roads Policing
Total Investment £4,935k	£3,290k	£855k	£790k
Investment Outcomes	Expansion of neighbourhood policing capacity to increase visibility, increase public satisfaction, reduce repeat victimisation and offending.	Improve our digital investigation capability to reduce harm, increase prevention and safeguarding and improve early evidence case management.	Investment in technology to disrupt criminal use of roads that increases visibility of patrols and reduces those killed or seriously injured (KSI) on our road network
	Create a county-wide resolution service that reduces contact and resolution time, and increases victim and public satisfaction.	Improve investigative impact to increase victim satisfaction, improve outcomes for serious and complex crimes.	Educating and informing vulnerable communities to minimise those killed or seriously injured on our road network.
	Consistent and more efficient 24/7 response service that increases visibility, increases public satisfaction, and reduces repeat victimisation.		

8 The Financial Challenge – Future Risks, Uncertainties and Opportunities

8.2 The Panel were advised in October 2017, of the latest MTFs position that identified a potential shortfall of £11.4m by 2020/21. The intention of the PCC

is to use the flexibility to increase the precept, which together with the efficiencies from the current force change programme, will instead provide funding for investment and greater stability.

- 8.3 The PCC and his office will continue to work with the Force to ensure that their existing proposals to achieve value for money and deliver the ambitious SP25 change programme will ensure that the effectiveness of every pound spent continues to be the goal.
- 8.4 The affordability of the capital programme, which is fundamental to the delivery of SP25, and at the core of the Policing Plan, is dependent on achieving funding through the release of capital receipts. However the PCC will encourage the use of alternative sources of funding such as external grants to ensure that Staffordshire money is used only where other alternatives have been thoroughly researched.
- 8.5 Some further financial and operational risks and challenges are as follows:
- The Home Office has committed to increased Precept Flexibility for PCCs, up to a period of 2 years (2018/19 and 2019/20), there is uncertainty on the years thereafter, what the financial arrangements would be.
 - The Full impact of costs and funding arrangements for the new National Emergency Services Network (ESN) are still unknown. The project, which sits with the Home Office has slipped by an estimated 15 months behind schedule. This delay means that forces may need to extend their Airwave contracts, which is likely to have associated costs in addition to the delayed savings expected from ESN.
 - In 2017/18, in response to the national terror threats, Staffordshire Police, like other Forces needed to provide local residents the necessary assurance of visible policing at major events; this cost around £0.3m which was funded from reserves. The MTFs will should take into account the potential for future terror threats and their impact on funding.
 - The Force also faces increased staff pension costs, relating to meeting past service deficit costs. This cost arose following the triannual actuarial assessment of the Staffordshire Local Government Pension Fund, of which the Police Force is a participating employer. It was identified for all 12 employers in the scheme, that there are requirements for additional advanced contribution rates for the period 2017/18 – 2019/20, which for the police service total £5.6m over 3 years. This was recognised in the previous MTFs, but from a prudent perspective the likelihood of continuation of this cost into the future should be considered. The triennial assessment takes into account market rates, longevity, and current staff base to provide contribution for retirees and other elements. In discussion with Treasury colleagues from Staffordshire County Council the view is that none of these elements will improve to the point that additional contributions can be avoided. Therefore it is likely that there will be a need to provide for the future years and the MTFs has been updated to include this additional year's cost.

- The operational and financial impact of the new, emerging and increasing areas of threat, including the locally reflected national concern and increasing demands of Child Sexual Exploitation, Adult and Child Sexual and Violent crimes and increasing cybercrime and Extremism. It is clear that these areas will need more targeted investment and resources – some are one offs and some ongoing requirements.
- The risks on inflation and upward pressures on price inflation for goods and services. The MTFS has assumed 2% inflation for future years, which reflects the Chancellor's estimates in the Autumn Statement in 2017.

8.6 These risks, challenges and uncertainties are under regular review and steps are already in place to mitigate these including:

- OPCC oversight to ensure continued rigour and commitment takes place in meeting and identifying savings and efficiencies, at a regional and local level. This oversight includes attendance by the OPCC at the Force Strategy Board to ensure scrutiny, challenge and full consideration of change and savings proposals.
- Regular review and scrutiny of the Capital Programme and the Treasury Management Strategy.
- Reviewing potential opportunities for collaboration with other PCCs and Chief Constables in the regional network, which the Staffordshire PCC chairs. The governance framework has been strengthened so that key decisions around budgeting and operational requirements are aligned to agreed priorities and objectives and have been costed appropriately in tandem with PCC budgets.
- Regular monitoring to ensure that budgets are being used in accordance with agreed activities, with slippages monitored and challenged, so that the Force operates within the funding provided by the PCC.

9 Base Budget Preparation, approach and scrutiny

9.2 The 2018/19 budgeting round continues to use a risk-based approach to budget setting which has sought to align the budget process with identified strategic operational priorities and risks.

9.3 The OPCC and the Force continues to consider key corporate risks when setting the budget. Essentially these risks are operational and organisational around managing people, infrastructure assets, information, commissioning etc.

9.4 The Force continues to identify its Strategic Operational Risks as part of the National Intelligence Model (NIM). This has been used to inform resourcing strategies at both Directorate and Departmental Level.

9.5 Each year, the Force undertakes a major exercise to review its operational risks which are set out within the "Force Strategic Policing Assessment". The purpose of this work is to identify those areas of greatest risk. Essentially a high

risk area is where only limited resources had been allocated to address a substantial risk, i.e. this creates a significant risk gap.

- 9.6 The latest MTFS and, in particular, the 2018/19 budget contained within this report aligns the Force and PCC's financial resources to risk and therefore is fundamental to the performance management of Staffordshire Police.
- 9.7 The PCC's Chief Financial Officer (CFO) has worked closely with the Force finance team throughout the year during the budget monitoring process and in preparation of the budget for 2018/19. In respect of the budget, this has included (but was not limited to), the identification and agreement of assumptions and methodology and challenge and scrutiny of the budget workings. In addition, where the CFO has sought clarification, or changes, these have been discussed and amendments made where appropriate.
- 9.8 The PCC, together with his CFO and the OPCC management team have held regular discussions with the Chief Constable and his Chief Officers throughout the year and during the budget preparation process and the announcement and interpretation of the settlement.
- 9.9 These discussions have culminated in a number of full and robust discussions of the budget requirement, the national and local operational and financial challenges, the precept options available to the PCC and a review of the MTFS and associated risks.
- 9.10 Furthermore, there has been a significant degree of scrutiny and challenge undertaken by the PCC and his team, prior to, during and post the Strategic Governance Board on the 17th January 2018, culminating in final discussions on the policing budget and decision on precept by the PCC.

10 2018/19 Revenue Budget

- 10.2 The base budget for 2018/19 has been built based upon a combination of the latest inflationary information for pay awards, price and fuel/energy expenditure. It also uses a risk based approach as outlined earlier in the report.
- 10.3 Based on returns from billing authorities there is an increase in the tax base of the authorities of between 0.5% and 3% and the authorities are reporting no deficit on the collection fund. This provisional information has been reflected in the budget and is an estimated increase of 1.7% on 2017/18 and set out in the Appendix 3.
- 10.4 The table below sets out the Proposed Revenue Budget for 2018/19 and compares with the budget for the previous year.

Revenue Budget Bridge	Revised Budget 2017/18 £000	Original Budget 2018/19 £000
Staff Costs	144,425	147,297
Operating Costs	28,516	30,947
Income	(4,795)	(8,912)
Force Budget	168,146	169,333
OPCC Budget	13,620	14,718
Additional Investment		1,932
Use of Earmarked Reserves	(3,179)	(831)
Capitalisation /Capital Receipts		(1,703)
Total Police Fund Expenditure	178,587	183,449
Financed by		
Police Grant	104,936	104,936
Council Tax Funding	73,651	78,513
Total Funding	178,587	183,449

- 10.5 The Panel is advised that the total net budget requirement in 2018/19 is £183.449M, equating to an increase of £4.862m (2.7 % increase) from the 2017/18 net budget requirement level of £178,587m. The budget requirement is detailed in Appendix 1.
- 10.6 The Staffordshire Police budget is mainly made up of employee costs, which make up approximately 85% of the operational budget expenditure. The remainder of the budget relates to non-pay costs, which relate to activities in relation to Infrastructure, IT, Fleet, Estates, Commissioning and Capital Financing costs.
- 10.7 There are a number of areas where it may be helpful to highlight significant aspects of the budget in line with the Police and Crime Plan priorities as follows.
- **Police Officers** – The budgeted headcount for Officers will increase by 44 in 2018/19.
 - **Pay Award** – The 2018/19 budget includes an assumption that the Pay award will be 2% for both Officers and Staff, this follows on from the 2017/18 position. It is expected that this will cost £0.6m in 2018/19.
 - **New Apprenticeship Levy** – this has been built into the costs and equates to over £0.5m per annum.
 - **Police Community Support Officers (PCSOs)** – These have been based at a level of 240.

- **Support Staff** – The 2018/19 budget is based on 1,238 FTE, which have been budgeted to include a reasonable vacancy rate. Also included is the impact of the triennial actuarial review of the Local Government Pension Scheme which has resulted in an increase of £1,823m for 2018/19.
- **Premises** – it has now been confirmed that premises costs have increased by £90,000 per annum due to business rates revaluations undertaken by the Valuation Agency on the estate owned by the PCC and a change in the expected use of Hanley Police Station.
- **Regional Collaboration** – Regional budgets are based on operational priorities recommended by the Regional Chief Constables and the budget relates to Staffordshire’s share of collaborative arrangements including a share of 70.5 FTE Police Officer posts for the Regional Organised Crime Unit (ROCU) at a cost of £3.9m.
- **Borrowing Costs** - The investment in the Force’ Change programme has also meant an increase in borrowing costs, which are expected to increase by £0.818M as a direct result.

11 Capital Programme 2018/19 to 2020/21

- 11.1 The Capital Programme is set out in Appendix 6. The revenue consequences of the proposed programme have been taken into account in the development of the revenue budget and the required prudential indicators are set out in Appendix 7.
- 11.2 The core Capital Programme was considered by both the OPCC and the Force at the Strategic Governance Board meeting in December 2017. The Programme includes investment on operational areas of premises, IT and vehicle fleet, together with assumptions for Capital Receipts and timings of work. The OPCC provided scrutiny and oversight given the size of the expected spend.
- 11.3 The Capital Programme also includes the strategic investment requirements arising out of the Transformation Programme activity, which the OPCC has worked extensively with the Force on together with the resultant benefits to be realised through improved productivity and also to generate cashable benefits.
- 11.4 Over the MTFS period of 2017/18 to 2020/21, the Capital Expenditure will be £56.073m. The majority of the expenditure will be on the Transformation Programme activity and ICT Investment, which constitutes £35.743m over the MTFS period.

11.5 The table below details the Capital Programme Projects and spend over the MTFS period.

Capital Investment Area	2017/18 £'000 (Out turn)	2018/19 £'000 (Proposed)	2019/20 £'000 (Estimate)	2020/21 £'000 (Estimate)	Total £'000
Estates	6,671	2,767	2,000	2,000	13,438
ICT & Transformation	8,516	19,940	5,596	1,691	35,743
OPCC & Partnerships	309	0	0	0	309
Equipment	81	525	300	300	1,206
Vehicles	1,627	1,250	1,250	1,250	5,377
Total	17,204	24,482	9,146	5,241	56,073

11.6 The expected funding of the programme is outlined below. In order to reduce reliance on borrowing and impact on the revenue budget arising from capital interest charges, the Commissioner is proposing to fund a significant part of this capital investment from proceeds generated by the sale of the Estate as per his capital strategy.

Funding	2017/18 £m (Outturn)	2018/19 £m (Est)	2019/20 £m (Est)	2020/21 £m (Est)	Total £m
Capital Receipts	115	7,880	5,493	0	13,488
Capital Grants	1,014	683	883	683	3,263
Borrowing	15,407	3,292	13,174	9,047	40,920
Total	16,536	11,855	18,184	11,121	57,671

11.7 The funding of the Capital Programme over the MTFS period, takes into account the Prudential Code, which applies to all local authorities, including PCCs.

11.8 The main objectives of the Prudential Code are that capital investment plans are affordable, prudent and sustainable.

11.9 The programme is dependent on the planned sale of assets: without realising these sales the burden of funding will fall more heavily on the revenue budget through the minimum revenue provision which will have to be increased to allow for the repayment of loans.

11.10 There are detailed plans to realise £17,776M check this from capital receipts over the course of the MTFS period.

11.11 As the code of practice dictates, the first call on capital receipts is to fund their replacement or other capital investment. In the ordinary course of events, spend on business change and transformation support cannot be capitalised. The Secretary of State's capitalisation directive does not of course change this, however, the OPCC intends to use the facility allowed to apply capital receipts to pay for Transformation spend. In doing so, this protects revenue reserves from the uneven impact of spend created by a transformation

programme and uses the flexibility available to the full to relieve this and future years' revenue budgets.

11.12 The table below illustrates how the PCC will use Capital Receipts to support the investment in Staffordshire Police across the Medium Term.

Capital Receipts	2017/18 £m (Out turn)	2018/19 £m (Proposed)	2019/20 £m (Estimate)	2020/21 £m (Estimate)	Total £m
Received:					
Estates	1,800	13,776	2,085	0	17,661
Other e.g. vehicles	115	0	0	0	115
Total	1,915	13,776	2,085	0	17,776
Applied to:					
Capital	115	7,880	5,493	0	13,488
Transformation	1,800	1,556	932	0	4,288
Carried Forward	0	4,340	0	0	

11.13 The PCC seeks to meet these Prudential Code objectives as follows:

- **Affordability & Sustainability** – the OPCC takes into account all of the resources currently available to the organisation and estimated for the future, together with the totality of its capital plans, revenue income and revenue expenditure forecasts for the coming year and the following two years.
- **Prudent** – over the MTFs period, then any net borrowing (that is after any capital receipts, grants, sale of assets) will only be used for capital purposes. CIPFA also require that limits are set in place for fixed and variable interest rates exposures and on the maturity structure of borrowing.

11.14 The Prudential Code key indicators are set out in Appendix 7.

12 Medium Term Financial Strategy (MTFS)

12.1 The MTFs is an important document in the overall financial framework of the PCC. It builds on the budget proposed for 2018/19 and incorporates plans to meet changes in available financing with the need to meet current and future commitments.

12.2 It is a requirement that the Police and Crime Plan must cover the period until the end of the financial year of the next PCC election in May 2020. Thus the relevant date is 31st March 2021 and the MTFs covers the period to this date.

12.3 The MTFs presented to the Police and Crime Panel in October 2017 identified a funding gap of £11.4m over the MTFs period.

12.4 The latest MTFs position for the period to 2020/21 indicates that this funding gap has been resolved, with the expectation of balanced budgets for the

remaining term of the PCC's office. The main drivers of this is the combination of the increased precept opportunity and work to ensure that the Change Programme will deliver the required savings.

12.5 The recent internal audit on the Change Programme controls and governance arrangements provided a 'positive assurance', along with strong focus in both the OPCC and Force senior management team to ensure timely delivery. Appendix 3 provides a full reconciliation of the movement between the October 2017 and the latest MTFS position.

12.6 The recent announcement by the Home Office provided precept flexibility of up to £12 for all PCCs. The PCC has compared the options for precept setting across the period and used sensitivity analysis to assess the changes in funding that would occur at different precept levels.

Precept Options in 2019/20	If £11.40 Increase from 2018/19	If no Increase in Precept from 2018/19	If Precept Increase by £6 from 2018/19	If Precept Increased to £12 from 2018/19
Net Budget Requirement	£188,336	£183,449	£186,620	£188,703
Band D rate	£203.96	£192.56	£198.56	£204.56
Precept Increase in %	5.92%	0.00%	3.12%	6.23%
Additional Precept Funding	£5,046	£0	£3,172	£5,254
Total Funding	£188,336	£183,449	£186,620	£188,703
Gap		-\$1,692		
Available Investment	£3,195		£1,479	£3,562

12.7 The table above indicates that a rise of £6 in the precept in year 2 would reduce the investment opportunity in the Force's proposed business development areas.

2020/21 Impact	£11.40 Increase	No Increase	£6 Increase	£12 Increase
Band D rate 2019/2020	£203.96	£192.56	£198.56	£204.56
Band D after 1.99% Increase in 2020/21	£208.02	£196.39	£202.51	£208.63
Council Tax base increase (£'000)	£1,046	£1,046	£1,046	£1,046
Additional Precept Funding (£'000)	£1,433	£1,351	£1,394	£1,436
Total Funding (£'000)	£190,814	£185,846	£189,060	£191,185
Gap (£000)		(£4,176)	(£962)	
Available Investment (£'000)	£792			£1,163

12.8 The above table shows that a 1.99% rise after any of the options chosen in Year 2 of the plan has a range of impact on planned investment levels or resulting in a funding gap in Year 3, which will require further efficiency savings/additional

income generation. **(the above assumption is for modelling purposes only)**

12.9 The move towards relying on Council Tax to support Police Funding will, we anticipate, result in Council Tax providing 41% of funding by the end of 2022/23, a rise from 35% at the start of the period.

12.10 The updated MTFS includes a number of key assumptions covering likely funding levels, inflationary increases and expenditure items. These include the following:

- The announcement in December 2017 by the Home Office provided for all PCCs to have precept flexibility to increase up to £12 on Band D rates for the next two financial years.
- If Staffordshire PCC increased precept by £11.40 for the next year, this would generate an additional £5m.
- The future years (2019/20 and 2020/21) budget will be balanced due to improved financial benefits from efficiencies, collaboration, precept increases, or a combination of all three.
- That the core policing grant would stay cash flat for the next three years.
- That the council tax base (and therefore, the precept) grows at 1.66% per annum (source: prudent estimate based on the local position over the last five years). This is in excess of the 1.34% assumed by the Home Office nationally.
- Pay Increases are assumed at 2% until 2020/21, based on the advice of PACCTS, following the funding settlement announcement.
- Non staff inflation are based upon the rates for the Consumer Price Index (CPI), as projected by the Office for Budget Responsibility (OBR).

12.11 The MTFS highlights that whilst 2017/18 to 2018/19 will be balanced due to the certainty provided by the Home Office around the precept flexibility, the continuation of flat cash funding.

12.12 However for 2019/20 to 2020/21, there will be a balanced budget for each of the years, due to efficiencies, collaborations, precept increase or a combination of all three.

12.13 It is expected that there will be more clarity provided by the Home Office for the years after 2019/20 in terms of funding arrangements.

13 Use of Reserves & Balances

13.1 In considering the budget, the MTFS and precept, it is important to review the size, level and type of reserves held by the PCC to ensure that they are adequate to cover the purposes for which they are held and to provide some safeguards against the future risk identified in the budget.

13.2 The PCC's full Reserve strategy is laid out in the separate paper.

13.3 In summary, four types of Reserve are held and these are explained further below:

1 General Reserve

There is a General Reserve held at £5.5m. This represents 3% of the net budget requirement for 2018/19 – 2020/21 and is within the recommended external audit and CIPFA levels of 3-5%. In a recent PACCTS survey in mid-2017, 60% of Police Services held around 3-4% of General Reserves. It is prudent to have such a reserve at this level to enable the organisation to withstand unexpected events which may have financial implications. There is no planned use of this reserve in during 2018/19.

2 Earmarked Reserves

The PCC currently holds five Earmarked Reserves, which at 31/3/2017 amounted to £2.9m. They are defined as Earmarked Reserves, as they are restricted to being used for the purposes for which they were set up for. These purposes cover areas such as budgetary risks, to support the MTFS budget and reserves held on behalf of others. The reserves to note are as follows:

- **Insurance Reserve £0.8m** – the reserve has been set at this amount, based on the advice of the Insurers and provides for the excess cost element relating to insurance claims made against the Force. It is expected that the reserve will remain at this amount during the MTFS period.
- **Pension Employer Contribution £1.6m** – the reserve level has been set based on the agreement contribution toward the Police Staff scheme past service costs shortfall, as agreed across the local authorities in Staffordshire in 2016.

3 Capital Receipts Reserve £1.8m (in year expected addition)

This reserve will hold any receipts arising out of sale of the PCC Estate. With usage to be applied to both capital and where applicable to revenue expenditure, which relates to the Change Programme, as per the directive in 2016 by the Secretary of State for Local Government, as ordinarily, revenue expenditure cannot be funded by Capital Receipts.

4 Unrestricted Funds Reserve

There is an Unrestricted Fund Reserve, which at 31/3/2017 amounted to £4.8m. They are defined as Unrestricted Reserves, as they can be used for any purpose deemed fit by the OPCC. The key reserves in this area are:

- **Transformation Reserve £4.2m** – this reserve was created to help fund the transformation currently taking place in order to achieve the required savings to balance future budgets.
- **Proceeds from Organised Crime Act £0.4m** – held by the PCC, this reserve relates to the Police Forces being able to recover 50% of cash

seized and assets confiscated in relation to the conditions laid out in the Act from 2002.

Furthermore as highlighted earlier in this paper, the PCC will draw from reserves £1m which will be used to fund the Force to invest in key areas which will facilitate increased visibility and support the PCC priorities and early and integrated response to demand, as detailed earlier in Section 6.

- 13.4 The OPCC receives regular updates on the level and use of Reserves, together with the Capital Programme and Treasury Management Strategy as part of the budget monitoring process during the year.
- 13.5 ETAP and the sub Audit group also receive regular updates on the level and use of Reserves, together with the Capital Programme and Treasury Management Strategy as part of the budget monitoring process during the year.

14 Policing Precept Proposal

- 14.1 After careful consideration of all of the factors highlighted in this report, the PCC is proposing a £11.40 increase in precept to maximise resources for operational policing, provide for additional policing which will deliver tangible outcomes and seek to mitigate some of the impact of the forecasted cost pressures.
- 14.2 In making this proposal, the PCC is extremely grateful to those who took part in the Precept survey which showed the willingness of the public in Staffordshire and Stoke on Trent to pay more in order to safeguard and develop policing in their neighbourhoods.
- 14.3 Additionally, in making this proposal, the PCC is satisfied that in doing so, he is maximising the resources available to Staffordshire Police to deliver the priorities outlined in his Police and Crime Plan.

15 Statement of the Chief Constable

“The financial settlement facing policing remains extremely challenging, and we continue to experience pressure on police budgets at a time when demand on our service is both rising and becoming increasingly complex.

“It is within this context that I acknowledge the Police and Crime Commissioner’s decision to increase the precept. This increase will support the major change programme I have implemented to transform the way the force operates over the next three years.

“Central to my plans is a continuing commitment to neighbourhood policing and improving our investigative capabilities. These will only be achieved, however, through better management of demand for our service, underpinned by a transformation in our use of technology.

“The steps the force is taking to better grip demand will enable investment in neighbourhood officers undertaking more preventative, proactive work and increasing our visibility in our communities. Alongside this, investment in new digital forensic tools will improve our ability to tackle both traditional crimes and new, online, crimes – specifically those relating to online child sexual

exploitation.

“Likewise, investment in new roads policing technology will enable us to disrupt criminals who use our road network, and reduce the number of road users killed or seriously injured through increased education and enforcement.

“But continuing this investment is only feasible if policing budgets are sufficiently protected – not just this year but next year as well. Without this commitment, the ongoing resilience of the force will be tested, and our ability to achieve the outcomes outlined above much more challenged.”

16 Statement of the PCC CFO on the robustness of the Budget and adequacy of the proposed financial reserves

16.1 The Local Government Act 2003, Part 2, Section 25, as amended by the Police Reform and Social Responsibility Act 2013, requires the PCC’s CFO to report on the robustness of the estimates used for the budget and the adequacy of the proposed financial reserves. The PCC is required to have regard to the report of the CFO and the report must be given to the Police and Crime Panel. The CFO statement is as follows:

16.2 *“At the OPCC/Force Strategic Governance Board meeting on the 17th January 2018, both the Force CFO and I attended to provide assurance to the Group that these factors have been considered, in building the budget so that there was sufficient dialogue, scrutiny and challenge to enable new factors or information to have been highlighted and discussed.*

In the sections above, titled “2018/19 – Base Budget – preparation, approach and scrutiny” and “2018/19 Base Revenue Budget”, a description of the development of this budget is given. During the preparation of the budget I have been given full access to the budget model and have been consulted on the assumptions being made in order to develop the model. I have received timely and detailed responses to queries and/or points of clarification. In the majority of cases I have agreed with the assumptions being made and where I have sought changes then they have been incorporated.

Furthermore, I have worked with the Force CFO to agree consistent assumptions and methodologies and where possible with CFO colleagues in West Midlands and West Mercia/Warwickshire and the wider PACCTS network which has assured that these have been benchmarked with peers.

Together with the Force CFO, the Chief Officer Team, OPCC Chief Executive and the PCC, I have reviewed, scrutinised and challenged the Force’ funding requirements and for Precept additional investment business cases. This has included reviewing the operational and financial risks of the investment and highlighting the impact on the MTFs.

I am assured that there is ongoing work to continue the Change Programme (SP25) and savings plan which will assist in confirming the savings to meet 2018/19 efficiencies and future years shortfalls in the MTFs.

There is confidence that the budget monitoring process in place during 2017/18 has continued to identify any variations of expenditure or income from that budgeted so that early action can be taken and this is regularly reviewed, discussed and scrutinised at both the Strategic Governance Board (SGB) and also at the monthly ETAP sub Audit Group.

I have also reviewed the detailed calculations in arriving at the budget requirement and council tax precept and options and find these to be robust. I also have, together with other precepting partners, sought authorisations from billing authorities in relation to tax base and council tax surplus/deficits.

The Chief Constable has discussed the revenue and capital requirements, operational and Police and Crime Plan requirements for 2018/19 and future years and together we have been able to develop a budget that supports the delivery of the priorities set out in the Police and Crime Plan.

The PCC's stated policy to minimise the level of public money held in reserves has been taken into account and there are sufficient general reserves available should operational demands require access to these. Earmarked reserves are also in place for specific requirements such as insurance and pension liabilities.

In coming to my conclusion on the robustness of the budget I have also reviewed the separate papers on Capital Expenditure and the Reserve Strategy.

The sections in this report on "Future Risks, Challenges, Uncertainties and Opportunities" and the "MTFS" has highlighted the key concerns both known and unknown issues, as the PCC and Force move forward in the medium terms for operational and financial areas.

Whilst this report does reveal that 2018/19 shows a balanced budget with an achievable Force savings requirement, the MTFS, however, reflects that after 2019/20, there are still significant uncertainties as the Home Office have only committed to precept flexibility and maintaining cash flat core grant arrangements to 2019/20, so any return to the current financing arrangements will mean significant financial pressures which need to be managed effectively.

However there is a high degree of confidence, that the precept flexibility along with the continuation of the 'flat cash' funding for the core policing grant, as well as the expected savings resulting from the Change Programme will mean a significant restructuring of the finances, so that the MTFS for the period up to 2020/21 will show a balanced budget, with no funding gap arising, due to increased efficiencies, collaboration, precept increases or a combination of all three.

There is increased assurance in meeting the financial challenge, with the PCC having tasked the Chief Constable with providing regular updates on the Change Programme progress, strong controls implemented to ensure delivery of the benefits, so that he is assured of the robustness of the work being undertaken to deliver these required savings in order to help balance the budget in future years.

I conclude that the budget for 2018/19 has been prepared on a robust basis and that although the financial position in the longer term is challenging, the Force have put in place arrangements to deliver activities and outcomes to address these shortfalls.

Beyond 2018/19, there is reduced uncertainty as to how finance settlement and the formula might look. Following the headlines identified in the Home Office December statement, then there is a better than anticipated settlement for the Police, both at a national and local level. However, it is reasonable to assume that the operational and financial challenges will continue and these are reflected as best estimates in the MTFS to 2020/21.

I conclude, therefore, that the budget for 2018/19:

- Has been prepared on a robust basis, and*
- Includes investment into visibility in line with the PCC's Police and Crime Plan priority.*
- In the short term, the budget is stable and reserves are sufficient.*
- However, the financial landscape is still challenging and the MTFS identifies savings which need to be found. The uncertainty and challenges have been identified within this report and the MTFS will be under regular review as savings plans progress.”*

Appendix 1 – DETAILED PROPOSED REVENUE BUDGET 2018/19 (COMPARED TO 2017/18)

2017/18 BUDGET £,000		2018/19 Budget £,000
84,649	Officer Pay & Allowances	86,438
8,793	PCSO Pay & Allowances	8,859
40,110	Police Staff Pay & Allowances	41,221
3,755	Overtime	2,371
7,118	Other Employee Costs	8,408
-	<u>Non Pay Costs</u>	
4,008	Premises	4,072
1,956	Transport	2,111
4,021	Operational Supplies	4,130
7,389	Other Supplies and Services	6,171
11,142	Third Party Payments	14,463
(4,795)	Other Income	(8,912)
168,146	Force Budget Requirement	169,333
1,349	OPCC	1,464
9,599	Commissioning	9,703
4,617	Capital Financing	5,435
(1,945)	Income	(1,885)
13,620	PCC Budget Requirement	14,718
	Capitalisation / use of capital receipts	(1,703)
(3,179)	Transfers to / (from) earmarked reserves	(831)
	Additional investment	1,182
	Additional investment from reducing overtime	750
0	Surplus/(Gap) after investments	0
(178,587)	Net Revenue Budget	(183,449)
	Funded By:	
(104,936)	Home Office Police Grant	(104,936)
(3,541)	Council Tax Freeze Grant	(3,541)
(8,423)	Revenue Support Grant	(8,423)
(855)	Collection Fund Surplus	(792)
(60,832)	Council Tax Precept	(65,757)
(178,587)	Funding	(183,449)

APPENDIX 2 – KEY ASSUMPTIONS

In producing this draft budget for 2018/19 the following assumptions have been made:

- Staffing budgets reflect resourcing plans and in order to assist flexibility a budget for agency staffing has been maintained.
- 90% of officers eligible will leave at 30 years' service and the remaining 10% of eligible officers will leave two years later.
- Police staff numbers vary in accordance with plans to modernise workforce practices, whereby some positions are transferred from officers to staff to enable officers to take up a frontline role
- Pay rates will increase by 2% in September 2018. In addition increments are included for staff moving up pay scales
- Budgets have been reallocated to reflect the IT Boeing contract and the Kier contract for Estates and Facilities Management.
- Government grant has maintained at the same levels as 2017/18.
- Income from football has significantly reduced due to revised methods employed by the clubs for stewarding matches.

Table 4 Key Assumptions

Description	2018/19 Proposed	2019/20 Estimate	2020/21 Estimate
<u>Police Officers</u>			
Pay Awards Additional	2.00%	2.00%	2.00%
Pension Contribution	24.20%	24.20%	24.20%
<u>Police Staff</u>			
Pay Awards Additional	2.00%	2.00%	2.00%
Pension Contribution	15.50%	15.50%	15.50%
<u>Indirect Staff Costs</u>	2.00%	2.00%	2.00%
<u>Non Staff Inflation</u>			
General (Including Rates)	2.00%	2.00%	2.00%
Utilities - Gas/Electric	5.00%	5.00%	5.00%
Utilities - Water	5.00%	5.00%	5.00%
Fuel	5.00%	5.00%	5.00%
Insurances	2.00%	2.00%	2.00%
<u>Funding</u>			
Police Funding	0.00%	0.00%	0.00%
Council Tax Base			
Increase	1.66%	1.66%	1.66%
Council Tax Precept			
Increase	6.29%	5.92%	1.99%
Collection Fund Surplus	792,000	633,000	507,000

APPENDIX 3 - MTFS

Police and Crime Commissioner for Staffordshire Police Medium Term Financial Projections 2018/19 to 2020/21 Detailed Projections

Precept Increase		£11.40		
2017/18 BUDGET £,000		2018/19 Budget £,000	2019/20 Plan £,000	2020/21 Plan £,000
84,649	Officer Pay & Allowances	86,438	86,360	88,538
8,793	PCSO Pay & Allowances	8,859	8,971	9,086
40,110	Police Staff Pay & Allowances	41,221	40,111	41,458
3,755	Overtime	2,371	2,371	2,371
7,118	Other Employee Costs	8,408	8,641	8,652
-	<u>Non Pay Costs</u>			-
4,008	Premises	4,072	4,150	4,231
1,956	Transport	2,111	2,170	2,232
4,021	Operational Supplies	4,130	4,252	4,300
7,389	Other Supplies and Services	6,171	6,278	6,387
11,142	Third Party Payments	14,463	14,741	15,575
(4,795)	Other Income	(8,912)	(8,912)	(8,912)
168,146	Force Budget Requirement	169,333	169,134	173,918
1,349	OPCC	1,464	1,493	1,523
9,599	Commissioning	9,703	9,453	9,453
4,617	Capital Financing	5,435	5,377	6,263
(1,945)	Income	(1,885)	(1,885)	(1,885)
13,620	PCC Budget Requirement	14,718	14,438	15,354
(3,179)	Capitalisation / use of capital receipts	(1,703)	(932)	0
	Transfers to / (from) earmarked reserves	(831)	1,750	0
	Additional investment	1,182	3,195	792
	Additional investment from reducing overtime	750	750	750
0	Surplus/(Gap) after investments	0	(0)	(0)
(178,587)	Net Revenue Budget	(183,449)	(188,336)	(190,814)
	Funded By:			
(104,936)	Home Office Police Grant	(104,936)	(104,936)	(104,936)
(3,541)	Council Tax Freeze Grant	(3,541)	(3,541)	(3,541)
(8,423)	Revenue Support Grant	(8,423)	(8,423)	(8,423)
(855)	Collection Fund Surplus	(792)	(633)	(507)
(60,832)	Council Tax Precept	(65,757)	(65,757)	(65,757)
(178,587)	Funding	(183,449)	(183,290)	(183,164)
	Funding Gap ***	0	(5,046)	(7,650)

*** The funding gap for 2019/20 and 2020/21 will be met through efficiencies, collaborations, precept increase or a combination of all three.

Precept by Billing Authority		
4,995	Cannock Chase	5,468
6,513	East Staffordshire	7,074
6,691	Lichfield	7,194
6,620	Newcastle	7,089
6,807	South Staffordshire	7,276
8,225	Stafford	8,972
5,929	Staffordshire Moorlands	6,333
3,821	Tamworth	4,128
11,231	Stoke City Council	12,223
60,832		65,757

Precept by Band Apportionment			
120.77	Band A	6/9	128.37
140.90	Band B	7/9	149.77
161.03	Band C	8/9	171.16
181.16	Band D	9/9	192.56
221.42	Band E	11/9	235.35
261.68	Band F	13/9	278.14
301.93	Band G	15/9	320.93
362.32	Band H	18/9	385.12

Band D Council Tax		
1.99%	% Increase	6.29%
3.55	£ Increase	11.40
6.8p	Increase per week in pence	21.9p

APPENDIX 3-MTFS

Police and Crime Commissioner for Staffordshire Police Medium Term Financial Projections 2018/19 to 2020/21 Changes in the MTFS from previous presentation

Overall comparison	2018/19	2019/20	2020/21
Previous MTFS Position			
Net budget requirement	184,105	187,338	190,520
Funding	(178,447)	(178,767)	(179,105)
Gap	5,658	8,571	11,415
Current MTFS Position			
Net budget requirement	183,449	188,336	190,814
Funding	(183,449)	(188,336)	(190,814)
Gap	0	0	0

Detailed changes	2018/19	2019/20	2020/21
Changes in Net budget requirement			
	(656)	998	295
Payroll	74	2,518	1,307
Overtime	(750)	(750)	(750)
Contracts	210	(124)	656
Inflation	52	(90)	(222)
Capital Financing	881	568	197
Income	(1,135)	(1,135)	(1,135)
Efficiency Savings	(2,051)	(2,051)	(2,051)
LGPS	1,611	1,611	1,611
Demand	96	96	327
Estates rationalisation	208	208	208
Base adjustments	147	147	147

Comments
Net of transformation
Further opportunities
Further opportunities
Recognised in base

Funding changes	2018/19	2019/20	2020/21
Changes in funding			
	(5,002)	(9,569)	(11,709)
Government Grant	(1,458)	(2,915)	(4,342)
Council Tax	(3,544)	(6,654)	(7,367)

Comments
Standstill funding
Base 0.8% to 1.7% and £11.40

OVERALL	2018/19	2019/20	2020/21
Change in gap	(5,658)	(8,571)	(11,415)
Change in budget req't	(656)	998	295
Change in funding	(5,002)	(9,569)	(11,709)

APPENDIX 4 – CHANGE PROGRAMME WORK PACKAGES

Workstream / Work Package	OBC BC Workpackage
EV1 Well Led & Resilient	
Leadership & Accountability	OBC WP 41
Strategic Planning Process	OBC WP 40
People culture, wellbeing and agile working	New work package
EV2 Professional Emergency Response	
Design and Implement Response Hubs	OBC WP 12 and 13
Review Response Workforce Mix	OBC WP 17
EV3 Bringing Offenders to Justice	
Review Custody	OBC WP 21
CPP Exploitation	OBC WP 32 and 36
Review investigations Workforce Mix	OBC WP 11
Investigations Hubs	OBC WP 10
Justice Process Improvements	OBC WP 15 and 16
EV4 Informed Control Room	
Crime Allocation Policy	Tranche 1 IN01
Reduced Dispatch Function	OBC WP 1,6 and 7
Control Room Improvements	OBC WP 8 and 14
EV5 Multi-channel and customer centric	
Design & Implement Resolution Centre	OBC WP 3
Customer Excellence	OBC WP 4 and 5
Channel Shift	OBC WP 2
EV6 Community based problem solving	
Knowledge Products	Tranche 1 NC01 - Paul
Design and Implement NPT's	OBC WP18 and 26
Expand NPTs into full multi partner working	OBC WP 19 and 20
Consistent Approach to Vulnerability	Tranche 1 NC02 Paul
EV7 Management of threat, harm and risk	
ANPR Review	Tranche 1 OP12 Derek
Review COEs (Centre of Excellence)	OBC WP 22 and 39
Specialist Capability / Regional Collaboration	OBC WP 23
EV8 Data at the heart of everything	
Information Management	OBC WP 24
Knowledge Hubs	OBC WP 25, 27, 28 and 29
Digital Forensics	Not in OBC
EV9 Efficient strategic core	
Enabling Service Improvements	OBC WP 30, 31, 35 and 37
Asset & Resource Improvements	OBC WP 33 and 38
Future of Enabling Services (Shared Service)	Not in OBC

APPENDIX 5– USE OF RESERVES

The table below demonstrates the planned use of reserves in 2017-18 to 2020-21. This is in line with the MTFS whereby the target reserve balance of £8,971m will be achieved by 2020-21.

	2017/18 Opening Balance £'000	2018/19 Opening Balance £'000	2019/20 Opening Balance £'000	2020/21 Opening Balance £'000
General Fund	5,536	5,536	5,536	5,536
Unrestricted Funds				
Transformation	4,182	1,045	260	1,010
POCA Fund	373	-	-	-
Seized Vehicle Fund	177	308	308	308
MDA Forfeiture Fund	85	6	6	6
PCC Development Fund			-	1,000
Subtotal	4,817	1,359	574	2,324
Earmarked Funds				
Insurance	839	839	839	839
Pension Employer Contribution	1,611	-	-	-
Early Adopter Income	190	17	17	17
Crash Course	296	262	217	217
Bikesafe Grant / Admin Reserves	-	38	38	38
Subtotal	2,936	1,156	1,111	1,111
Capital Receipts				
Received		1,800		
Applied to capital		-		
Applied to other purposes		(1,799)		
Subtotal	-	1	4,340	-
TOTAL	13,289	8,052	11,561	8,971

Level of Reserves

The Chief Finance Officer is required under the Local Government Act to report on:

- a) the robustness of estimates in the budget; and
- b) the adequacy of proposed reserves.

As detailed above in table 6, the Chief Finance Officer considers the 2018/19 budget proposals to be robust and the level of reserves to be adequate.

Adequacy of Reserves

The level of general reserves has been reviewed in setting the budget. The current financial position and risks facing the OPCC and the Police Force have also been considered and the general reserves are judged adequate to meet unforeseen costs during 2018/19.

In addition to the general reserve, sufficient reserves have been set aside in the Reshaping the Future Reserve to meet costs associated with transformation of the force. There are also specific reserves to cover pensions and insurance claims that have also been reviewed and confirmed to be adequate.

MTFS

In addition to this, the MTFS reports a requirement to replenish reserves to a level of £8,971m by 2019/20. This includes £5.5m of General Reserves for emergency purposes, the remainder relates to a mix of earmarked and change programme reserves.

APPENDIX 6 – CAPITAL PROGRAMME

The table below summarises the 4 year Capital Programme.

Capital	2017/18 Forecast	2018/19 Proposed	2019/20 Estimate	2020/21 Estimate
Transformation				
Core Policing Platform (Operation Phoenix)	500	12,306	2,194	-
Contact (CRM)	-	1,000	-	-
Analytics (Data warehouse)	-	500	-	-
Content (Intranet Office 365 and External Goss)	65	127	-	-
Content Citizen Gateway	40	100	-	-
Digital Asset Management FV	-	495	-	-
Digital Case File - TWIF FV	-	240	-	-
SIP and TE Projects	3,742	732	1,464	-
Total Transformation	4,347	15,500	3,658	-
Business As Usual				
Vehicles	1,627	1,250	1,250	1,250
Estates	6,671	2,767	2,000	2,000
IT	4,169	4,440	1,938	1,691
OPCC	309	-	-	-
Equipment	81	525	300	300
Total Business As Usual	12,857	8,982	5,488	5,241
Total Spend	17,204	24,482	9,146	5,241

- 6.1 Over the MTFS period, then Capital Expenditure will be £56.073M. The majority of the expenditure will be on the Transformation Programme activity, which constitutes £24.097M over the MTFS period.
- 6.2 In 2017/18 capital programme investment was originally budgeted at £9.794M, however this was based on significant delivery in 2016/17. Slippage of £21.394M came forward from 2016/17, however again project delays have meant further slippage of £13.811M to 2018/19.
- 6.3 During 2016/17 forecasting and control of capital expenditure has improved however the underlying slippage in the programme remains a concern as it is the foundation of new ways of working which will ensure efficient processes throughout the Force and drive out staff savings.

6.4 The capital programme can only be funded by receipts, grants, contributions from the private sector and sales of assets. The planned funding of the programme over the coming 4 years is as follows:

Capital Funding	2017/18 Forecast	2018/19 Proposed	2019/20 Estimate	2020/21 Estimate
Basic Grant funding from government	683	683	683	683
External Grant (ESMCP)	331	-	-	-
External Grant SSRP (PAS)	-	-	200	200
Funding From Expected Estates Receipts	-	7,880	5,493	
Other Receipts (Airframe and vehicles)	115	-	-	-
Borrowing Requirement	15,407	3,292	13,174	9,047
Funded	16,535	11,855	19,550	10,230
Total Capital Programme	17,204	24,482	9,146	5,241
Work in Progress b/wd to be funded	2,097	-	15,393	4,989
Work in Progress c/wd	- 2,766	- 12,627	- 4,989	
Funded	16,535	11,855	19,550	10,230

6.5 The programme is highly dependent on the sale of assets: without realising these sales the burden of funding will fall more heavily on the revenue budget through the minimum revenue provision which will have to be increased to allow for the repayment of loans.

6.6 There are detailed plans to realise £17,667M from capital receipts over the course of the MTFS period.

Capital Receipts	2017/18 £m (Out turn)	2018/19 £m (Proposed)	2019/20 £m (Estimate)	2020/21 £m (Estimate)	Total £m
Received:					
Estates	1,800	13,776	2,085	0	17,661
Other e.g. vehicles	115	0	0	0	115
Total	1,915	13,776	2,085	0	17,776
Applied to:					
Capital	115	7,880	5,493	0	13,488
Transformation	1,800	1,556	932	0	4,288
Carried Forward	0	4,340	0	0	

6.7 As the code of practice dictates, the first call on capital receipts is to fund their replacement or other capital investment. In the ordinary course of events, spend on business change and transformation support cannot be capitalised. The Secretary of State's capitalisation directive does not of course change this, however, the OPCC intends to use the facility allowed to apply capital receipts to pay for Transformation spend. In doing so, this protects revenue reserves from the uneven impact of spend created by a transformation programme and uses the flexibility available to the full to relieve this and future years' revenue budgets.

APPENDIX 7 – PRUDENTIAL INDICATORS

- 7.1 Staffordshire OPCC and Staffordshire Police have been following a policy of holding funds in reserves to use as internal borrowing – using available cash instead of seeking external borrowing to support the capital programme. This does not mean that reserves are used to fund capital, rather that because we hold reserves, notionally that cash is available as a balance and can be used to avoid external borrowing.
- 7.2 External borrowing was £55.187m as at 31 March 2017, of which long term Borrowing was £41.3m.
- 7.3 During the period of the MTFs, given current capital forecasts and plans, the authorised limit within the prudential indicators will come close to being breached.
- 7.4 The current prudential indicators set the limits as follows:

External Debt	As at 31/3/2017	Borrowing Limits
Authorised Limit	£41.300m	£73.500m
Operational Boundary	£41.300m	£72.200m
PWLB Debt	£41.300m	£36.300m

- 7.5 Current capital plans will put pressure on the limits as follows:

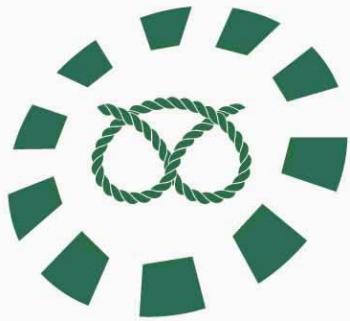
	2017/18	2018/19	2019/20	2020/21
Debt Outstanding - 1 April	55,187,385	68,361,087	68,544,219	78,836,556
add				
New Borrowing	15,406,546	3,292,000	13,174,000	9,347,000
IT	5-10	6,583,501	0	10,874,000
Estates	40	7,912,695	2,767,000	2,000,000
Equipment	10	81,000	525,000	300,000
Vehicles	4	829,352		567,000
	70,593,930	71,653,087	81,718,219	88,183,556
less				
MRP on Debt Outstanding 1 April	2,232,843	3,108,868	2,881,663	3,777,874
	68,361,087	68,544,219	78,836,556	84,405,682
less				
Capital Receipts Set Aside Used to Repay Debt				
DEBT OUTSTANDING 31 March	68,361,087	68,544,219	78,836,556	84,405,682
In year funding	18,121,000	2,815,000	10,305,000	6,838,000
In year repayments	1,750,000	1,250,000	2,000,000	1,000,000
LONG TERM FUNDED LOANS	57,671,000	59,236,000	67,541,000	73,379,000

INTERNAL FUNDING	10,690,087	9,308,219	11,295,556	11,026,682
Internal Funding Marginal Increase / (Decrease)	-3,197,297	-1,381,868	1,987,337	-268,874

Capital Receipts Received in year	135,584			
Capital Receipts Estimated	1,800,000	13,776,000	2,085,000	300,000
Capital Spend for MRP purposes	16,535,196	11,855,275	19,550,000	10,230,000
Current Prudential indicators	73,500,000	73,500,000	73,500,000	73,500,000
Within or (outside) prudential indicators	15,829,000	14,264,000	5,959,000	121,000

Affordability Indicators for Treasury Management

	2017/18 Forecast Outturn	2018/19 Budget	2019/20 Estimate	2020/21 Estimate
Planned Capital Expenditure	17,204	24,482	9,146	5,241
Ratio of financing costs to net revenue streams	2.5%	3.0%	2.9%	3.3%
In year borrowing requirement	15,407	3,292	13,174	9,047
In year capital financing requirement	12,902	-88	10,021	5,569
Closing capital financing requirement	68,086	67,998	78,019	83,589



Office of the Police and
Crime Commissioner
STAFFORDSHIRE

2018/19
RESERVES STRATEGY

1 INTRODUCTION

- 1.1 The Police and Crime Commissioner aims to establish reserves which provide a cushion in times of hardship and a source of pump priming in times of development, thereby motivating innovation in service delivery.
- 1.2 By maintaining a reasonable level of reserves the Police and Crime Commissioner aims to ensure that:
 - Policing responses to emergency situations can be managed without cutting back other vital services;
 - Today's taxpayers do not solely fund services and investments which will deliver returns long into the future;
 - Cash can be retained at a reasonable level to underpin good treasury management practices.

2 OBJECTIVES

- 2.1 The Police and Crime Commissioner maintains reserves to protect against risk, ensure contingencies are in place and to support investment in future projects which contribute to meeting the aims of the Policing Plan.
- 2.2 The OPCC manages risk by assessing the potential impacts of future events, based on the likelihood that they may occur and the severity of any impact. Mitigating actions are then identified to reduce the exposure and appropriate plans are put in place.
- 2.3 The cash advantage of holding reserves allows short term borrowing for capital investment to be reduced, which is a cost effective way of managing treasury needs.
- 2.4 Reserves can only be spent once and they are therefore not to be used to fund ongoing revenue expenditure.

3 REGULATIONS RELATING TO RESERVES

- 3.1 The requirement for financial reserves is acknowledged in statute: sections 32 and 43 of the Local Government Finance Act 1992 require precepting bodies such as the OPCC to have regard to the level of reserves needed for meeting estimated future expenditure or revenue account deficits from previous years when calculating and balancing the budget requirement.
- 3.2 The Local Government Act 2003 Section 25 makes it the head of finance's duty to report on the robustness of estimates and adequacy of reserves when the Police and Crime Panel is considering the budget requirement.
- 3.3 CIPFA's Prudential Code requires the Head of Finance to have full regard to affordability when making recommendations about the Council's Capital Programme. In considering the affordability of the Council's capital plans, the Head of Finance is required to consider all of the resources available to the Council, estimated for the future, together with the totality of its capital plans and revenue forecasts for the forthcoming year and the following two years. There is a requirement for three year revenue forecasts across the public sector and this is achieved through the Medium Term Financial Strategy (MTFS).
- 3.4 These requirements are reinforced by section 114 of the Local Government Finance Act 1988, which requires the Head of Finance to report if there is likely to be unlawful expenditure or an unbalanced budget. This would include situations where reserves have become seriously depleted and it is forecast that the OPCC will not have the resources to meet its expenditure in a particular financial year.

4 CURRENT FUNDING CLIMATE

- 4.1 The pressures on public finances currently and for the medium term are consistently high. Whilst the recent draft settlement recognises the pressure on police forces and maintains but does not extend the funding challenge, the long term prospects of having rising need and rising cost met by central government as they were sometimes in the past, are not our current expectation. Therefore, the ability to retain reserves for unforeseen events and circumstances in order to provide for locally led financial resilience becomes more important.
- 4.2 The MTFS identifies risks in achieving the required savings to ensure balanced budgets over future years. Holding reserves at a reasonable level will allow risks to be met without cutting back on existing service provision, should those risks arise.

5 TYPES OF RESERVES

- 5.1 The Statement of Accounts fully explains the nature and makeup of the reserves of the OPCC. These break down into usable and unusable reserves and this strategy relates solely to the usable reserves.
- 5.2 Unusable reserves are those which have been created as a result of the difference between accounting under IFRS and the need to make statutory provision for meeting expenditure which is classified as General Fund expenditure. They are described in Appendix 1.

5.3 General Fund, Unrestricted and Earmarked Reserves are the only reserves which the OPCC may use in order to fund past, current or future year service levels above the revenue and grant funding available in year. For 2018/19 the reserves held are as follows:

- The General Fund is the first place that any deficit or surplus for the year is posted and it holds the accumulation of revenue account (CIES) deficits and surpluses across previous years.
- Unrestricted reserves are those which can be used for any purpose deemed fit by the OPCC:
 - Reshaping the Future Reserves – this reserve has been created to help fund the transformation currently taking place in order to achieve the required savings to balance future budgets
 - Seized vehicle Fund – where a car is seized as a result of an infringement such as failure to insure the vehicle, the Force is entitled to the sale or scrap value of the vehicle after a period of 12 months has passed.
 - MDA Forfeiture Fund – the Misuse of Drugs Act 1971 allowed courts to award assets forfeited by those found guilty to whomever the court decides. The CPS can request that it is the Police Force.
 - POCA Reserve – the Proceeds of Crime Act 2002 determined that the Police Force can recover 50% of cash seized and assets confiscated under this Act.
 - PCC Development Fund – the PCC has an intention to establish a new reserve in Year 2, which depends on the decision to increase precept in Year 2 of the Medium Term Financial Strategy. This will be used to fund investments proposed by the Chief Constable.
- Earmarked reserves are those which can only be used for the purpose for which they were established:
 - Insurance Reserve - provides for the self-funding of certain uninsurable risks, and also to cover the excess (£100,000) for any unknown claims before the insurance cover is applied and the aggregate stop loss for each year. The reserve covers amounts falling outside the definition of the insurance provision as they are unknown claims which could occur from past or future events.
 - Crash Course – working within the Safer Roads Partnership, the Force supports the delivery of crash course training and the proceeds are placed in this fund which is administered jointly with the other partners.
 - Early Adopter Income – this is the remains of a specific grant for early adoption of a different approach to medical assessment of those held in custody and must be retained and spent only for that purpose.
 - Bikesafe grant and admin reserve – during 2017/18 ACC Adderley became the national lead for Bikesafe, a training initiative supported by the Motorcycle Industry Association (MCIA). There are two reserves – one is a residual grant from Highways England and the other is the proceeds from events run by Bikesafe. Both are ringfenced for specific purposes.

- 5.4 In addition the PCC can use capital receipts flexibly to support expenditure. The sale of certain types of assets (net of the cost of sale) can be applied to the purchase of new assets, or in extraordinary circumstances, costs which would otherwise be met from the General Fund. During the MTFS period the Police and Crime Commissioner intends to promote the sale of surplus assets across his estate¹.

6 RESERVE POLICIES AND TARGETS

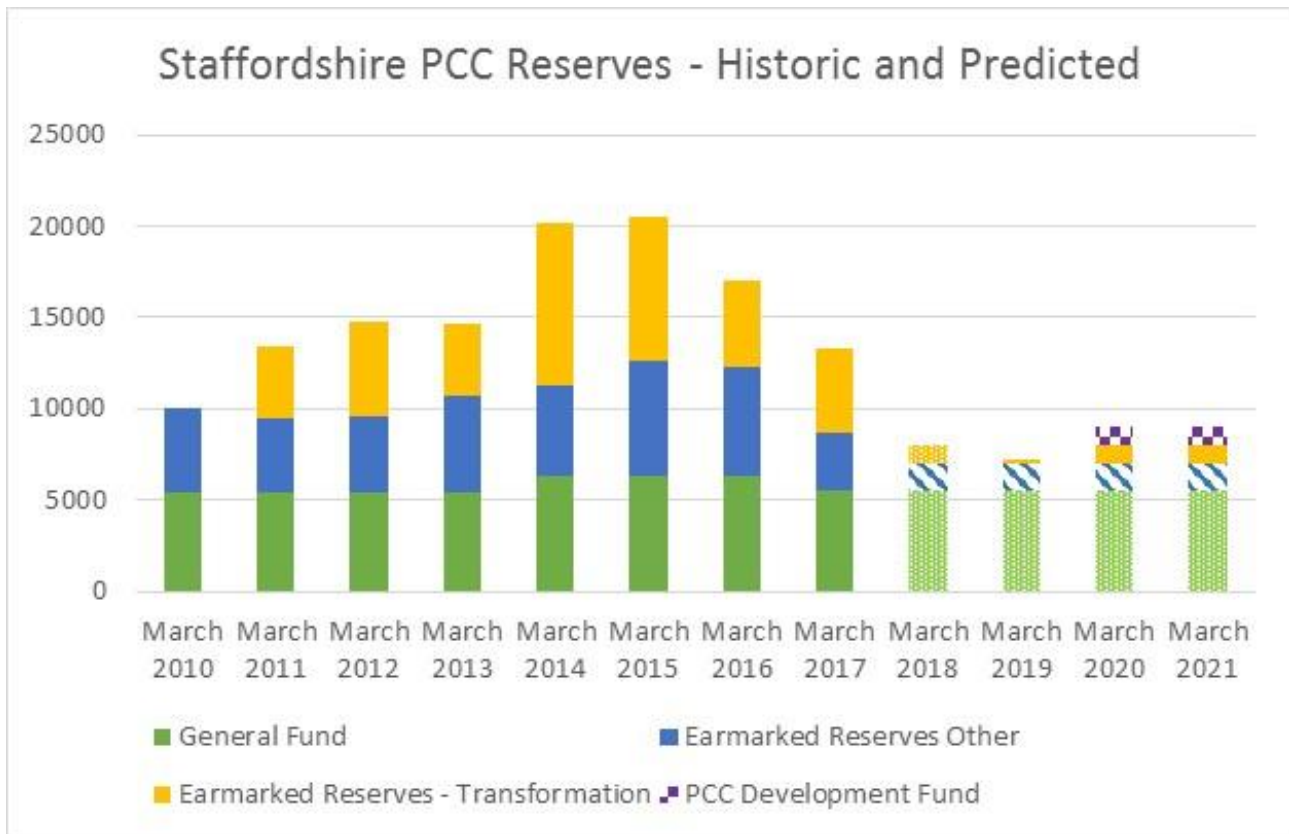
- 6.1 The policy for the General Fund is for it to hold 3% of the budget of the total of the OPCC and Force, as this is the maximum exposure to loss in any one year which must be able to be met before a Special Grant from the Home Office would be provided. This guidance was reissued in November 2017 and we expect it to continue to be in place during the period of the MTFS.
- 6.2 The insurance reserve level will be assessed when the insurance fund valuer completes their biennial assessment. The next review is due in September 2018.
- 6.3 The use of capital receipts will be considered during the closure of the accounts and will be applied in order to:
- ensure that reserves levels are maintained according to other policies in this section;
 - reduce as much as possible the drain on the revenue account in future years by funding high cost, short life assets from receipts instead of borrowing or revenue provision;
 - provide a future fund for capital investment
- 6.4 From 2019/20 the Police and Crime Commissioner expects to be able to increase the level of reserves which will in turn increase the financial and operational resilience of the Force. These reserves would also allow the General Fund reserve to be topped up back to 3% should an emergency event require it. As we continue to be on high alert, the Police and Crime Commissioner assesses the risk of this occurring as medium to high with the impact as high.

7 RESERVE FORECASTS

- 7.1 The current MTFS assumes that reserves will be used in line with this policy and also that the Police and Crime Commissioner will create a Development Fund reserve in order to pump prime future developments. Further detail is given in Appendix 2.

	2017/18 Opening Balance £'000	2018/19 Opening Balance £'000	2019/20 Opening Balance £'000	2020/21 Opening Balance £'000
General Fund	5,536	5,536	5,536	5,536
Unrestricted Funds				
Subtotal	4,817	1,359	574	2,324
Earmarked Funds				
Subtotal	2,936	1,156	1,111	1,111
Capital Receipts				
Received		1,800		
Applied to capital		-		
Applied to other purposes		(1,799)		
Subtotal	-	1	4,340	-
TOTAL	13,289	8,052	11,561	8,971

7.2 If this reserve policy is successful then by 2021 Staffordshire reserve levels will have risen back to 80% of the historic average level from March 2010 to March 2017. That is a prudent level and establishes a position from which future innovation can be ensured to be in line with the Policing Plans.



8 PROCEDURE FOR USE OF RESERVES

- 8.1 A reserve can only be established with the approval of SEG and the support of the OPCC CFO. New reserves will only be established for specific and appropriate purposes or in response to funding received which must be ringfenced.
- 8.2 As part of the annual budget process the OPCC CFO will consider and make recommendation to SEG whether there is a need to include a contribution to the general fund balance or any earmarked reserve.
- 8.3 A reserve contribution or drawdown approved as part of the annual budgeting cycle can be made with no further approvals.
- 8.4 Any transfers to and from earmarked reserves are reported to SEG.
- 8.5 Approval of the statement of accounts by the relevant CFO and Chief Constable or Police and Crime Commissioner is sufficient approval for any further drawdowns from earmarked reserves in-year.

9 MONITORING

- 9.1 The use of reserves is reported to SEG on a monthly basis as part of the Budget Monitoring procedures.
- 9.2 The overall level and purpose of reserves is reviewed on an annual basis by the Ethics and Transparency Panel (ETAP) during the budget setting process.
- 9.3 As part of the review ETAP consider for each earmarked reserve:
 - the reason for/ purpose of the reserve
 - how and when the reserve can be used
 - its relevance and adequacy
- 9.4 During the year changes may occur in the MTFs which will affect this strategy. Such changes will be monitored by the PCC CFO and reported to the Executive Board.

10 RISK ANALYSIS

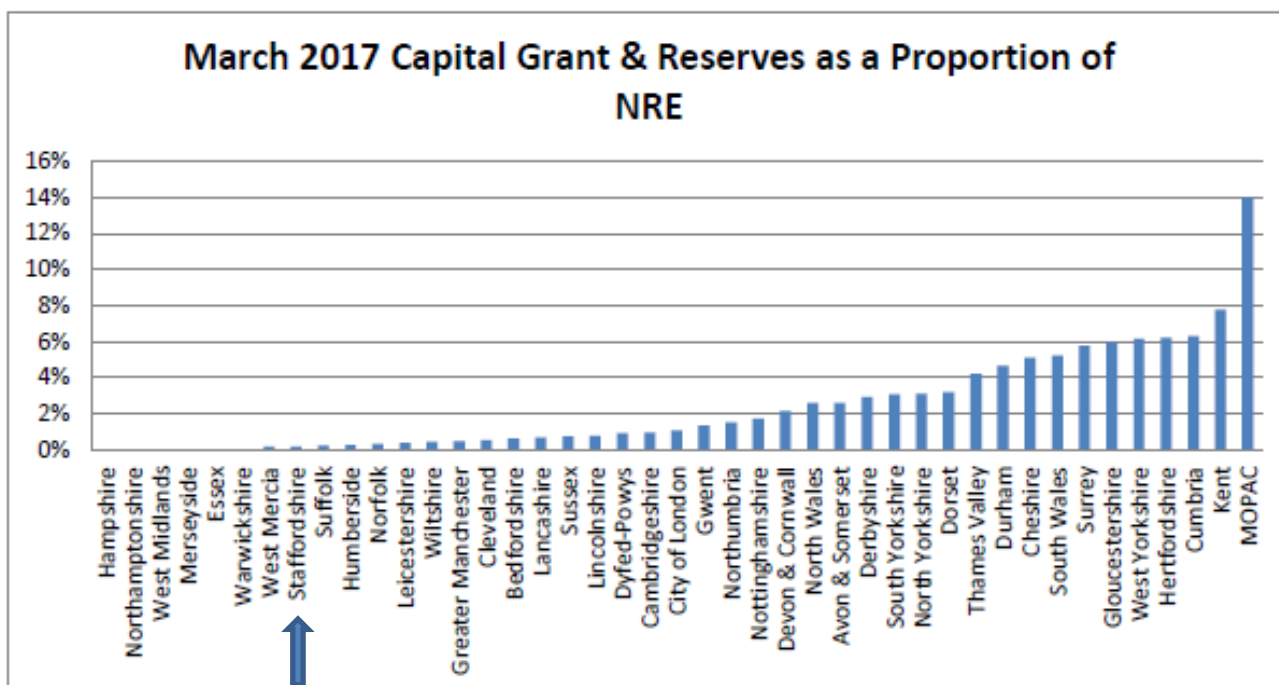
10.1 There are significant risks which affect the level of reserves to be maintained and the type of risks that have been considered, but which also be kept under review are:

- Future funding gap - the risk that due to the economic conditions, that are likely to be further real terms reductions in levels of revenue support grant and reductions in specific grants.
- Reduced capital receipts.
- Increased demand on services / emergency services giving rise to a special grant claim
- Uninsured legal liabilities – for example, personal injury claims.
- Inability to deliver planned savings.
- Organisational Restructuring – for example, redundancy and pension costs.
- Repair or replacement of assets – for example, buildings.

11 SECTOR COMPARISON

11.1 Staffordshire’s current level of reserves is not excessive especially when compared with the average level of reserves held by other Policing bodies.

11.2 Staffordshire’s earmarked reserves have remained steady in the past few years as it has gone through a process of change. In future tighter budget management will mean that underspends are less likely that they were in the past and the possibility of overspends against budget becomes a greater risk.



Appendix One

Unusable Reserves

- Accumulated Absences Account: this holds the notional cost of absences earned but not taken in the year e.g. flexi time and annual leave.
- Revaluation Reserve: whereas in the private sector the revaluation of assets customarily goes through the revenue account (CIES), in the public sector there are circumstances where this does not occur, and in those circumstances this reserve takes the adjusting amount.
- Collection Fund Adjustment Account: this carries timing differences in the recognition of council tax as revenue.
- Capital Adjustment Account: this account carries many of the adjustments relating to depreciation, funding and writeoffs which would be charged to the revenue account (CIES) by most private sector bodies. It represents the differences between accounting for assets on a statutory funded basis and an IFRS basis.
- Pensions Reserve: the OPCC accounts for post-employment benefits in the revenue account (CIES) as the benefits are earned by employees accruing years of service, updating the liabilities recognised to reflect inflation, changing assumptions and investment returns on any resources set aside to meet the costs. However, statutory arrangements require benefits earned to be financed as the OPCC makes employer's contributions to pension funds or eventually pays any pensions for which it is directly responsible. The debit balance on the Pensions Reserve therefore shows a substantial shortfall in the benefits earned by past and current employees and the resources the OPCC Group has set aside to meet them. The statutory arrangements will ensure that funding will have been set aside by the time the benefits come to be paid.

At the end of 2016/17 the levels of unusable reserves were as follows. As the adjustments which create a change in these reserves have not yet been calculated and cannot reliably be forecast there is no change to the forecast outturn on these reserves for yearend.

	Group			
	Balance 1	Transfers		Balance 31
	April	Out	Transfer In	March
	£000	£000	£000	£000
Accumulated Absences Account	(3,522)	(302)	0	(3,824)
Revaluation Reserves	6,481	(459)	2,918	8,940
Capital Adjustment Account	18,564	(7,439)	3,201	14,326
Deferred Capital Receipts	444	0	0	444
Pension Reserve	(1,805,669)	0	(325,847)	(2,131,516)
Collection Fund Adjustment Account	1,597	0	5	1,602
Total	(1,782,105)	(8,200)	(319,723)	(2,110,028)

Appendix Two – Detailed Reserves Forecast

	2017/18 Opening Balance £'000	2017/18 In yr £'000	2018/19 Opening Balance £'000	2018/19 In yr £'000	2019/20 Opening Balance £'000	2019/20 In yr £'000	2020/21 Opening Balance £'000	2020/21 In yr £'000	Total Mov't in period £'000
General Fund	5,536	-	5,536	-	5,536		5,536		-
Unrestricted Funds									
Transformation	4,182	(3,137)	1,045	(785)	260	750	1,010		(3,172)
POCA Fund	373	(373)	-	-	-	-	-		(373)
Seized Vehicle Fund	177	131	308	-	308	-	308		131
MDA Forfeiture Fund	85	(79)	6	-	6	-	6		(79)
PCC Development Fund				-	-	1,000	1,000	-	1,000
Subtotal	4,817	(3,458)	1,359	(785)	574	1,750	2,324	-	(2,493)
Earmarked Funds									
Insurance	839	-	839	-	839	-	839		-
Pension Employer Contribution	1,611	(1,611)	-	-	-	-	-		(1,611)
Early Adopter Income	190	(173)	17	-	17	-	17		(173)
Crash Course	296	(34)	262	(45)	217	-	217		(79)
Bikesafe Grant / Admin Reserves	-	38	38	-	38	-	38		38
Subtotal	2,936	(1,780)	1,156	(45)	1,111	-	1,111	-	(1,825)
Capital Receipts									
Received		1,800	1,800	13,776		2,085			17,661
Applied to capital			-	(7,880)		(5,493)			(13,373)
Applied to other purposes		(1,799)	(1,799)	(1,556)		(932)			(4,287)
Subtotal	-	1	1	4,340	4,340	(4,340)	-	-	0
TOTAL	13,289	(5,237)	8,052	3,510	11,561	(2,590)	8,971	-	(4,318)

Police and Crime Panel – 29 January 2018

Safer, Fairer, United Communities Strategy Update Report

Report of the Police & Crime Commissioner

1. Purpose of Report

This report is to update the Police and Crime Panel on the delivery of Safer, Fairer, United Communities Strategy for Staffordshire (the strategy).

2. Recommendation

That the Panel note the update on the delivery of the strategy and make comment as appropriate.

3. Background

In May 2017, the Police and Crime Commissioner (PCC) published an updated Safer, Fairer, United Communities strategy for 2017 – 2020. The strategy is about taking the next steps to make a real and sustained difference to tackling crime and anti-social behaviour and improving community safety across Staffordshire and Stoke-on-Trent, taking account of and reflecting on the changes that have occurred since the current PCC came into office in November 2012.

Policing and community safety face different challenges now to those that existed only five years ago. These are more complex and require different, more sophisticated responses. The environment has also changed. Public sector organisations have less money and have redesigned services to manage with less, whilst aiming to maintain good outcomes. There have been improvements in what gets delivered in some areas e.g. more victims of crime are now supported and supported better. Also, crime has been rising locally and nationally; technology is providing greater opportunities; and priorities have changed across the sector e.g. terrorism, cyber, vulnerability and early intervention.

The PCC is concerned that with the challenges and changed environment faced, the drive towards working collaboratively that he has championed will be increasingly difficult to maintain. There is a risk that organisations under pressure retreat into delivering only what has to be delivered statutorily. The strategy reflects the need to get ahead of those difficult issues that policing and community safety face, take a grip of the opportunities that exist in delivery and work more collaboratively, not less.

The PCC has established five key priorities in his updated strategy, one more than in the original 2013 version. Those priorities are: -

- Modern Policing: A police force that is fit for a changing future
- Early Intervention: Identifying and tackling root cause issues at the earliest

opportunity

- Supporting Victims and Witnesses: Making it easier for victims and witnesses to get the support they need, when they need it
- Managing Offenders: Preventing offending in the first place and reducing reoffending
- Public Confidence: Creating opportunities for communities to shape policing, with greater transparency and openness to increase confidence in policing

Alongside local authorities and other key partners, there is significant work being undertaken to improve the delivery of public services, support continuous improvement and public safety, and ensure funding supports more efficient and effective service delivery. The 'whole system' approach to making people and places safer continues to support the on-going achievement of the PCC's ambition for a safer Staffordshire.

The arrival of the new Chief Constable has seen swift and considerable progress in developing a new Blueprint for Change and a Policing Plan based on the five priorities within the Safer, Fairer, United Communities Strategy. A revised performance framework has been introduced to enable the PCC to hold the Chief Constable and the force to account in delivering the Policing Plan and meeting the strategy's priorities.

4. Progress to Date

A progress update for each of work programme is detailed below;

4.1 Early Intervention Priority - tackling root causes before they become a problem

> Adverse Childhood Experiences (ACE's)

Lancashire Foundation Healthcare Trust (national leaders in the field of ACE's development) has started working with three local organisations to adopt the practice of asking about ACEs during internal assessments of victims and perpetrators. All staff will receive comprehensive ACE's training and the practice will start to be adopted in January 2018.

Over 200 professionals from a wide range of organisations have attended multi-agency training on ACE's, Attachment and Emotion Coaching. There are a further eight sessions planned over the next two months.

The evaluation by the Centre for Health and Development (CHAD), funded by the PCC, has commenced and ethics approval has been gained.

> Child Sexual Exploitation Co-ordinator

The PCC has agreed to fund this role for a further 12 months (until March 2019) due to its continued success and delivery of outcomes. This role will ensure that the CSE Strategic Action Plan will continue to gather momentum and will enable successful implementation of the Staffordshire CSE Strategy. The CSE Strategy aims to prevent, identify and tackle CSE and progress is overseen by the two Local Safeguarding Children's Boards.

> **CSE and Missing Children Services**

Following a successful tender exercise, Catch 22 (a specialist charity who work across a national footprint) commenced delivery of the CSE service for victims and potential victims of CSE and children who go missing on 1 September 2017.

The OPCC and the other two commissioning stakeholders (Stoke-on-Trent City Council and Staffordshire County Council) are working with Catch 22 and all partners to ensure the service is being implemented effectively.

Catch 22 are now fully embedded into local partnerships and have established a base at one of the Children's Centres in the North of the County. They are currently working to gather and analyse all performance data against agreed targets so that further improvements can be identified and, where necessary, recommendations agreed.

> **CSE Communications Campaign**

The OPCC has been continuing to work with all partners to develop and implement a CSE campaign in Staffordshire schools. The campaign is being developed with eight pilot schools and includes the production of a video, storyboard and classroom discussion pack. Although there has been a short delay in agreeing the style and quality of the video, we are confident that this will be delivered in the next school term.

> **Personal, Social, Health and Economic (PSHE) Education**

The PCC will provide funding to support the recruitment and appointment of a PSHE co-ordinator in Staffordshire.

It is intended that a time-limited piece of work is undertaken with schools to ascertain if this support is required and, if it is, what this might look like. The PCC has also secured some funding to purchase/develop quality assured resources to use in schools in the future.

The OPCC have been having similar discussions with Stoke-on-Trent City Council and it seems that they have already established that there is a need for this type of support within Stoke schools. Negotiations will now take place to establish how the PCC can work with the City Council to implement this work.

One of the major challenges in taking this work forward is gaining the cooperation of some local authorities and some schools; given the need to build momentum, it is likely that work will firstly progress with those that are willing, with funding also following to those willing participants.

The PCC has also supported the introduction of a nationally recognised education resource (Values versus Violence) in schools across Staffordshire and Stoke-on-Trent. This resource is delivered by teachers and raises awareness among children and young people and provides them with some of the necessary skills to keep them safe from the dangers of abuse, sexual exploitation and radicalisation, for example. Over 2,200 children in 24 primary schools across Stoke-on-Trent and Staffordshire have been provided with Values versus Violence booklets.

> **Princes Trust**

The PCC has agreed to fund the Princes Trust programme to vulnerable young people across Stoke-on-Trent and Staffordshire for a further two years until September 2019. The project aims to engage young people at risk of offending, those involved in risky behaviour and victims of crime in order to improve their health and wellbeing, lifestyles, confidence and employment prospects.

From March 2015 to September 2017, the Princes Trust has supported 455 young people. Over 70% of these young people individuals achieved a positive outcome or progression with education and training being the most common outcome.

The Princes Trust centre in Hanley recently benefited from a visit by Prince Charles where the work of the Trust, including the project above, was showcased.

> **Youth Offending Service (YOS) Prevention and Early Intervention services**

The PCC currently directly invests a substantial amount of funding to deliver Prevention and Early Intervention services in Staffordshire and Stoke-on-Trent Youth Offending Services. Those services also receive police funding and support through the financial support provided by the PCC to the Chief Constable.

The OPCC, working with both Youth Offending Teams, are undertaking a review of the current service to make recommendations for potential future delivery models. Following a procurement process, Cordis Bright Ltd have been appointed to undertake this review. An initial meeting has been held with the lead officer from Cordis Bright Ltd to establish the work plan including timescales. Desktop research has been completed and consultation will be undertaken with the Youth Offending Service teams and wider stakeholders in December 2017 and January 2018 to establish and analyse their views. A final scoping report, with clear recommendations for the future will be presented to the Youth Offending Service Boards and the PCC Offender Management Board in March 2018.

> **Female Genital Mutilation**

The PCC submitted a bid to the Home Office Violence against Women and Girls Service Transformation Fund in March 2017 to develop and implement a Female Genital Mutilation (FGM) Project in Staffordshire and Stoke-on-Trent.

In July 2017 the OPCC were notified that they had been successful in this bid and were awarded £250,000 over three years (April 2017-March 2020). The PCC also pledged to provide additional investment for the Project over the three year period. The first multi-agency steering group was held October 2017 and the development and implementation of the project was discussed. Due to the financial value of the project, a tender exercise will be undertaken. The tender opportunity has been advertised and will be evaluated by a multi-agency evaluation panel in January 2018. Allowing for a reasonable mobilisation period, it is anticipated that the new service will be in place by 1 May 2018.

> **Harmful Sexual Behaviour (HSB)**

The OPCC are working with Stoke-on-Trent City Council, Staffordshire County Council and the NSPCC to undertake a local audit of Harmful Sexual Behaviour

using the NSPCC's nationally recognised, evidence based HSB Framework. It is intended that a launch event will take place early in 2018 and a wide variety of stakeholders will be asked to participate in the audit. The findings of the audit will be gathered and analysed with a view to identifying gaps and making strategic, commissioning and operational recommendations for local delivery of HSB services.

> **Premier League (Stoke City Community Trust) funding opportunity**

The OPCC have been involved in early discussions with Stoke City Community Trust and other partners about a forthcoming local bid to the Premier League/ Professional Footballers Association (PL/PFA) Community Fund. This provides Stoke City Football Club/ Community Trust with the unique opportunity to secure a grant of £250,000 following the investment of a minimum of a one off £50,000 partnership match funding (17% of total project costs). All partners are working together to identify the match funding sources and ensure that the project proposal is based on local need and meets the strategic priorities of all contributing organisations.

An expression of interest needs to be submitted by February 2018 and a full application by mid-April 2018. Successful organisations will be notified in June 2018 with a view to a project commencement date of September 2018.

> **Space**

The Space 2017 positive activities programme for young people has concluded, having been in operation during the five weeks of the school summer holiday period. Providing both a universal and targeted element, it operated with the support of local community safety partnerships and local providers / businesses.

The broad objectives of the Space programme are to reduce the level of ASB incidents reported to the police whilst also reducing levels of youth crime through the provision of positive activities for young people. Additionally, it aims to provide activities which promote personal, health and social development, team building and new experiences.

Learning from 2016 was embedded in the approach for this year, which saw increased engagement with agencies working with targeted young people / cohorts including Building Resilient Families Matter, Youth Offending and the looked after children cohort and continued use of the police recorded 'Youth ASB' marker.

A new website and target marketing approach was adopted this year which resulted in 2,229 activities being listed on the website. Facebook social media advertisements reached 314,140 individuals and almost 6,500 people clicked to be taken to an event or the Space website, 'www.staffordshirespace.uk'.

Evaluation reports submitted confirm attendances totalling 17,921 youngsters compared to 12,500 for the same period in 2016. Utilising the police 'youth-related ASB marker' within the Control Room environment, during the 2017 Space period 1,091 incidents were recorded, compared to 1,768 in 2016, a reduction of 38% year on year (677 incidents).

A comprehensive evaluation of the 2017 programme is soon to be completed and will support the ongoing development of the programme for 2018.

Much of the work programme on the Early Intervention priority is focussed on enabling young people to develop into adulthood with the right skills, capabilities, knowledge and outlook, so that they make a valuable contribution to broader society. There is a recognition that the specific work areas referred to in this section of the report can be better joined up so that the most appropriate opportunities are available to individuals, or so that targeting of limited resources can be made more effective. The OPCC will be addressing this in the future.

4.2 Managing Offenders Programme - preventing offending and reducing the likelihood of re-offending.

The PCC, through his commissioning team, has successfully brought together all key partners that have a responsibility or interest in the offending arena to work together to reduce offending and re-offending. Governance arrangements are now well established and partners have agreed a new county-wide strategy – the Staffordshire Strategic Framework for Reducing Offending 2015-18 – to guide local action in relation to the agenda. This is complex work that has very significant challenges, such as the ongoing fragility around the changes made nationally to probation services.

To support implementation of the Strategic Framework, three multi-agency delivery groups have been created and meet quarterly to progress actions under the Framework's key themes of Prevention, Diversion and Offender Management, Rehabilitation and Resettlement.

Progress on implementation to date has been positive with the majority of actions scheduled for delivery by this point (to the end of December 2017) having been successfully implemented.

Updates on recent developments under each theme are provided below:

> Prevention

Under the Prevention theme the OPCC is taking forward a number of specific initiatives which are designed to prevent, at an early stage, the onset of offending behaviour.

To ensure effective alignment of actions and resources in support of the delivery of the PCCs strategic priorities, initiatives under the Prevention theme are aligned with work being taken forward via the OPCC Early Intervention programme.

Details of current initiatives with an offending focus (family intervention initiatives, work to develop a safeguarding education element within PSHE programmes in Staffordshire schools, SPACE/Princes Trust diversionary activities programmes etc.) are outlined in the Early Intervention section above.

> Diversion

Youth Diversion – Triage Assessment/Early Intervention Model

A principal aim of the current Strategic Framework is to support the development of point-of-arrest diversion schemes to enable low-level criminal behaviour by young people under the age of 18 to be addressed without the need for formal court

proceedings in order to avoid young people being brought unnecessarily into contact with the criminal justice system.

Following a successful pilot period, a new multi-agency triage assessment process has recently been introduced by the YOS, Police and partner agencies to improve collaboration and decision making when considering instances of minor offending and anti-social behaviour by young people which might be suitable to be dealt with outside of the court system to ensure consistent practice between agencies in identifying cases which might be suitable for an out of court disposal.

Whilst still in the early phases of implementation, there is evidence that the approach is already resulting in a reduction on the number of young people entering the formal youth justice system.

Reducing Criminalisation of Looked After Children

Tackling the over-representation of looked after children in the criminal justice system is a further key priority of the current Strategic Framework.

Over the past year the OPCC has worked with partners on a range of initiatives designed to improve understanding of the circumstances in which young people in care in the county come into contact with criminal justice agencies and to improve the operation of existing multi-agency protocols designed to reduce the risk of young people in care coming into contact with agencies, in order to address this issue.

A new multi-agency Action Plan has now been developed and approved to guide joint action by YOS, Police and other partners to improve the way in which services are provided going forward with the aim of reducing the number of young people in care coming into contact with the criminal justice system.

Implementation of the plan is being overseen by the YOS.

Diversion of Offenders with Mental Health Needs

Since the last report to the Panel, plans have been taken forward for the creation of a new Mental Health and Community Safety Strategic Board in the county to coordinate improvements in services for offenders with mental health needs and other vulnerabilities.

The new board is to meet for the first time at the beginning of February 2018.

A key initial concern of the board in light of recent changes in legislation - under which the maximum period for detention for individuals with mental health needs in police custody has been reduced from 72 hours to 24 hours - will be to ensure the effective operation of joint agency arrangements to divert individuals with mental health/complex needs at point of arrest/detention away from custody and into appropriate alternative services and places of safety in the community.

Over the last 4 years, the use of police cells as places of safety for those people with mental health needs has reduced by 80% in Staffordshire. The PCC, Police and health partners have set out an ambition however to achieve zero use of police cells for those with mental health needs.

In support of the work of the new board the OPCC has recently commissioned NACRO to undertake further needs analysis and scoping work in relation current service provision to help identify gaps in services and areas in which services need to be strengthened.

The scoping will be completed by the end of January 2018 with a view to having a report available for consideration by the new Board at its first meeting in February.

> **Offender Management, Rehabilitation and Resettlement**

YOS Review

Following protracted discussions arrangements have now been agreed with Staffordshire and Stoke on Trent YOS for the delivery of a comprehensive review of local YOS services.

The review of statutory YOS services in each authority is to be undertaken internally – led by the two YOS Managers. The initial phase is to take place between November 2017 and February 2018 with a view to having an interim report available by the end of March 2018.

Running parallel with this work the PCC has commissioned Cordis Bright to undertake a separate, but linked, independent review of YOS prevention services.

Probation Reforms

The PCC has recently held a further ‘Confidential Enquiry Session’ with the executive team of the Community Rehabilitation Company (CRC) (the Reducing Reoffending Partnership) to examine local delivery of CRC services and current CRC performance.

The meeting considered the CRCs role in supporting the effective ‘end to end’ management of offenders subject to custodial or community sentences in Staffordshire and Stoke on Trent and was productive in clarifying the CRCs plans for local service development and improvement going forward.

The session was extremely useful in identifying key joint priorities for the future, one of which is offending linked directly to drug and alcohol use and the interventions that are possible in addressing this. Further work is taking place between the OPCC and CRC to develop those plans, which will also involve other partners such as local authorities and health agencies.

The PCC is also currently holding discussions with the Police, National Probation Service, CRC and other partners about the further development and strengthening of multi-agency partnerships designed to support the intensive management of specific / targeted cohorts of offenders in the community who are known to present a high risk of harm to the public and/or a high risk of reoffending and within this context over the coming year will be undertaking a comprehensive review of the Integrated Offender Management (IOM) approach, including governance. This will include reviewing the case for extending the IOM approach to include a broader range of offenders, including perpetrators of domestic abuse, drawing on best practice from other areas

Development of a New Social Enterprise to Improve Offenders Access to the Labour market

As detailed in the last report to the Panel, the OPCC has recently commissioned Grant Thornton to undertake a feasibility study to ascertain the viability of establishing a new social enterprise in Staffordshire with the aim of improving offender's access to the labour market.

The feasibility study has now been completed and the results will be used to inform the final decision as to whether or not to proceed and the type of development to be supported.

A multi-agency steering group has been convened to oversee delivery of the feasibility study and the early development of the venture and is to meet again early in 2018 to review the results of the study and to decide next steps.

> **Measuring the Impact of the Framework**

The high-level/strategic outcomes that the Strategic Framework is seeking to achieve are:

- A reduction in the numbers of offenders coming into contact with the justice system for the first time (FTEs);
- A sustained reduction in youth and adult offending and reoffending

In order to track the impact of the Framework in delivering each outcome over the period covered by the strategy the historical 'starting' position in respect of each outcome in Staffordshire and Stoke on Trent has been established using data for 2015/16 - the year of publication of the Framework – as a baseline.

Going forward a regular assessment of progress is being made in delivering each outcome against this baseline position.

In terms of first time entrants to the youth justice system (FTEs) up to date information has been available since the publication of the Framework (from each YOS) to enable the tracking of performance going forward, relative to the baseline year.

Authority	2015/16 Baseline	2016/17					2017/18					RAG
		Q1	Q2	Q3	Q4	Annual	Q1	Q2	Q3	Q4	Annual	
Staffordshire	167	48	25	50	41	164	33	38	n/a	n/a	n/a	G
Stoke on Trent	96	24	38	36	41	139	21	19	n/a	n/a	n/a	G
Staffordshire (PCC Area)	tbc	tbc	tbc	tbc	tbc	tbc	tbc	tbc	n/a	n/a	n/a	G

Performance to date has been positive indicating – apart from a temporary drop in performance in Stoke on Trent in 2016/17 - a gradual but persistent downward trend in the numbers of FTEs in each authority:

First Time Entrants to the Criminal Justice System - Local (YOS) Data

In terms of youth and adult reoffending, a period of two years is required to elapse before for 'proven' reoffending rates can be published, meaning that at the time of

writing, data on reoffending is only available to for cohorts of offenders to have been convicted of offences/commencing orders in the 12 months period to the end of September 2015 - the baseline year (this data has been used to establish the baseline reoffending position in 2015/16).

For youth re-offending, available data for the year indicates that in Staffordshire the reoffending rate stood at 43%. This compared to a regional average of 34.1% and a national average of 37.4%. In Stoke on Trent data for 2015/16 indicates that the reoffending rate stood at 44.1% - a considerably higher rate than in Staffordshire and, again, above the regional and national average.

For adult reoffending, data for the year indicates that in the Staffordshire PCC area the reoffending rate stood at 34.8%. This compared to a regional average of 42%. National comparative data is unavailable.

Going forward, with effect from the end of December 2017, quarterly data on reoffending will be available to enable local performance in reducing youth and adult reoffending (compared to the 2015/16 baseline position) to be tracked. This will be reflected in future reports to the Panel.

The full impact of joint work to reduce youth and adult offending and reoffending in the county since the launch of the Framework in October 2015 will begin to become clearer over coming months as further data on the number of offenders to have entered the system from this point and the proportion going on to reoffend becomes available.

> **Strategic Framework - Refresh**

As highlighted in the last report to the Panel, with delivery of the Strategic Framework now having reached the mid-term, a refresh of the strategy has recently been completed to ensure that the Framework remains relevant and on course to deliver its expected outcomes.

In line with the approach agreed by the OMCDB, rather than being taken forward as a separate piece of work, the refresh process was integrated with the normal business at the scheduled round of Delivery Group meetings due to take place in October 2017, with time being given over at each meeting for a formal review of progress in implementing the Framework's key deliverables.

At each Delivery Group members were asked to:

- Formally review progress in delivering key deliverables and associated actions to date
- Brainstorm new deliverables and actions that may need to be added, to support the achievement of the Framework's aims going forward
- Plan for the implementation of the revised deliverables and actions - including agreeing which organization should lead on delivery, and possible progress measures

In general, good headway was felt to have been made in implementing the strategy to date. At the same time the refresh process enabled Groups to reconsider and, where relevant and appropriate, to re-define the priority issues to be addressed in preventing and reducing offending in the county and to examine how the efforts of local agencies can best be marshalled to deliver on those priorities going forward.

This has led to the formulation of a refined list of priorities and deliverables which will be used to guide local joint action in support of the Framework's key aims going forward.

A revised and updated Action Plan incorporating changes resulting from the refresh process, is currently under development and will be presented for sign-off at the next OMCDB meeting in January 2018.

4.3 Public Confidence Priority - making sure individuals and communities feel safe and reassured

The PCC continues to want people to be informed and involved in how policing and community safety arrangements are delivered. This will help to increase public confidence and reduce the fear of crime. A responsive, public facing and visible police service is at the heart of the PCC's priorities and is also reflected in the new performance measures set out for the force and new Chief Constable.

Public Confidence is also about trust and having a police service that is open and transparent where policing at every level can be examined and scrutinised to help improve reassurance and the service to communities. The PCC's future plans, will strengthen oversight of local complaints, giving the PCC an explicit responsibility under the new Policing and Crime Act for ensuring the effective and efficient delivery and making him the appellate body for those appeals currently heard by the Chief Constables.

Specific public reassurance and engagement initiatives that the PCC is leading on include the following: -

> Smart Alert

Launched in March 2016, Staffordshire Smart Alert provides real time crime and community safety information to businesses and communities across Staffordshire and Stoke-on-Trent through either a downloadable App (IOS/Android mobile telephones) or via email through the Smart Alert website (www.staffordshiresmartalert.uk). The system has the ability to send an Alert to signed-up residents (over 12 years of age) / businesses within a 3km radius at the time the incident or safety issue arises.

Statistics to end November 2017 show 8,353 App downloads and 5,127 email registrations to receive information. Panel members are asked to promote Smart Alerts wherever possible.

> Safer Neighbourhood Panels (SNPs)

Safer Neighbourhood Panels, often referred to as SNPs, are Panels set up to support the role of the Police and Crime Commissioner in holding Staffordshire Police to account for their performance. They are part of the accountability structure that he has set up to ensure local police performance is answerable to local people and to the PCC.

The purpose of Safer Neighbourhood Panels is to provide local scrutiny and review of the performance of their Local Policing Team and hold to account (for performance) the LPT Commanders in support of the role of the Police and Crime Commissioner. This involves fulfilling various functions on behalf of the PCC such as:

- **Challenging Local Police Performance** - ensuring that crime data and complaints data is reviewed, the LPT is challenged for its performance and use of resources and that matters of concern and poor performance are escalated to the OPCC
- **Examining Local Performance Issues** - identifying local areas of concern, examining data to establish validity of concern, challenging LPT performance on the issue and where appropriate providing evidenced based recommendations on how to make improvements
- **Core Scrutiny Reviews** – providing a local perspective of key topics for review at the request of the PCC i.e. Stop and Search

Since the last Police & Crime Panel meeting a lot of work has been undertaken to help develop the SNPs such as:

- New Guidebook for SNP Members produced
- Training sessions providing clarity on the role of the SNPs, effective scrutiny skills and how to hold LPTs to account delivered in Stafford and Hanley, attended by 95+ SNP members, LPT Commanders and SNP Coordinators
- Guidebooks developed for Core Scrutiny Topics such as Stop & Search
- Bite sized guides on key skills being developed such as Questioning skills
- New SNP area for PCC Website in development
- Charing Skills and Scrutiny Skills training sessions being developed for delivery Feb/March 2018

> **Youth Commission**

A Staffordshire Youth Commission was established in October 2016 by the PCC as part of a new approach to engage with young people across Staffordshire and Stoke-on-Trent and get their views on policing, crime and the criminal justice system.

A recruitment exercise to expand the membership of the Youth Commission has been undertaken since the last Police & Crime Panel, expanding the membership to 20+. On December 2, 2017 the Youth Commission held an event at the YMCA in Stoke to induct the new membership, hear directly from the PCC himself and to discuss the 2016/17 Annual Report findings.

The Youth Commission are currently in the process of discussing with the OPCC and partners how they can positively contribute to the topics they identified within the 2016/17 Annual Report, the first of these being Youth Knife Crime. Simultaneously the Youth Commission are working on identifying a new focus for 2018.

> **Cyber Crime**

As discussed at the previous Police and Crime Panel an Online Fraud Conference was a high priority for both the PCC and DPCC for 2017.

The Deputy PCC, Sue Arnold and staff from the OPCC spent months identifying engaging speakers, suitable venues, and appropriate suppliers as well as planning and delivering a plan to invite relevant people from local public and private sector

businesses.

Social media, traditional media and targeted promotion was used to generate interest in the event before-hand which resulted in the event becoming oversubscribed with 460 people registered to attend on the day.

The day kicked off with the DPCC welcoming guests and providing a national and local update on online fraud. Speakers on the day included Cal Leeming, who began hacking at just 10-years-old but has, following reform, gone on to work with law enforcement agencies as a security advisor. His cautionary tale showed how vulnerable we all are and the importance of the correct security measures to protect yourself online. The event also included a presentation by Staffordshire firm Intaforensics, who staged a live hack to reveal just how easy it is to fall foul of online fraud.

A video filmed especially for the conference showed how easy it was to get the people of Lichfield to disclose their passwords by asking simple questions. This video generated a massive response from the audience.

The conference, the first of its kind in the county, was planned and delivered by the OPCC with members of the Online Fraud Forum playing an active role in shaping the content of the conference bringing expertise from their various industries ranging from banks to education and the business community.

Among the guests present were representatives from major sporting institutions in Staffordshire, leading educational centres, well-known county-based brand and commercial leaders. There was also significant interest from outside the region.

The conference highlighted the simple tactics hackers use to gain information both online and in person in order to steal your details for their own gain. This resulted in great feedback from guests who now feel more confident that they know how to protect themselves online.

Comments included:

- “A brilliant conference - wonderful speakers. Taking lots of useful information back to pass on to family and friends. Big thank you to Sue Arnold and her team for organising the conference.”
- “Interesting and informative. We are living through a worrying time all due to technology and unscrupulous evil people. Listening today from those who work tirelessly to keep us safe, a great big thank you for all your efforts.”
- “Fantastic conference, really informative. Definitely makes you think. I honestly believed I was security savvy but this has certainly opened my eyes. I will be reviewing my security settings when I get home and no longer plug devices into my laptop at work.”

The use of social media on the day was extremely important and created a real buzz around the event. The OPCC account was used to tweet key messages throughout the day and generated online conversations with organisations both in attendance and not. Thanks to the support of the speakers, audience and cadets the hashtag #cybersafestaffs even trended on twitter:

10 hours ago
#WednesdayWisdom
Alan Pardew
#CheerForGood
Santi Cazorla
£50bn Brexit
#KFAnnual2017
#PMQs
#cybersafestaffs
London Plan
Dismaland

The conference attracted extensive media coverage across the county with BBC Midlands Today interviewing the DPCC, Detective Superintendent Amanda Davies, Cal Leeming and a victim of online fraud. This package was used throughout the news programmes the next day. Both live interviews and pre-recorded interviews were also carried out with BBC Radio Stoke, BBC Radio Shropshire, Heart FM, Signal Radio and Tamworth Informed.

The Online Fraud Forum will now consider further opportunities to share messages on how Staffordshire residents and businesses can stay safe online.

> **Commissioner’s Community Fund**

The PCC continues to provide a range of funding opportunities available to community safety partnerships (CSPs), strategic partners and community groups to support broad community safety activities in local areas;

- 2017/18 annual Locality Deal awards totalling £1,042m were made available by the OPCC to local Community Safety Partnerships and the Stoke-on-Trent Safer City Partnership (CSPs), with an advance of 80% of local funds made in the summer, with half yearly evaluations being currently considered prior to award of the remaining 20% balance. From the summer payment, each District / Borough Authority made an individual contribution of £2,500 towards Countywide Drug and Alcohol Services following the reduction in Staffordshire County Council funding to this key service.
- The Proceeds of Crime Fund provides £200,000 per annum through 2 funding rounds to support strategic partnership activity aligned to the PCC’s and local community safety priorities. Grants are made up to the value of £15,000 with Round 2 awarding 9 grants valued at a total of £67,778.64 for projects ranging from positive diversionary activities for young people, to raising awareness of CSE, radicalisation, gangs, ASB, cybercrime and bullying to young people.
- Similarly, the People Power fund provides £250,000 per annum through 2 funding rounds to local community groups in support of projects which support delivery of the PCC’s and local community safety priorities. With grants awarded in values between £100 and £3,000, Round 2 of 2017/18 has seen 37 awards totalling £94,411.36 for projects ranging from modern day slavery awareness and education sessions, to training for parents to keep their children safe online.

4.4 Supporting Victims and Witnesses Priority - making it easier for victims and witnesses to get the support they need

> Domestic Abuse

Commissioning of Services

A second procurement exercise will commence in early December 2017, to secure new domestic abuse services from October 2018.

Commissioners are seeking a consistent baseline service provision across the whole geography, which flexes to meet local demands and is supportive of the identified needs defined by the 'Staffordshire and Stoke-on-Trent Domestic Abuse Needs Assessment' (DANA).

Providing a tiered approach to services; from prevention through to early intervention, targeted and acute support, they span the victim and perpetrator agenda for adults, children and young people, families and communities.

The Office of the Police and Crime Commissioner (Lead Commissioner), together with Commissioners from Staffordshire County Council and Stoke-on-Trent City Council have taken feedback from the first procurement exercise and run a series of market engagement workshops over recent weeks in readiness for the new exercise.

Strategic Direction

The established Domestic Abuse Commissioning and Development Board (DACDB) provides clear ownership for the Staffordshire and Stoke-on-Trent 2017-2020 Domestic Abuse Strategy and is well attended from strategic partners across the area.

A Domestic Abuse Action Planning Workshop was held in December 2017 with the aim of developing the Action Plans to deliver the strategic priorities within the strategy and at the next DACDB meeting January 2018, working groups to own the Action Plans will be defined.

Police Process

The OPCC are strategically engaged with Staffordshire Police as they re-examine and redesign existing domestic abuse processes, including the current Multi-Agency Risk Assessment Conference (MARAC) to ensure delivery of best services to meet the needs of victims and their families.

> Business Crime

Following the last report to the Police and Crime Panel there has been a change in staff with regard to the Business Crime Advisor, who is based within the Contact Centre. This change has had very little impact on the quality of the service with satisfaction levels still reaching the mid 90s (%). The Business Crime Advisor has started to collect additional information from victims of business crime, in particular, if they have been asked by the Police to provide a victim impact statement. Follow-up calls to those businesses who accepted support are being made fifteen days after

the initial interaction, then 30 days if no contact has been made. This call is made to ensure their needs have been met and no problems has arisen since the last contact.

Security, Locksmiths and Insurance continues to be the top three specialist services businesses want to make contact with. All victims of business crime are entitled to one hour's specialist advice, following contact with the advisor.

Between July and Sept 2017, 74% of victims agreed to sign up to SMART alerts.

It has been agreed that the Business Crime Advisor will spend some time within the Resolution Centre, to understand the role of the Centre, if this results in a better service to victims of business crime and whether this will be the best location for the Advisor in the future.

For more information go to <https://staffordshirechambers.co.uk/business-support/businesscrimehelpline/>

> **Victim Gateway**

Between July 1 and September 30, 2017 the Gateway received 15,574 referrals. This was an increase of 3637 additional referrals in comparison to the previous quarter. Of those, 13,122 received advice, guidance and information. There were 5,304 'enhanced' victims who accepted some form of support, following a 'triage' assessment with the telephone assessment team. 223 victims accepted one to one support. 1,157 victims were eligible to be referred to specialist agencies for support e.g. sexual abuse, hate crime etc.

The system development work for the Gateway is continuing, which is being progressed in partnership with the Police. These key changes to both the Police and Gateway system will further improve the service provided to victims.

More information on the Victim Gateway is available at: www.staffsvictimsgateway.org.uk/ or victims can call the Victim Gateway on [0330 0881 339](tel:03300881339).

> **Ministry of Justice Contracts**

The OPCC has extended the domestic abuse contracts to fall in line with the domestic abuse tender exercise as they will form part of the wider domestic abuse contract which is due to commence Autumn next year. All other grants funded from the victims' budget have been extended up until the 31st March 2018. Stage one of the victim and witness needs assessment has been completed. This first stage will allow us to understand the true scale and picture across Staffordshire and Stoke-on-Trent. The initial findings were presented at the first Victim and Witness Commissioning and Development Board, with the report being presented early January. A further meeting of the Board will take place in the new-year where members will agree on stage 2. This piece of work will enable us to realise our commissioning intentions.

> **Video-links**

Vulnerable victim cases are now being heard outside of the court setting at Alder Lodge in Burton. Alder Lodge enables vulnerable victims to give evidence without

having to sit in the court room in front of the alleged offender. De-briefing sessions are being held to enable key partners to learn from the feedback to ensure all vulnerable victims receive a gold standard service. Work is ongoing with the strategic video links group to look at the rollout of more sites, cross border opportunities, long term funding/resources, best practice and ensuring the site in Burton is providing the best possible service for victims.

> **Restorative Justice (RJ)**

The Restorative Justice Hub is now established and includes a full complement of trained staff. Between July 1 and September 30, 2017 the Hub received 37 adult referrals, all from Staffordshire Victim Gateway. At the end of quarter two this year, 10 cases remained open. For those cases which have been closed the most common reasons are because the victim can no longer be contacted or they do not want to participate in restorative justice.

The steering group continues to meet to deliver and monitor the actions contained within the action plan. Work is ongoing with key partners to improve referral rates, continually publicise the service and to share data to understand the true numbers of restorative justice being delivered. The Hub is working closely with partners to understand exactly how much restorative justice is being delivered across Staffordshire e.g. youth restorative justice and Police 'Out of Court Disposals', where restorative justice standards have been met.

> **Domestic Abuse in the Workplace**

This project continues to go from strength to strength. Since the start of the scheme there has been 121 champions trained on how to respond appropriately to victims within their workplace. The champion's role is to listen and signpost victims to the most appropriate service. There are a further 3 training sessions to take place in the new-year, with one of those being dedicated to Royal Stoke Hospital staff. The project will be advertised within the Chambers of Commerce focus magazine in December to prompt more interest.

Feedback from Champions is always positive. Some examples of feedback include:

"All of it was interesting and engaging, it was well put together, really enjoyed it and would like to thank you".

"Thank you very much, the course was very thought provoking and Sandy was excellent – very inclusive and knowledgeable".

4.5 Modern Policing

The PCC's refreshed Safer, Fairer, United Communities Strategy has included a fifth priority, that being to build a modern police service, fit for a changing future. The context for this is very clear, with the service facing new challenges, including changing crime patterns, higher demand and different expectations from the public and other stakeholders.

Please see the detailed report for an update on progress against this priority.

5. Conclusion

The Police and Crime Panel will continue to receive updates in line with their proposed work plan for the coming year and as requested.

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Police and Crime Panel – 29 January 2018

**Update from the PCC on the Safer, Fairer, United Communities for
Staffordshire 2013-18: Focus Priority: Modern Policing**

Report of the Police & Crime Commissioner

1. Purpose of Report

This report is designed to update the Police and Crime Panel on the delivery of the Modern Policing priority of the Safer, Fairer, and United Communities Strategy for Staffordshire (the Strategy).

2. Recommendation

That the Panel note the update on the delivery of the Modern Policing priority from the Strategy and make comment as appropriate.

3. Context

The Police and Crime Commissioner's (PCCs) Safer, Fairer, United Communities Strategy 2017 – 2020 included a fifth priority, to build a modern police service, fit for a changing future, able to address existing challenges and new threats and harm that can potentially impact from local, regional, national and international activity.

The Strategy recognises the communities served by the police service and the issues they face are increasingly diverse and complex requiring different, more sophisticated responses. Staffordshire Police has to be able to respond to increased demand for services as well as the challenges of cyber-crime, domestic abuse, vulnerability, child sexual exploitation, serious and organised crime, terrorism and the more traditional crime types and anti-social behaviour.

These challenges cannot be addressed by policing alone. Both the Office of the PCC and Staffordshire Police have to work effectively with partners in Staffordshire and those at a regional and national level. They have to be easy to do business with, sharing information, skills and resources with partners to prevent and intervene early to deal with the root causes of problems before they become more complex and costly to address.

The PCC's strategy is reflected nationally in the National Policing Vision 2025 which the PCC has contributed to and supports.

Key elements of the vision include:

- The bedrock of policing being at a local level, increasingly focused on proactive and preventative activity;

- The need to develop more effective and efficient specialist capabilities so that new and more complex threats can be addressed, some of which, will be nationally and regionally delivered;
- Policing as a profession, with a workforce that is representative, with the right skills, powers and experience;
- The opportunities around digital technology, both in using it as a tool to provide better intelligence and join up systems between different partners and making it easier for the public to contact the police;
- Opportunities for business support functions to be delivered more efficiently and consistently and in partnership e.g. with the Fire and Rescue Service;
- The need to strengthen accountability arrangements, particularly at cross-force and national levels.

In delivering this priority, the PCC has set out a number of strands of activity:

- Enabling Staffordshire Police to deliver a local change programme;
- Providing the right resources to ensure an effective police service;
- Exploiting the power of new technology and leading on the connecting of data / information across the statutory sector;
- Assurance through governance and accountability.

4. Progress to Date

- Enabling Staffordshire Police to deliver a local change programme

The Chief Constable has developed a Blueprint for Change to ensure delivery against the five priorities in the PCC's Strategy. This will be supported by annual Policing Plans which detail the projects and other activities the force will undertake during the year in working towards the Blueprint.

The accountability of the Chief Constable to the PCC is assured through governance and performance management arrangements that have been revised to support the delivery of a change programme that impacts on everything the force does and to ensure close alignment between the respective plans of the PCC's office and the force.

The force projects combine to form a cohesive change programme, entitled SP25, which aims to fundamentally change the way the force operates. The Chief Constable presented this to the PCC in June 2017, who has agreed the programme and the delivery arrangements and will hold the Chief Constable to account for that delivery. The delivery plans incorporate Boeing Defence UK in providing the capacity and capability to take advantage of the best that technology can provide; particular focus is being applied to a new core policing platform that will support officers and staff in delivering their day to day activities, whilst also allowing for appropriate oversight and performance / demand management and the Connected Staffordshire programme led by the PCC that will provide the capability for data sharing, data analytics and data management across statutory services, so that people in Staffordshire can be supported effectively and efficiently by those services.

Following an initiation phase, the SP25 programme commenced implementation in August 2017 and will run for three years. By 2021, the new model will deliver annual savings of £6.4m, whilst enabling the force to deliver better outcomes for communities. The programme is overseen by a specialist programme team who are

responsible for ensuring the programme delivers to schedule, delivering the service and financial benefits specified.

Changes to the operating model include:

- Introduction of more efficient and effective force governance arrangements;
- The formation of a new directorate structure;
- New structures that provide for more effective local and neighbourhood policing, partnership working, customer contact and response policing, investigations; operational support and business support functions;
- A greater investment in place-based neighbourhood policing and partnership teams to support prevention, early intervention and public protection;
- The development of a resolution centre to deliver a more informed and streamlined response to non-emergency service requests, thereby reducing the demand on front line resources, so that they can be used more effectively;
- The introduction of centres of excellence to enhance capabilities in key areas of policing activity such as early intervention, crime prevention, offender/sex offender management, adult abuse, child abuse, economic, serious and organised and cyber-crime;
- The implementation of a new target information model, with technology that is fit for purpose;
- A rationalisation of the PCC-owned estate achieved through integration of services with partner agencies and new ways of working;
- Workforce planning to ensure the right people with the right skills are in the right place with the necessary development and wellbeing support;
- Leadership and cultural development programmes.

➤ Providing the right resources to ensure an effective police service

The SP25 Outline Business Case and Blueprint for Change have been presented by the Chief Constable to the PCC and agreed. The force is currently finalising the first of a series of annual Policing Plans which detail the year's activities to be undertaken both within the SP25 programme and as business as usual and the force will construct its budget on that basis. The Office of the Police and Crime Commissioner will work closely with force representatives to ensure that the medium term financial plan (MTFP) provides the right level of resources to deliver the programme and maintain effective policing services. There will be a savings requirement linked to the programme over the period of the MTFP.

➤ Exploiting the power of new technology

A range of IT projects have been established to support the delivery of the SP25 programme which will:

- Simplify, standardise and stabilise the IT estate;
- Significantly reduce the number of IT applications, including integrating core policing systems and creating an infrastructure that better supports data sharing;
- Replace outdated telephony systems with a unified communications solution, which supports agile working;

- Incorporate technology replaced through national IT programmes such as the Emergency Services Network;
- Enable more effective integration and management of data from a variety of sources (the PCC's Connected Staffordshire agenda).

Notable current projects include the new generation of body worn video cameras, which are now being rolled out across the force on a personal issue basis.

Staffordshire were at the forefront of this technology to improve transparency and deter crime and anti-social behaviour and the new version will bring enhanced image quality, improved functionality and speedier transfer and access to footage.

➤ Assurance through governance and accountability

The Police and Crime Commissioner has pledged that Staffordshire will be the most open and transparent police force in the country. This approach is intended to deliver greater confidence and credibility in policing, ensuring the force is responsive to local needs and issues.

The accountability of the Chief Constable to the PCC in the delivery of the changes taking place across the force has been assured through further developing the governance arrangements that both the OPCC and force, separately and together, have in place. The aim has been to positively support delivery of the change programme, whilst also providing for appropriate involvement, influence and reporting and performance management. These arrangements are in place and working, but will be adapted as necessary as the change programme moves forwards.

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STAFFORDSHIRE POLICE AND CRIME PANEL – 29 January 2018

WORK PROGRAMME PLANNING 2018/19

Report of the Secretary

Recommendation

That the Panel note the dates of future meetings and considers whether it wishes to add to the Work Programme for 2018/19 detailed below.

Background

By Regulation this Panel is required to meet on a minimum of 4 occasions each year with the facility to convene additional meetings as and when required.

Each Panel meeting receives an update on progress of the overall delivery of the Commissioner’s Safer, Fairer, United (SFU) Communities for Staffordshire Strategy together with an update report on a selected priority area. The Strategy was originally based on 4 priorities: Early Intervention, Supporting Victims and Witnesses, Managing Offenders, and Public Confidence. Following the PCC’s review of the Strategy in 2017 a fifth priority has been introduced relating to the modernisation and transformation of policing.

A further standard item has been included on this year’s work programme providing an opportunity for the PCC to update the Panel on the submission of his Business Case for the Joint Governance of Fire and Police Services to the Secretary of State.

Date of Meeting	Agenda Items
<p>Wednesday 1 November 2017 <i>(Venue – Civic Centre, Stoke-on-Trent)</i></p>	<ul style="list-style-type: none"> • Update from the PCC SFU Communities for Staffordshire (Focus priority: Supporting Victims and Witnesses) • Medium Term Financial Plan – Update • Feedback on Members’ visit to the MASH • PCC’s Business Case for Governance of Police and Fire and Rescue – Update by PCC
<p>Monday 29 January 2018 (pm)</p>	<ul style="list-style-type: none"> • Consideration on the PCC’s Proposed Budget and Precept 2018/19 • Update from the PCC on the SFU Communities for Staffordshire (Focus priority: Managing Offenders) • Report on proposed new system for handling complaints against the

	<p>Staffordshire Force (DEFERRED)</p> <ul style="list-style-type: none"> • PCC Update on his Business Case for Governance of Police and Fire and Rescue
Monday 5 February 2018 (pm)	<i>Provisional Meeting</i> – If necessary to further consider the PCC’s Proposed Budget and Precept 2018/19
Monday 23 April 2018 (pm)	<ul style="list-style-type: none"> • Update from the PCC on the SFU Communities for Staffordshire (Focus priority: Modern Policing) • PCC Update on his Business Case for Governance of Police and Fire and Rescue
Monday 23 July 2018 (pm)	<ul style="list-style-type: none"> • PCC Update on his Business Case for Governance of Police and Fire and Rescue • Update from the PCC on the SFU Communities for Staffordshire (Focus priority: Public Confidence) • Consideration of the PCCs Annual Report 2016/17 • Annual Report on Complaints against the PCC/Deputy PCC • Home Office Grant to the Police and Crime Panel and Panel’s Budget Report • OPCC/Force Group Financial Position 2016/17 • MTFS- Update
Wednesday 31 October 2018 (pm)	<ul style="list-style-type: none"> • PCC Update on his Business Case for Governance of Police and Fire and Rescue • Update from the PCC on the SFU Communities for Staffordshire (Focus priority: Early Intervention)
Monday 21 January 2019 (am)	<ul style="list-style-type: none"> • Consideration of the PCC’s proposed Budget and Precept 2019/20 • Update from the PCC on the SFU Communities for Staffordshire (Focus priority: Victims and Witnesses) • PCC Update on his Business Case for Governance of Police and Fire and Rescue
Monday 28 January 2019 (pm) <i>Provisional</i>	<i>Provisional Meeting</i> – If necessary to further consider the PCC’s Proposed Budget and Precept 2019/20
Monday 29 April 2019 (pm)	<ul style="list-style-type: none"> • Update from the PCC on the SFU Communities for Staffordshire (Focus priority: Managing Offenders)

	<ul style="list-style-type: none">• PCC Update on his Business Case for Governance of Police and Fire and Rescue
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J Tradewell
Secretary to the Panel

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