



Meeting: **Leicester, Leicestershire and Rutland Police and Crime Panel**

Date/Time: **Friday, 3 February 2017 at 1.00 pm**

Location: **Sparkenhoe Committee Room, County Hall**

Contact: **Sam Weston (Tel: 0116 305 6226)**

Email: **sam.weston@leics.gov.uk**

Membership

Mr. J. T. Orson JP CC (Chairman)

Cllr. John Boyce	Cllr. Ozzy O'Shea
Cllr. Lee Breckon, JP	Cllr. Abdul Osman
Mrs. Helen Carter	Cllr. Rosita Page
Cllr. Ratilal Govind	Cllr. Trevor Pendleton
Cllr. Malise Graham	Cllr. Lynn Senior
Cllr. Terry King	Cllr. David Slater
Col. Robert Martin OBE, DL	Cllr. Manjula Sood, MBE

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– Notices will be on display at the meeting explaining the arrangements.**

AGENDA

<u>Item</u>	<u>Report by</u>
1. Minutes of Confirmatory Hearing held on 23 September 2016.	(Pages 3 - 10)
2. Minutes of the meeting held on 5 December 2016.	(Pages 11 - 16)
3. Public Question Time.	
4. To advise of any other items which the Chairman has decided to take as urgent elsewhere on the agenda.	

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5. Declarations of interest in respect of items on the agenda.
6. Commissioning Framework 2017/18. (Pages 17 - 32)
7. Draft Police and Crime Plan 2017-2021. (Pages 33 - 70)
8. Proposed Precept 2017/18 and Medium Term Financial Strategy. (Pages 71 - 102)
9. Any other items which the Chairman has decided to take as urgent.
10. Date of next meeting.

The next meeting of the Panel is scheduled to take place on 29 March 2017 at 1:00pm.

Minutes of a meeting of the Leicester, Leicestershire and Rutland Police and Crime Panel held at County Hall, Glenfield on Friday, 23 September 2016.

PRESENT

Mr. J. T. Orson JP CC (in the Chair)

Cllr. John Boyce
Mrs. Helen Carter
Cllr. Ratilal Govind
Cllr. Malise Graham
Cllr. Ozzy O'Shea

Cllr. Rosita Page
Cllr. Trevor Pendleton
Cllr. Lynn Senior
Cllr. David Slater
Cllr. Manjula Sood, MBE

Apologies

Cllr. Lee Breckon, JP and Col. Robert Martin OBE, DL

In attendance

Lord Willy Bach, Police and Crime Commissioner and Cllr. Kirk Master

21. Urgent Items.

There were no urgent items for consideration.

22. Declarations of Interest.

The Chairman invited members who wished to do so to declare any interest in respect of items on the agenda for the meeting.

Cllr. M. Sood declared a personal interest in respect of the substantive item as a member of the Police's Independent Advisory Panel, as the Chairman of the Leicester Council of Faiths, as a member of the Bishop's Faith Forum and as a member of the Gold Community.

23. Confirmatory Hearing for the Post of Deputy Police and Crime Commissioner.

The Police and Crime Panel considered a report of the Office of the Police and Crime Commissioner (OPCC) in regard to its proposed appointment of Cllr. Kirk Master to the post of Deputy Police and Crime Commissioner (DPCC). A copy of a report of the OPCC, marked 'Agenda Item 3', is filed with these minutes.

Prior to the commencement of the Confirmatory Hearing, the Chairman outlined the process to be adhered to, taking those present through a process document which had been circulated to all members with the agenda for the meeting. A copy of this report was filed with the minutes.

The Chairman welcomed the Police and Crime Commissioner (PCC) and Cllr. Master to the Hearing, both of whom were present to respond to any questions the Panel had about the appointment process and Cllr. Master's abilities in respect of "professional competence" and "personal independence". Officers and Panel members each introduced themselves to Cllr. Master.

In order for the PCC to be able to take members of the Panel through the process of appointing Cllr. Master to the post, Cllr. Master was asked to leave the room.

(Cllr. Master left the room.)

The Panel put three principal questions to the PCC in relation to the appointment process. Broadly, these covered the following issues:

1. The PCC was quoted in the Leicester Mercury prior to his election in May 2015 as saying that he was initially keen to appoint a DPCC, but was not certain, and that if he were to win he would allow himself the time to assess what was needed and would only make an appointment for what an individual would add. It was asked what Cllr. Master would bring to the role of DPCC.
2. The Panel wanted to know whether the PCC was comfortable with Cllr. Master continuing in his role as Assistant Mayor at Leicester City Council with a portfolio for Neighbourhood Services and whether he believed Cllr. Master would have sufficient independence in the eyes of the public and the time necessary to carry out the Deputy PCC role to the best of his ability.
3. The Panel wanted to understand the PCC's justification for not having advertised the post in the same way as other posts in the OPCC.

In response to the Panel's questioning, the following points of the PCC were noted:

- It had been made clear in previous meetings with the Panel that the PCC wished to appoint a DPCC. He required someone with the expertise and skill to add value to the work of his Office. He believed that Cllr. Master fit the criteria for the post as outlined in paragraph 7 of his report. The portfolio of responsibilities he had set for Cllr. Master played to his strengths;
- The PCC had been impressed by the variety of work experience outlined in Cllr. Master's CV and his background in the Youth Offending Team, Youth Justice and the Home Office made him an ideal candidate. His involvement in third sector work and the City's Community Safety Partnership was also of great benefit;
- His personal background in areas such as sport and his involvement with young people would be of great benefit to the Force, which had traditionally found engaging young people challenging. It was noted that this would be of an immediate benefit in formulating the Police and Crime Plan;
- The PCC believed Cllr. Master could carry out both the DPCC role and his role as Assistant Mayor with a portfolio responsibility for Neighbourhood Services and that, in his view, this did not represent a conflict of interest. He referred to other examples in the country where a PCC had appointed a DPCC who had a role at another authority. Cllr. Master would be giving up his role as Chairman of the local Community Safety Partnership and this would add to his independence;
- The PCC did not advertise the DPCC post as he did not wish to waste time and public money carrying out a full recruitment process. He added that this was not necessary in law. He stressed that the responsibility for ensuring Cllr. Master's

appointment was a success felt as much on him as it did Cllr. Master;

- The PCC made reference to the fact that the Panel had stressed to the former PCC the need for a DPCC to ensure continuity in instances where the PCC might be incapacitated. The PCC was glad of the Panel's support in this regard and now believed that the role required a DPCC.

(When the Panel's questions to the PCC ended, the PCC agreed to leave the room to ensure that Cllr. Master was able to be questioned independently. Cllr. Master returned to the room.)

The Chairman asked Cllr. Master why he had chosen to undertake this new role. He asked Cllr. Master to refer in his answer to how he felt he would be able to carry out the role of DPCC given his continued role as Assistant Mayor for Neighbourhood Services at the City Council.

Accordingly, Cllr. Master read out a statement which set out his experience for the role and included some of the following points:

- He was excited by the opportunity represented by becoming the DPCC and overseeing with the Commissioner a budget of over £180m;
- He wanted to provide support to communities at a grassroots level and help to develop the Police and Crime Plan;
- His experience included working as a Social Worker for a local authority, working as a Case Manager within the Youth Offending Service and working in the Home Office with the Youth Justice Board dealing with challenging cases and groups. He was a national lead at the Home Office for juveniles, leading on over 60 projects across a £12m budget;
- He had the core qualities required for the role – including understanding, caring and empathy combined with a professional manner;
- Both the DPCC role and that of Assistant Mayor at the City Council could be carried out well together, though he had assessed the time commitment and organisation required to ensure this was the case. He acknowledged that he would require the support of staff in both organisations and that he may need to adapt his working style in order to make the arrangements work effectively;
- The portfolio responsibilities that had been proposed in the report for DPCC role matched Cllr. Master's professional and personal experience;
- Delivery of the "Prevent" agenda remained a huge challenge. He had been required to deliver this policy across England and Wales, despite significant unrest in some communities. He had previously designed programmes that would deliver the policy and work for communities;
- The dual role of DPCC and Assistant Mayor would assist in delivering different agendas and a collective working approach across the City and County;
- He had an ability to present information in a way that was understandable for all, particularly those in hard to reach communities. He was also approachable in his

style;

- He would ensure that the DPCC role was neutral from politics and external factors.

The Panel then questioned Cllr. Master regarding his suitability for the post under the following key headings:

- Professional Competence;
- General;
- Skills/Background;
- Working with Communities;
- Managing Change;
- Partnership Working;
- Personal Independence.

Arising from questioning, the Panel noted the following points made by Cllr. Master:

- The former PCC had a period when he was unable to carry out his duties and was in a position where he wished to appoint an "Acting PCC". The Panel had been concerned about this at the time and the opportunity represented by appointing a DPCC would provide greater continuity in circumstances such as these. It would also enable more of a presence in the community to inform future decision making;
- It was hoped that a Police and Crime Plan could be developed with clear objectives. The portfolio areas given to Cllr. Master would enable him to consult the community and provide feedback;
- The Force faced a number of challenges, though one of the most significant was the budget and how an acceptable level of service could be maintained in light of a reduced resource. The Force would also need to improve communication with hard to reach groups;
- The PCC had shaped the portfolio responsibilities for Cllr. Master with his experience and working background in mind. Cllr. Master had worked across the public and voluntary sectors in all of the 4 portfolio responsibilities highlighted in the PCC's report;
- The relationship between the Panel and the OPCC should continue to be constructive and in the spirit of being a "critical friend". The Panel was welcome to raise issues of concern and criticism with the OPCC. An increased dialogue between the OPCC and Panel members would be required to achieve this;
- He had engaged stakeholders to enable some influence over policing and crime issues when there were growing concerns around the number of stop and search incidents associated with ethnic minority groups in the Force area. Cllr. Master had been involved in engaging local groups to educate them on the use of stop and search and he had involved the Force in this work. Arising from this engagement, changes were made to the way in which stop and search was applied in the Force area;
- Cllr. Master was involved in the delivery of the Counter Terrorism Strategy across England and Wales. The Strategy was heavily contested amongst communities. Cllr. Master had been required to deliver the policy in liaison with local authorities,

communities and the police;

- When Cllr. Master had been responsible for delivering the “Prevent” Strategy, no programmes had existed across England and Wales. By the time he left the Home Office over 60 programmes existed. This had been achieved by working with communities to ensure their views were heard and the Policy was applied in a way which worked for all parties;
- His voluntary work had also been in the area of sport. He had campaigned for increased resources and had been involved in forming a group across the City and County to lobby the FA to draw down around £12 million of funding for better facilities;
- With his experience of the third sector, he appreciated how difficult it was becoming to access grant funding. This could be overcome by being innovative, sharing ideas and learning and avoiding duplication;
- It was challenging to apply national policy directives at a local level. An example was given of data protection and how this could become a barrier to sharing ideas and intelligence across different agencies. This could be overcome by getting stakeholders around the table and identifying a mutually beneficial goal;
- Communications about decisions taken by the PCC had to be effectively communicated at a grassroots level. This could be achieved by being accessible and more active in communicating messages in communities. Attending network meetings and forums at the heart of the community would assist with this goal and build trust in the Force;
- Operational independence was explained as being the application of policy to meet business need without discrimination. Personal independence was explained as being objective and open and the importance of not being influenced in a way which would affect operational delivery;
- There were many similarities between the portfolio of the DPCC post and that of the Assistant Mayor role for Neighbourhood Services. He felt that he had the professional ability to divide tasks accordingly across the two roles and, where opportunities existed to share learning across the two roles, he would take advantage of them;
- He intended to offer input into the PCC’s decision making. If the PCC wished to pursue a course of action that he was not supportive of then he would be understanding of this and the need to make decisions as a team. He was happy to pursue his opinion as far as was necessary and would not be shy in providing this to the PCC;
- The time commitment required to carry out both roles effectively was achievable in his view. He would do what was required to get both roles done effectively and seek support when it was required. He compared this to having been able to balance his role as a ward councillor and that of the Assistant Mayor. He did not believe that the DPCC represented a conflict of interest given his current role;
- He wished to increase his presence in the County and Rutland, given his historically City-focused role. He wanted to demonstrate that he could take on board the

concerns of County and Rutland residents and they could influence decision making going forward. He was not fazed by the challenge this represented and was happy to demonstrate what he had done at County and Rutland level as the DPCC at a future meeting of the Panel;

- His success in the DPCC role would best be judged by crime levels dropping, satisfaction levels rising and a Police and Crime Plan which included high quality projects to improve policing;
- He had campaigned all of his life on the equalities agenda and was committed to applying this thinking to the DPCC role.

The Chairman thanked the PCC and Cllr. Master for their attendance and informed them that it would be necessary for the Panel to come to a view in private on whether to endorse or otherwise the PCC's proposed appointment.

The Chairman indicated that the OPCC would be notified of the Panel's decision within one working day and that they would need to come to a view together on when it would be appropriate to publicise this decision in order that Cllr. Master be given a "cooling off" period to consider his position and ask any further questions of the PCC prior to agreeing to take on the role.

(The PCC and Cllr. Master left the room.)

24. Date of next meeting.

It was NOTED that the next meeting of the Panel would be held later in the day at 1.00pm.

25. Exclusion of the Press and Public.

RESOLVED:

That under Section 100A of the Local Government Act 1972, the public be excluded for the following item of business on the grounds that it involved the likely disclosure of exempt information as defined in paragraphs 1, 3 and 10 of Part 1 of Schedule 12A of the Act specified below and that, in all circumstances of the case, the public interest in maintaining the exemption outweighed the public interest in disclosing the information.

- Panel Deliberations on the Proposed Appointment of a Deputy Police and Crime Commissioner.

26. Panel Deliberations on the Proposed Appointment of a Deputy Police and Crime Commissioner.

The Panel, having gone into exempt session, considered the statement and answers provided by Cllr. Master to their questions, in addition to the introduction and responses to questions provided by the PCC and all relevant paperwork provided.

RESOLVED:

- (a) That the Panel supports the appointment of Cllr. Kirk Master as Deputy Police and Crime Commissioner (DPCC), but that assurance is sought that the following two

areas be the subject of further discussions between the Cllr. Master and the PCC:

- (i) the potential conflict of interest represented by Cllr. Master's continuing role as Assistant Mayor with a portfolio for Neighbourhood Services; and
 - (ii) Cllr. Master's capacity to balance the DPCC and Assistant Mayor roles;
- (b) That Cllr. Master's commitment to developing a thorough knowledge of the community safety issues faced in the County and Rutland be welcomed and that the Panel believes that Cllr. Master should prioritise his presence in the County and Rutland to ensure he is able to develop an ongoing understanding of the issues faced by rural communities;
- (c) That a report be submitted to the Panel in 6 months' time setting out how the PCC is addressing the issues raised in (a) above and seeking assurances that the way in which the role is carried out by Cllr. Master does not infringe upon the operational independence of the Chief Constable and his officers.

9.30 am - 12.10 pm
23 September 2016

CHAIRMAN

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Minutes of a meeting of the Leicester, Leicestershire and Rutland Police and Crime Panel held at County Hall, Glenfield on Monday, 5 December 2016.

PRESENT

Mr. J. T. Orson JP CC (in the Chair)

Cllr. Lee Breckon, JP
Mrs. Helen Carter
Cllr. Ratilal Govind
Cllr. Malise Graham
Col. Robert Martin OBE, DL

Cllr. Ozzy O'Shea
Cllr. Abdul Osman
Cllr. Trevor Pendleton
Cllr. Lynn Senior
Cllr. Manjula Sood, MBE

Apologies

Cllr. John Boyce and Cllr. Rosita Page

In attendance

Lord Willy Bach, Helen King, Angela Perry, Stuart Fraser.

38. Minutes of the previous meeting.

The minutes of the meeting held on 23 September 2016 were taken as read, confirmed and signed.

39. Public Question Time.

There were no questions submitted.

40. Urgent Items.

There were no urgent items for consideration.

41. Declarations of interest.

The Chairman invited members who wished to do so to declare any interest in respect of items on the agenda for the meeting.

Col. Robert Martin declared a personal interest in respect of all substantive items as the Trustee of "Warning Zone" which was in receipt of some funding from the Police and Crime Commissioner.

Cllr. M. Sood declared a personal interest in respect of all substantive items as a member of the Police's Independent Advisory Panel, as the Chairman of the Leicester Council of Faiths and a member of the Bishop's Faith Forum.

42. OPCC Structure and Budget.

The Panel considered a report of the Police and Crime Commissioner which provided an update on the structure and budget of the Office of the Police and Crime Commissioner (OPCC). A copy of the report, marked 'Agenda Item 5', is filed with these minutes.

Arising from discussions the following points were noted:

- (i) In answer to a question regarding the costs of the OPCC the PCC stated that it was not a target of his to keep the costs of the office below £1 million, as had been the case with the previous PCC. He would implement the structure needed to fulfil his role and the Deputy PCC Kirk Master was leading a review on the appropriate staffing structure for the OPCC. In answer to a question about whether the Deputy PCC was the appropriate person to carry out this task given the short period of time he had been part of the team, the PCC stated that in view of the previous work experience of Kirk Master he was the right person to conduct the review, though he would be assisted by members of the Senior Management Team and the final decisions would be made by the PCC himself. A report on the results of the review would come to a future meeting of the Panel early in 2017 and the OPCC would liaise with the Police and Crime Panel Secretariat on its timing.
- (ii) In addition to conducting the staffing review the role of the Deputy PCC would be to attend events that the PCC was unable to attend, lead on community relations, and provide advice particularly in relation to the Prevent Strategy which he had prior experience of from his previous role at the Home Office.
- (iii) Due to the long-term absence of the Chief Executive on sick leave the Head of Governance and Assurance had also been appointed Deputy Chief Executive, in addition to the Deputy Monitoring Officer role she already held.
- (iv) The role of Advisor listed in the structure chart involved providing advice on communications and the Police and Crime Plan, and overseeing the office generally.
- (v) The member of staff in the role of Resources Manager would be leaving the office at the end of the week and the replacement would start in January 2017 on a 9 month fixed term contract.
- (vi) In the table under paragraph 12 in the report, 'Misconduct Tribunal Costs' referred to the costs relating to appeal hearings regarding Police Officers who had been dismissed, and the hearings were managed by OPCC staff. It was also explained that the Transitional Reserve was a fund to facilitate arrangements for the new Police and Crime Commissioner.
- (vii) The Deputy Chief Constable had been on the OPCC structure for the previous year as he was the line-manager for the areas of Business Support and Communications which were previously shared between the force and the OPCC, and as these areas were no longer shared the Deputy Chief Constable was no longer listed on the OPCC structure.

- (viii) The OPCC agreed to produce a document which would show which posts were previously in place and whether they remained part of the structure or whether they had been removed. It was also agreed to provide the specific names of the post holders.
- (ix) The Ministry of Justice permitted their Grant for Victims and Witnesses to be used for administrative and staffing costs and this is what Leicestershire OPCC was currently utilising the grant for. Many other regions did the same and in fact they used a greater proportion of the Grant than Leicestershire were for administration costs.

RESOLVED:

- (a) That the report be noted.
- (b) That a comparative structure chart for the OPCC be circulated to all Panel members following the meeting.

43. Medium Term Financial Strategy and proposed Precept update.

The Panel considered a report of the Police and Crime Commissioner which provided an update on the Medium Term Financial Strategy (MTFS) and the Precept considerations for 2017/18. A copy of the report, marked 'Agenda Item 6', is filed with these minutes.

The Chief Finance Officer of the OPCC reported the following:

- (i) There had been a consultation on the precept with local residents and stakeholders via telephone and internet which resulted in 83.3% support for increasing the precept. The PCC confirmed that he was satisfied with the number of respondents who had completed the survey and stated that the 3026 residents who had responded was much higher than the 600 minimum recommended by statisticians for a representative survey. The PCC acknowledged however that the survey was not perfect and some ethnic minorities were underrepresented. He would therefore consider how this could be improved in the surveys he would be conducting in the following years of his term of office. Members asked for a more detailed breakdown of the age, ethnicity and postcode of respondents to the survey and the OPCC agreed to provide this following the meeting.
- (ii) It was confirmed that the Youth Commission was still in existence, with new members currently being recruited, and the Youth Commission was used for consulting on important issues such as the Precept.
- (iii) The review of the Funding Formula appeared to be higher up the political agenda than previously and the PCC had spoken to two Leicestershire Members of Parliament in an attempt to gain their support for a Formula which would be fairer for the force area.
- (iv) The Capital Programme and Estates Strategy was a budgetary pressure which was being monitored in case it turned out to be higher than envisaged, however the Capital Programme was contained and not too many changes were anticipated. It was noted that the decision not to sell Braunstone Police

Station would have some impact on the forthcoming MTFs. It was expected that a contribution would have to be made towards the Emergency Services Network as the Home Office would not pay the full cost.

- (v) It was acknowledged that the equalities implications in the report did not take full account of the full implications of carrying out the survey and engaging hard to reach communities. It was suggested by Members that future reports would need to have more regard to this issue.

RESOLVED:

That the contents of the report be noted.

44. Draft Police and Crime Plan.

The Panel considered a report of the Police and Crime Commissioner which presented the draft Police and Crime Plan 2017-2021. The Panel also received an oral presentation from Lord Bach which provided further explanation of his Plan. A copy of the report, marked 'Agenda Item 7', and the presentation slides are filed with these minutes.

Arising from the presentation the following points were made:

- (i) This was an early first draft of the Plan and sections were to be added on Governance and holding the Chief Constable to account. It was noted therefore that the Panel's formal role in reviewing and making recommendations on the Plan would be carried out when the final draft plan was submitted to the Panel in February 2017.
- (ii) The PCC was minded to change the title of the Plan as he felt that it needed to make reference to partnership working. He invited suggestions for the new title.
- (iii) Where the Plan referred to visible policing this did not just refer to being able to see police officers/staff in person but included the public being able to communicate with the Police via social media technology such as Twitter.
- (iv) The Chief Constable had been consulted on the contents of the Plan and was in agreement with the greater part of it. One of the few areas where there was disagreement was the extent to which Police Officers would be visible, but a form of words on this subject for the Plan was being agreed between the Chief Constable and the PCC.
- (v) In response to a question about the lack of targets in the draft Police and Crime Plan and how it could be judged whether the Plan had been successfully implemented, Lord Bach stated that he did not intend to include specific targets in the Plan and was of the view that targets could be misleading and did not provide the complete picture of whether an initiative had been successful. Members stated that the dashboard provided by the former PCC had been of some use in assessing crime data and performance, and in response the PCC made Members aware of the monthly crime report which the force sent to the Home Office which contained some of the information that was in the dashboard. The PCC stated that he was sceptical about crime figures and was of the view that targets were not the only way of judging success.

- (vi) The issue of the lack of targets in the Plan was raised further by Members in regard to commissioning and how Community Safety Partnerships would know how their use of the Commissioning money would be judged. The PCC acknowledged that organisations in receipt of commissioning funding were entitled to a fair assessment criteria but he stated that the clarity on this would not be improved by the setting of targets.
- (vii) The PCC recognised that cybercrime was an increasingly significant problem and stated that in his view it needed to be tackled more on a regional and national level rather than locally due to the resources required to tackle it. He felt the National Crime Agency should take the lead on cybercrime and stated that he would be using mediums such as the Association of Police and Crime Commissioners to promote the importance of tackling cybercrime. It was asked whether there was a lead PCC for cybercrime and the OPCC agreed to find out and inform Members.
- (viii) The PCC acknowledged that there was at present too little weight given in the Plan to preventative work such as early intervention, the County Council's Supporting Leicestershire Families programme being one such example.
- (ix) Members supported the intention in the Plan to improve the Police101 non-emergency telephone system. It was noted that respondents to the consultation had overwhelmingly indicated that they preferred to report matters not requiring a 999 call via another non-emergency phone line. Members also reported complaints from the public about poor response times to 101 calls. It was agreed that a report on this matter would be submitted to a future Panel meeting.
- (x) An Equality Impact Assessment of the Plan was being undertaken. The Commissioning Framework was also subject to an Equality Impact Assessment.

RESOLVED:

- (a) That the early first draft of the Police and Crime Plan 2017-21 and the comments made thereon be noted.
- (b) That it be noted that the final draft Police and Crime Plan would be submitted to the Panel's meeting on 3 February 2017.

45. Date of next meeting.

RESOLVED:

It was noted that the next meeting of the Panel would be held on 3 February 2017 at 1:00pm.

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POLICE & CRIME COMMISSIONER FOR LEICESTERSHIRE POLICE AND CRIME PANEL

Report of	POLICE AND CRIME COMMISSIONER
Date	FRIDAY 3rd FEBRUARY AT 1:00PM
Subject	COMMISSIONING FRAMEWORK 2017/18
Author	MR SIMON DOWN – COMMISSIONING MANAGER, OPCC

Purpose of Report

1. The purpose of this report is to inform the Police and Crime Panel ('the Panel') on the draft Commissioning Framework for 2017/18, the consultation process being undertaken and the work required in implementing it once finalised.

Recommendation

2. The Panel are recommended to note the contents of the report and contribute to the consultation.

Executive Summary

3. Prior to the election and since becoming the Police and Crime Commissioner for Leicestershire (PCC), Lord Willy Bach has undertaken significant engagement with partners, organisations and residents of Leicester, Leicestershire and Rutland (LLR).
4. This engagement has helped shape and inform both the priorities within his draft Police and Crime Plan and also his Draft 2017/18 Commissioning Framework.
5. The Draft 2017/18 Commissioning Framework (Appendix 1) sets out how the PCC intends to spend his commissioning budget of £4.668m. This budget is reflected within the precept and budget report for 2017/18, also tabled on the agenda.
6. The framework includes some elements of commissioning from previous frameworks but also aligns provision towards the priorities outlined in the Draft Police and Crime Plan (also tabled on the agenda).
7. The Draft Police and Crime Plan with which the PCC intends to align the Commissioning Framework, sets out the five priorities of:
 - Viable Partnerships,
 - Visible Policing,
 - Victim Services,
 - Vulnerability Group Protection, and
 - Value for Money

The five priorities support the cross cutting and underlying theme of Crime Prevention and working towards simpler commissioning arrangements.

8. The main changes to the current Commissioning Framework as highlighted within in Appendix 1, include:
 - the implementation of a grants process to enable the voluntary and community sector to contribute towards the priorities of the Police and Crime Plan,
 - increased contributions to local authorities in meeting the aims of the plan, specifically increases for:
 - Think Family/Supporting Families/Changing Lives - an increase of £50K.
 - Partnership Locality Funds -also an increase of £50K and ,
 - an investment in behavioural change programmes for offenders.
9. The Draft 2017/18 Commissioning Framework is currently out for consultation with stakeholders and closes on the 10th February 2017.
10. The consultation is being undertaken online at www.surveymonkey.co.uk/r/Commissioningframework and a Word document version of this is appended at appendix 2 for ease of reference. Feedback is welcomed from the panel through the online survey in addition to discussion at the meeting.
11. Following the consultation, the PCC will review responses, adjusting as appropriate and it is intended to publish the final framework by the end of February 2017.
12. During 2017/18, a Commissioning framework will be prepared which is intended to cover Commissioning intentions for the remaining term of the Police and Crime Plan.
13. An Equalities Impact Assessment (EIA) is being prepared for the Draft Police and Crime Plan and this will be assessed and a separate EIA prepared on the basis of the consultation feedback to accompany the final commissioning framework.

Implications

Financial:	The Commissioning Budget is contained within the PCC budget and precept for 2017/18.
Legal:	Contracts or agreements will be in place for commissioned services.
Equality Impact Assessment:	To be undertaken on the finalised framework
Risks and Impact:	None identified
Link to Police and Crime Plan:	The framework is based on the priorities within the Draft Police and Crime Plan.

List of Appendices

Appendix 1 – Draft 2017/18 Commissioning Framework
Appendix 2 – Consultation document

Persons to Contact

Mr Simon Down, tel: 0116 229 8704, email: Simon.Down@leics.pcc.pnn.gov.uk



**POLICE & CRIME
COMMISSIONER**
for Leicestershire

Your voice in Leicester,
Leicestershire & Rutland

DRAFT
Commissioning Framework
2017-2018

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Draft for consultation

Foreword

As your Police and Crime Commissioner I am pleased to have responsibility for several key areas of service delivery. These include the provision of an efficient and effective police service in Leicester, Leicestershire and Rutland; facilitating effective partnerships to reduce crime in our communities; and commissioning appropriate support services for victims of crime.



I am determined to do everything in my power to ensure that each of these pivotal work-streams continually improves the way in which it delivers services to the public - but most particularly victims of crime and vulnerable members of our society. A key part of this determination is my intention to enhance the commissioning arrangements currently in place. This will include the provision of some additional funding, simplification of the Commissioning Framework and, where possible, longer term arrangements.

I am fully aware of the valuable role played by our local authority partners as together we seek to prevent crime and antisocial behaviour and boost the support available to vulnerable people. Therefore, I intend to increase the funding available through my Office to better enable these organisations to meet the key objectives within my Police and Crime Plan.

The focus on the provision of first class support for victims of crime is of paramount importance. This is why, in line with my Police and Crime Plan, I intend to consult with partners, wider stakeholders and crucially, victims themselves, to ensure that this service is tailored to, and meets the needs of, individuals unfortunate enough to be a victim of crime. The feedback will help me reshape and improve the way in which services are delivered, securing the best possible results from the significant investment in this area.

The voluntary and community sectors also have a vital role in the delivery of my Police and Crime Plan. I do not underestimate this contribution and it is my intention to help them do even more, through grant funding available via an open and accessible process.

I am confident that the refreshed approach to Commissioning will bring a new energy to the whole process, leading to greater, more tangible results on behalf of communities I serve. In everything we do we must demonstrate that funding is being used wisely and providing value for money. I am sure that, together, we can achieve this.

Lord Willy Bach
Police and Crime Commissioner
Leicester, Leicestershire and Rutland

2. Background

- 2.1 The Police and Crime Commissioner (PCC) for Leicestershire is responsible for setting the strategic direction for policing in Leicester, Leicestershire and Rutland (LLR) through the Police and Crime Plan. The Plan covers the whole of the PCC's period in office and is valid for the period of 1 April 2017 to 31 March 2021. The Chief Constable is responsible for the operational delivery of policing, including the Strategic Policing Requirement. The PCC is responsible for understanding and supporting the dynamic relationship between policing and local partner activity in support of the strategic priorities in the [Police and Crime Plan](#).
- 2.2 The priorities set out in the Plan inform the PCC's decisions as to what funding is made available to the police and partners to secure reductions in crime and disorder. The PCC must identify opportunities for reducing crime, enabling communities both to feel and actually be safer, protecting people who find themselves in a vulnerable situation and ensuring that victims and witnesses of crime and anti-social behaviour are positively supported.
- 2.3 The Police and Crime Plan sets out the five priorities of Viable Partnerships, Visible Policing, Victim Services, Vulnerability Group Protection, and Value for Money as well as the cross cutting and underlying theme of Crime Prevention and an expectation of simpler commissioning arrangements. The PCC intends to align the commissioning framework with these priorities with the exception of Visible Policing which is very much a priority that the Chief Constable will deliver.

3. Commissioning Budget

- 3.1 The 2017/18 budget and precept is set by the existing PCC in line with the Police and Crime Plan 2017-21.
- 3.2 Included within this, the commissioning budget for 2017/18 is anticipated to be £4.668m¹ which is an increase from 2016/17.
- 3.3 Significant changes for this year include:
- **Partnership Locality Fund** – an additional £50k allocated across Community Safety Partnerships to be targeted towards grass roots organisations in their communities
 - **Troubled Families programmes** – an additional £50k allocated across the three troubled families teams (Think Family - City, Supporting Leicestershire Families and Changing Lives - Rutland)
 - **Out of Court disposals** – an investment of over £70k in behavioural change programmes for offenders
 - **Grants funding** – an investment of over £691k to cover both a Grants programme and emergent issues/innovative ideas
 - **Integrated Offender Management (IOM)** – A proposed £50k reduction. We will work with the Reducing Reoffending Board to identify how this saving might be realised
- 3.4 Commissioning spend over 2017/18 is set out in appendix A.

¹ This number includes assumptions made concerning the 2016/17 outturn against budget and is subject to review for the remainder of the financial year.

4. Getting results

- 4.1 The PCC has made it clear that getting results from commissioned provision is what matters. Each contract will therefore have a set of clear performance indicators so that we can confidently report on the results being delivered by our services.
- 4.2 It is recognised that partners may have difficulties in identifying and measuring the impact of their proposed initiative(s). The Commissioning Framework has been designed to be an operational tool that strives to keep performance measurement processes as simple as possible.
- 4.3 It will be the PCC's responsibility, through his office, to monitor progress for each commissioned activity against the proposed measures. A range of performance management systems will be used to do this and measures will be proportionate to the value, risks and opportunities presented by each investment.

5. Value for Money

- 5.1 Value for money sits across the whole of the Commissioning Framework and will be ensured through:
- Competitive procurement processes where significant amounts of funding are being spent (in line with the relevant procurement regulations)
 - Assessment of budget proposals where direct awards are being made (including grants)
 - Contract management, ensuring that funds are well spent and that results are delivered
 - A social value policy that will help add real value over and above the delivery of the services themselves
 - Commissioning in partnership (where appropriate/possible), removing duplication and securing greater economies of scale
 - Reshaping systems of provision so that efficiency and effectiveness is maximised

6. Viable Partnerships

- 6.1 Commissioning is about far more than merely spending money. It is about collaboratively working together to consider how to make best use of the available resources to improve things for the better and then making it happen. The PCC recognises that he is responsible for only some of the things that make a positive difference in reducing crime, enabling communities both to feel and actually be safer, protecting people who find themselves in a vulnerable situation and ensuring that victims and witnesses of crime and anti-social behaviour are positively supported. The PCC will therefore seek to work in partnership in a variety of ways:
- Provision of funding to local authority partners to spend in ways that address the aims of the Police and Crime Plan yet are bespoke for their area in meeting the particular problems and issues therein. These are problems and issues that they will be uniquely aware of and uniquely placed to address

- Working in close partnership with local authorities, health and other partners large and small to jointly commission services across Leicester, Leicestershire and Rutland
- Engaging partners collaboratively in commissioning reviews even when we are the only financial investor.

7. Simplification of commissioning arrangements

7.1 Commissioning processes, including the funding applications/bids, creation of contracts/partnership agreements, monitoring and the quality assurance burden on providers comes at a cost, a cost that is not directly being invested in providing a service to the communities of Leicester, Leicestershire and Rutland. The PCC wishes to simplify commissioning arrangements so as to reduce to a minimum the on costs associated with commissioning whilst ensuring that value for money is achieved, quality services are provided and relevant legislation is adhered to. To this end the PCC will:

- Make grants available that are simple and easy to apply for
- Reduce the contractual and monitoring burden on local authorities who evidently already have sufficient processes in place to assure proper provision of services. This will include the reduction down to a single contract per local authority (apart from in exceptional circumstances) and greater use of Community Safety Partnerships in assessing and demonstrating the results delivered by funded services.
- Ensure that procurement processes and requirements are proportionate to the level of funding available
- Ensure that the monitoring burden is proportionate to the level of funding available
- Provide longer term funding (i.e. 2 years plus) to local authorities (and other organisations as appropriate) where the level of Central Government funding enables this

8. Victims, Vulnerability, and Crime Prevention

8.1 The remaining priorities/cross cutting theme of the Police and Crime Plan are, in the main, captured in Appendix A which details spend on services against each of these areas. In addition the PCC will:

- Undertake a victims and witnesses strategic commissioning review to remodel the system of victim's services. This will include the production of a Victim's strategy
- Work regionally to ensure the continued provision of Sexual Abuse Referral Centre services

Appendix A

Commissioning Budget 2017/18

Service name	Delivery organisation	Provision	17/18 proposed costs (£)	Geographical reach
VICTIMS				
Victim First	Catch 22	Generic victim support - contract up until 30th September 2017	307,849	LLR
Target Hardening	24/7 Locks	Target hardening via UAVA or Victim First - contract up until 30th September 2017	43,636	LLR
Child Independent Sexual Violence Advocate (ChISVA)	FreeVA	Support/Advocacy for child victims of sexual violence - contract up until 30th June 2017	11,224	LLR
Mental Health in Victim First	Leicester Partnership Trust	Specialist mental health support and signposting within Victim First - contract up until 30th September 2017	10,746	LLR
Hardship fund	Catch 22	Hardship fund for use within Victim First - contract up until 30th September 2017	5,000	LLR
Victims Services (Inc. Victim First, Target Hardening , Mental Health, Hardship Fund and Child Independent Sexual Violence Advocate)	Various – To be confirmed via strategic commissioning review	System of victims services provision to replace provision above which only lasts for part of 2017/18	416,324	LLR
Sexual and domestic violence information and support service	United Against Violence and Abuse (UAVA)	Sexual and domestic violence Victim support	268,877	LLR
Domestic violence 360 support	Living Without Abuse	Proactive engagement of repeat domestic violence victims	189,552	LLR
Sexual Abuse Referral Centre (SARC) - Juniper Lodge	Force	Forensic examination and emotional/practical support/advocacy	67,906	LLR
Victims sub-total			1,321,114	
VULNERABLE				

Specialist substance misuse - City	Turning Point	Substance misuse support	335,568	Leicester City
Specialist substance misuse- County	Turning Point	Substance misuse support	111,856	Leicestershire
Rutland subs misuse add on	Turning Point	Substance misuse support	1,485	Rutland
Substance Misuse Out of Court Disposals mandated sessions	Turning Point	Behaviour change sessions	8,307	LLR
Substance misuse - Force side	Force	Drugs officers and other staff	216,405	LLR
Anchor Centre/Recovery Hub	Inclusion Healthcare (via Leicester City Council)	Wet centre and recovery hub for street drinkers	34,000	Leicester City
Safeguarding Boards- City (Adults And Children)	Leicester City Council	Contribution to statutory function	52,445*	Leicester City
Safeguarding Boards- County + Rutland (Adults And Children)	Leicestershire County Council	Contribution to statutory function	51,915*	Leicestershire and Rutland
Child Sexual Exploitation (CSE) Return interview post	Barnardo's (via Leicester City Council)	Interviews and brief support for missing children who have returned	48,200	LLR
Vulnerable sub-total			860,181	
PREVENTION				
Integrated Offender management (IOM)	Force	Partnership approach to managing prolific offenders	358,000	LLR
Police officer to support City and County Youth Offending Service	Force	Co-located officers in Youth Offending Service teams	162,554	LLR
Youth Offending Service (YOS) contribution - City	Leicester City Council	Contribution to YOS costs	84,446	Leicester City
Youth Offending Service (YOS) contribution - County + Rutland	Leicestershire County Council	Contribution to YOS costs	77,934	Leicestershire and Rutland
Youth Prevention and Diversion	Districts, Boroughs and Leicester City councils - split in the same way as it	Positive engagement and diversion for at risk (deter young offenders) or First Time Entrants to YOS	139,675	LLR

	currently is			
Think Family (city)	Leicester City Council	Contribution to troubled Families programme	114,750	Leicester City
Supporting Leicestershire Families	Leicestershire County Council	Contribution to troubled Families programme	101,250	Leicestershire
Changing Lives - Rutland	Rutland Council	Contribution to troubled Families programme	9,000	Rutland
Leicestershire Cares	Leicestershire Cares	Empowering ex-offenders to access employment	40,000	LLR
Multi Agency Public Protection Arrangements (MAPPA)	Force	Partnership approach to managing high risk offenders	34,029	LLR
Conditional Cautioning And Relationship Abuse (C₂ARA) domestic violence perpetrator project	The Hampton Trust	Behaviour change sessions	33,000	LLR
Female Offenders Out of Court Disposals mandated sessions	New Dawn New Day	Behaviour change sessions	32,050	LLR
Crimestoppers	Crimestoppers	Contribution to their core service	26,190	LLR
Domestic Homicide Reviews - City	Leicester City Council	Facilitating statutory reviews into domestic homicides	16,000	Leicester City
Domestic Homicide Reviews - County	Leicestershire County Council	Facilitating statutory reviews into domestic homicides	16,000	Leicestershire and Rutland
Makes Moves - Charnwood	Go-Getta Community Interest Company (CIC)	Young people's prevention and diversion - contract ends 30th June 2017	8,683.75	Sub - Leicestershire
Makes Moves - Loughborough	Go-Getta CIC	Young people's prevention and diversion - contract ends 30th June 2017	6,366.25	Sub - Leicestershire
Street Sport	Community Projects Plus	Young people's prevention and diversion - contract ends 30th June 2017	5,950.00	Sub - Leicester City

Changing Tracks	Pedestrian Limited	Young people's prevention and diversion - contract ends 30th June 2017	4,403.00	Sub - Leicester City
Pay it Forward	Pedestrian Limited	Young people's prevention and diversion - contract ends 30th June 2017	3,958.75	Sub - Leicestershire
Local resilience forum	Leicestershire County Council	Contribution to statutory function	6,536	LLR
Prevention sub-total			1,280,776	
CROSS CUTTING/PARTNERSHIP				
Grants and emergent issues/innovative ideas fund	To be confirmed	Including PCC grants, youth mentoring, homelessness, hate crime and capacity building of the Voluntary and Community Sector (VCS)	691,288	LLR
Partnership Locality Fund	Districts, Boroughs, Rutland and City councils	Activity related to Community Safety Partnership plans	500,000	LLR
Youth Commission/Young Adults Project (YAP)	PCC's office	Facilitating young people influencing police and reducing reoffending provision	15,000	LLR
Cross cutting sub-total			1,206,288	
Grand total			4,668,359	

* The PCC is aware that the safeguarding boards are under increasing financial pressures and there is room within the budget to negotiate the exact contribution for 2017/18.

Appendix B**Glossary**

C ₂ ARA	Conditional Cautioning And Relationship Abuse
ChISVA	Child Independent Sexual Violence Advocate
CIC	Community Interest Company
CSE	Child Sexual Exploitation
IOM	Integrated Offender Management
Districts & Boroughs	Blaby District, Charnwood Borough, Harborough District, Hinckley and Bosworth Borough, Melton Borough, North West Leicestershire District, Oadby and Wigston Borough
LLR	Leicester, Leicestershire and Rutland
MAPPA	Multi Agency Public Protection Arrangements
PCC	Police and Crime Commissioner
SARC	Sexual Abuse Referral Centre
UAVA	United Against Violence and Abuse
VCS	Voluntary and Community Sector
YAP	Young Adults Project
YOS	Youth Offending Service

Draft for consultation

NOT PROTECTIVELY MARKED

Appendix 2 - PCC's 2017/18 Commissioning Framework consultation**Introduction**

The 2017/18 Commissioning Framework sets out how the PCC intends to spend his commissioning budget of £4.668m. The spend, as set out within the draft Commissioning Framework for consultation, builds upon previous frameworks and begins to shift provision towards the emergent priorities of the Police and Crime Plan.

The Framework, as it currently stands, is already the result of the extensive engagement by the PCC who now wants to provide stakeholders and partners with a further opportunity to influence commissioning spend over 2017/18.

This survey should be undertaken with reference to the "Draft Commissioning Framework 2017/18" and responses should be provided by no later than Friday 10th February 2017.

Significant changes

The commissioning budget for 2017/18 is anticipated to be £4.668m which is an increase from 2016/17.

Significant changes for this year include:

- **Partnership Locality Fund** – an additional £50k allocated across Community Safety Partnerships to be targeted towards grass roots organisations in their communities
- **Troubled Families programmes** – an additional £50k allocated across the three troubled families teams (Think Family - City, Supporting Leicestershire Families and Changing Lives - Rutland)
- **Out of Court disposals** – an investment of over £70k in behavioural change programmes for offenders
- **Grants funding** – an investment of £600k to cover both a Grants programme and emergent issues/innovative ideas
- **Integrated Offender Management (IOM)** – A proposed £50k reduction. We will work with the Reducing Reoffending Board to identify how this saving might be realised

Consultation questions

Q1. Do you support the proposed significant changes listed above?

- Fully support
- Partially support
- Do not support

Comments

NOT PROTECTIVELY MARKED

Q2. Lord Bach would like to offer a grants process. In designing this process it would be valuable to gain your views to help to shape the process

a) Have you been a PCC grant recipient in the past? If so, drawing from your experience:

i) What worked well?

ii) What areas could be improved?

b) Have you ever received a grant from another body? If so, drawing from your experience, what worked well?

c) Considering the grants process, which elements do you consider to be important (please tick all that apply) :

- Allowing for an implementation phase before delivery commences
- Flexibility in performance measures for each grant
- Regular (but proportionate) contact with the OPCC team
- Ability to meet other successful grant recipients
- Being open for bids throughout the year

d) Any other comments in relation to the grants process.

NOT PROTECTIVELY MARKED

Q3. It is intended that commissioning, contracting and monitoring processes are simplified

- a) We are intending to only require half year and full year monitoring from Local authorities. Do you support this change?

Fully support
Partially support
Do not support

- b) Are there any ways (other than those listed in the draft Commissioning Framework) that you think we could simplify our commissioning, contracting and monitoring processes?

Q4. Do you have any other comments that you would like to make in relation to the 2017/18 Commissioning Framework?

Monitoring questions

Organisation:

Response on behalf of (please leave blank if you are filling this in on your own):

Name of responder:

Position held by responder:

THE POLICE & CRIME COMMISSIONER FOR LEICESTERSHIRE

POLICE AND CRIME PANEL

Report of	POLICE AND CRIME COMMISSIONER
Date	FRIDAY 3 FEBRUARY 2017 – 1:00 p.m.
Subject	DRAFT POLICE AND CRIME PLAN 2017-2021
Author	ANGELA PERRY, HEAD OF GOVERNANCE AND ASSURANCE

Purpose of Report

1. The purpose of this report is to present the Police and Crime Commissioner's draft Police and Crime Plan 2017-2021 in accordance with Section 5 of the Police Reform and Social Responsibility Act 2011 (PRSRA).

Recommendation

2. The Panel considers the final draft of the Police and Crime Plan 2017-2021 and provides its formal recommendations.

Background

3. Under the Police Reform and Social Responsibility Act 2011 (PRSRA) the responsibility for determining the contents of a strategic plan lies with the elected Police and Crime Commissioner (PCC). As an elected individual the PCC is empowered, on behalf of the public, with setting the strategic objectives and these must cover the whole of the period of their office through to the end of the financial year in which the next election takes place, hence the plan covers the period 1 April 2017 to 31 March 2021.
4. Before issuing or varying a police and crime plan, the Commissioner must:-
 - (a) Prepare a draft of the plan or variation;
 - (b) Consult the relevant chief constable in preparing the draft plan or variation.
 - (c) Send the draft plan or variation to the police and crime panel.
 - (d) Have regard to any report or recommendation made by the panel in relation to the draft plan or variation.
 - (e) Give the panel a response to any such report or recommendations, and
 - (f) Publish any such response.
5. The new Police and Crime Plan must be issued within the financial year in which the 'ordinary election' is held in this case by the end of March 2017. The Commissioner has a duty to keep the Plan under review.

6. A previous version of the Plan was provided to the Police and Crime Panel on 5 December 2016 for members comments as part of the consultation on the Plan.

The Draft Plan 2017-2021

7. The Commissioner has, in line with the duties outlined above, prepared a draft Police and Crime Plan which covers the period 1 April 2017 – 31 March 2021. (APPENDIX 'A'). The Commissioner has engaged with the Chief Constable during preparation of the plan and has sought feedback on its contents.
8. The Commissioner now requires the Panel to consider his Plan and to provide its formal recommendations to which the Commissioner will respond. The Plan will then be published on the Commissioner's website.

Equality Impact Assessment

9. An equality impact assessment for the Plan has been drafted and is attached at Appendix 'B'.

Publication of the Plan

10. The Commissioner intends to publish the final Police and Crime Plan as a document on the PCC website and share it widely with partners, stakeholders and key agencies. The PCC does not intend to produce large quantities of hard copies of the Plan however a hard copy will be provided to members of the public on request.
11. A summary version of the final Plan will be printed in hard copy and available electronically for wider dissemination.

Implications

Financial:	Included in the appendix to the report.
Legal:	There is a legal requirement for the Police and Crime Commissioner to produce a Police and Crime Plan for the policing area.
Equality Impact Assessment:	An equality impact assessment will be undertaken on the final version of the Plan.
Risks and Impact:	None.
Link to Police and Crime Plan:	As contained within the report.

List of Appendices

APPENDIX 'A' – Final Draft Police and Crime Plan 2017-2021
APPENDIX 'B' – Equality Impact Assessment

Persons to Contact

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APPENDIX A

The Police and Crime Plan 2017-2021

DRAFT

**Prepared By Lord Willy Bach
The Police and Crime Commissioner
For
Leicester, Leicestershire and Rutland**

I am immensely privileged to have been elected Police and Crime Commissioner for Leicester, Leicestershire and Rutland. It is an honour as well as a pleasure to work closely with our excellent Chief Constable and Police Force. However, an even greater privilege is to listen to the views of the million plus citizens who live in our area, and to be able to act on their behalf so that we can together fight the battle against crime and make our wonderfully diverse community safer.

In recent times our police force has suffered a massive cut in its resources. Central government has made a conscious decision to reduce funding to the extent that Leicester, Leicestershire and Rutland has lost 20% of both of its Police officers and the Police Staff who do so much for all of us. That represents a funding cut of almost one third.

Against this difficult backdrop, the challenge for the Force and myself is how to provide an excellent and improving service for a growing population.

I would like to provide more in this Police and Crime Plan, but my duty is to be realistic. Nonetheless, I am confident that my proposals represent the most ambitious and practical approach we can take.

This Police and Crime Plan meets that challenge and I want to acknowledge the contributions of the trade unions and staff associations.

The underlying theme throughout this document is 'prevention'. If we can prevent crime taking place, if we can prevent young people committing offences, and if we can prevent offenders re-offending, then we not only avoid the harm and pain that crime brings, we can also make better use of precious resources to deal more effectively with crime and its causes.

The five "Vs" that constitute the main themes of this Plan address all of the crucial areas that the Chief Constable and I have to deal with. I trust you will support this approach. The greatest thing about British Policing is the connection that exists between the public and the police. "The police are the public and the public are the police".

Long may it continue.

Lord Willy Bach
Police and Crime Commissioner

The values we hold

The creation of the office of the Police and Crime Commissioner provided a means for local people to have a direct say over the way in which our communities are policed. Today, you have a directly elected commissioner who can determine what crimes are prioritised and how tax-payers' money is spent on policing.

Willy Bach's values are pivotal to the development of this Police and Crime Plan. They form the basis of his relationship with the Police Force and other key stakeholders, including the elected leaders in the city and counties, district councils and local community organisations. These values provide a foundation and a common vision for good policing in Leicester, Leicestershire and Rutland:

- respect
- absence of bias
- integrity
- openness
- diversity
- value of money
- flexibility
- accountability
- equality

These values sit at the heart of this plan.

Good policing in the complex area that is LLR, particularly at a time of severe government spending constraint, demands a high degree of imagination and flexibility. Because of this, the Office of the Police and Crime Commissioner will be open-minded, adaptable and tolerant to the needs and expectations of a community that is one of the most diverse in the UK.

The office will embrace diversity, value all opinions and consciously acknowledge the views of others in its work. The Commissioner and his team believe in honesty and fairness; they will strive to act with integrity and without bias at all times.

Shortly after his election, Willy Bach made the following statement:

“We will demonstrate the moral courage to do the right thing for our communities and I expect everyone in my team to do likewise. Sometimes we may not get it right. Nonetheless. We will always be accountable for our actions, and we welcome public scrutiny.

These are the values that I will uphold and expect of my staff, our partners and collaborators. They will set the tone for my term in office”.

The Office of the Police and Crime Commissioner's entire team is determined to follow Willy's inspirational lead.

Kirk Master
Deputy Police and Crime Commissioner

Introduction

1. The year 2017 marks the fiftieth anniversary of the amalgamation of Leicestershire and Rutland Constabulary with Leicester City Police to form the Leicestershire Constabulary which evolved into its current incarnation as Leicestershire Police in 2012.
2. I am proud to say that as the elected Police and Crime Commissioner (PCC) for Leicester, Leicestershire and Rutland (LLR) in this anniversary year it is my duty to produce this 'Police and Crime Plan' for the area during my term of office.
3. This plan is also owned by all of the diverse communities throughout LLR.
4. Everyone should be aware that in carrying out my legal mandate:
 - a. 'Operational Policing' is the job of the Chief Constable
 - b. I do not therefore get involved in operational decisions such as arresting or seeking to prosecute alleged offenders.
5. Under the terms of the Police Reform and Social Responsibility Act 2011, my duties are:
 - a. Setting, reviewing and updating this plan.
 - b. Appointing, holding to account, challenging, working with and, if necessary, dismissing the Chief Constable.
 - c. Financially:
 - i. Determining the Council Tax Precept for policing.
 - ii. Setting the Police Force budget.
 - d. Regularly engaging and seeking to understand concerns and priorities with:
 - i. Communities.
 - ii. Victims of crime for whom I have the duty to commission services in support.
 - e. Promoting and facilitating partnership working arrangements.
 - f. Commissioning the service of partner agencies to deliver a joined up approach to:
 - i. Tackling crime and delivering 'Community Safety Services'.
 - ii. Distributing grants and other funding from Central Government.

Aim

6. My overall aim with this plan, is to ensure that policing across the LLR area is efficient, effective and above all meets our needs and expectations.
7. The plan set by my predecessor focused on:
 - a. Reducing offending and re-offending.
 - b. Supporting victims and witnesses
 - c. Making communities and neighbourhoods safer.
 - d. Protecting the vulnerable.
8. These important themes remain in my plan but I wish to see more emphasis on:
 - a. Crime Prevention.
 - b. A simplification of my Commissioning Framework.
9. To these ends, after establishing the current 'Background', I wish to concentrate on five 'V's, namely:
 - a. Viable Partnerships.
 - b. Visible Policing.
 - c. Victim Services.
 - d. Vulnerability Protection.
 - e. Value for Money.
10. Finally, before my conclusions, I will examine the Strategic Policing Requirement and Collaboration to meet the Statutory Requirement of the Home Secretary.

Background

11. This document, the blueprint for the future strategic direction of policing and community safety in LLR to 2021, has been shaped by:
 - a. Public feedback during my election campaign and since the election.
 - b. Consultation work undertaken in 2016 when respondents were supportive of a potential 1.99% increase in the precept.

- c. Where we are now on all fronts.
 - d. Challenges in the future.
12. The Police Efficiency Effectiveness and Legitimacy Report (PEEL) (November 2016) by Her Majesty's Inspectorate of Constabulary (HMIC) listed our Police force as one of the 33 forces in UK graded as 'GOOD' (*Note: eight forces were graded as 'Requiring Improvement' and only two as 'Outstanding'*).
13. This inspection covered how well forces:
- a. Are efficient at keeping people safe and reducing crime.
 - b. Understood their current and future demands.
 - c. Are managing those resources to meet current demand.
 - d. Are planning to meet future demands.
14. It is therefore reassuring that:
- a. We already have a sound police force operationally and financially to promote further improvement.
15. My background as a Barrister ensured I witnessed the real impact of crime:
- a. The misery and destruction of drug and substance addiction.
 - b. The desolation caused by burglary.
 - c. The impact of domestic abuse on victims and their families.
 - d. Those who are damaged by the results of all kinds of crime.
16. It therefore follows that if crime is reduced:
- a. We also reduce the number of victims, blighted lives and the demand on police and all other public services.
 - b. We will see happier, inclusive and cohesive communities who trust the police to help them, support them and keep them safe.
17. The Association of Police and Crime Commissioners and the National Police Chief Council's Policing Vision 2025 sets out the national plan for policing over the next ten years. The plan acknowledges that reducing crime and protecting the vulnerable are core priorities for the police service and that to achieve this, the service must increase partnerships within the community and with other service providers, protect the rights of victims and engage in community led policing to reduce demand. The Vision describes the ambition for the reform of policing by 2025 by the

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transformation of the way it delivers its mission with a key focus on prevention and vulnerability.

The Five V's compliment this national vision.

Viable Partnerships

18. My aim is to:

- a. Enhance the network of partners with whom my office and I engage to capture the views of more individuals and local groups. This will give me a broader and more representative range of opinions.
- b. Facilitate more opportunities for disengaged and disadvantaged groups to engage with the Office of the Police and Crime Commissioner (OPCC).
- c. Provide a commitment from myself and my office to work productively, openly and transparently with LLR Local Authorities alongside the Community Safety Partnerships, Health Services and Fire and Rescue and the Police.
- d. Provide opportunities for all partners to be shaping the future of 'policing' across LLR.

19. The police, particularly with 'Neighbourhood Policing' teams and 'Criminal Investigation Safeguarding Departments', play a vital role in existing and new partnerships. However they alone cannot address the complex social factors that often result in offending behavior. The police cannot deliver viable prevention alternatives in isolation.

20. To ensure that I am better informed about the work of partners and more able to support partnership working I will ensure that I am represented properly within existing partnership structures and appropriate fora.

21. I intend to allocate funds which will recognise the value of Local Authority and Community Safety Partnerships. Where possible and if the level of Central Government Funding allows, I will include longer term funding arrangements. I will consider supporting collective and collaborative co-commissioned beneficial services. I will also provide grants to smaller organisations to help tackle specific areas of work and to address particular challenges.

22. The term 'Partnership Working' usually refers to agreements to work together between the public sector, voluntary organisations and private businesses. I believe this is too narrow an interpretation. There must be more involvement of our local communities whether that be communities:

- a. In a specific location.
- b. With shared heritage.

- c. That share an interest in a particular issue.

23. It is important that community involvement moves beyond consultation or engagement and involves active participation by well informed and well supported members of the public. For example joining as a Volunteer Police Cadet, Special Constable, a Police Volunteer, an Independent Custody Visitor or a member of the Youth Commission.

- a. Special Constables are uniformed and provide a visible police presence. In addition Cadets wear a uniform and assist with many public events providing a further uniformed presence within the community. Cadets from vulnerable backgrounds are encouraged to join the programme to provide them with different opportunities which may not have been available to them previously.
- b. The continued development of the volunteer roles within the force will ensure that the variety of roles and tasks available to volunteers will continue to increase.
- c. Independent Custody Visitors (ICVs) are volunteers from the local community who visit individuals who have been detained in police custody. They speak with detainees to ensure they are being treated fairly and correctly by the police. It is a statutory duty of a Police and Crime Commissioner to have such a scheme in place. In LLR custody visitors aim to visit each primary custody suite a minimum of one visit per week.
- d. The Youth Commission allows young people between the ages of 14 – 25 to support and challenge the work of the Police and Crime Commissioner and Leicestershire Police.

24. Much has already been achieved with some highly effective and innovative partnerships. We are fortunate to live in a diverse and multi-cultural society which embraces and values difference. In promoting and extending the existing list of partnerships I am also aware that there is work to do. I have a responsibility to ensure that the police work towards eliminating discrimination, harassment and victimization, advances equality of opportunity and fosters good community relations.

To do this, I recognise that equality and diversity extends beyond ethnicity and covers a wide range of differences that enrich our communities, and includes age, disability, gender, race, religion and belief, sexual orientation and transgender recognition. Volunteers directly impact upon visibility and their greater diverse representation, particularly in relation to age, ethnicity and gender in all three strands of volunteers, compared to the paid members of the workforce, demonstrate the necessity to strive for improvement in attracting a more diverse representation.

25. The extent to which we work in partnership across the public and voluntary sector is critical to the success of my plan and as said above much has been done. However I believe we can improve further on existing and new local partnerships especially in the area of information and data sharing. In particular:

- a. Section 17 of the Crime and Disorder Act 1998 imposes a duty on a range of

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Public Authorities to exercise their various functions with due regard to **preventing** 'Crime & Disorder'.

- b. Whilst data protection and security is vital and plays an important role in maintaining confidence in public services we must also be able to appropriately use that data to best serve the public.

Visible Policing

26. My Aim Is To:

- a. Maintain and if possible increase resources for local Neighbourhood Policing Teams.
- b. Focus on crime prevention to reduce the number of people needing to use reactive police services or entering the Criminal Justice System (CJS).
- c. Develop new channels via the internet and other information technologies to enable easy and timely access to police services for as many people as possible.
- d. Ensure:
 - i. There are new and innovative ways for the public to provide information relating to crime and public safety.
 - ii. The views of the public continue to be sought and reflected in the development of these new services.

27. It is clear from my research and contact with people across the area that all want to regularly see the police in their locality and this is vital to maintain legitimacy and the trust of the public. As the founder of the police, Sir Robert Peel, maintained "The police are the public and the public are the police". This crucial connection is at the heart of British policing.

28. Although our Police Force has one of the highest number of black and minority ethnic police officers and staff in the country, there is still work to be done to improve the representation in numbers, roles and seniority. This is also the case with regards to representation of officers and staff by disability, gender (including transgender), religion and belief and sexual orientation. This is a critical issue and we must go further during the time of this plan to ensure we work effectively towards a police force reflective of the diverse communities we serve. In addition our officers and staff need to be equipped to engage and serve the existing diverse communities and also the emerging communities of the future.

29. Over the last five recession years there has regrettably been a substantial cut to our Police resources. Nevertheless during my term of office I will do everything in my power to ensure that Police Officers, Police Community Support Officers (PCSOs) and Police Staff in the area are to remain at the same or preferably improved levels.

30. I will continue to improve the openness and transparency of policing contact across the diverse communities of LLR. I will work to ensure the appropriate use of stop and search, use of force and the deployment of taser. To help us achieve this aim I will work with representative community groups to quality assure our work and give us honest feedback on areas where we can improve, so that we can continuously develop our services.
31. During the term of this Police and Crime Plan I intend to increase the visibility of policing across LLR. I will do this by maintaining police officer numbers during my term and by continually taking advantage of modern and evolving technology to enable police officers to work more effectively in our communities. An expanding Automatic Number Plate Recognition network of cameras in LLR will enable real time policing and gain intelligence on crime involving the use of vehicles. All front line officers will be equipped with Body Worn Video cameras, enabling digital evidence to be immediately collected and shared. I will consistently champion the appropriate use of Body Worn Video.
32. New and emerging crimes mean that policing needs to change and visible policing needs to take place not only in our communities but also in the cyber world in which vulnerable people both young and old are targeted. I intend to encourage the force to improve access to its services by using technology to enhance and increase police visibility online. The profile of crime is changing nationally and policing needs to find new ways to tackle emerging threats.
33. During the first months of my term in office I have spent time visiting communities to listen to their road safety fears surrounding inappropriate speed, vehicles of unsuitable weight and dangerous parking. In addition to these concerns it is sadly the case that a large proportion of road traffic collision death and serious injury is as a result of the FATAL4 offences; excess speed, distraction, substance abuse and a failure to wear a seatbelt.

I will examine the opportunities for collaboratively addressing those issues in a new way which cause the communities of LLR most harm and concern.

34. I am working with the Chief Constable to:
- a. Facilitate stronger and more robust relationships with all our communities.
 - b. Assist the Police and partners to work together to prevent crimes such as anti-social behaviour and hate crime.
 - c. Support joint initiatives involving more than one community.
35. A part of police visibility is the ease of public access to police information, services and support for:
- a. Local policing and criminal investigations.

- b. Response and resolutions.
- c. Specialist departments.

36. To maintain public confidence I will be assisting the police in the development of new ways to receive and give appropriate information on crime and all other services from and to the public. These will not replace the current systems and the public ability to speak directly to the police or police staff but will include the use of:

- a. The internet per se including Social Media.
- b. The extension of self service options.

37. Both sides of the fox hunting debate have already asked as to my position. I am absolutely clear:

- a. The law as it stands must be obeyed whether you like it or not.
- b. I support the work of the Police Force to ensure this happens.

38. Reducing 'Rural Crime' and keeping residents, especially the elderly, feeling safe is also important to me. In particular, we need to prevent crimes such as:

- a. Those threatening the heritage of the countryside
- b. High value farm machinery and vehicle theft.
- c. Metal and lead theft.
- d. Hare coursing.
- e. Burglary.

39. As 'Rural Crime' offenders tend to work across borders it is important that we collaborate with all our neighbouring forces and PCCs to tackle the problem.

Victim Services

40. **My aim is to:**

- a. Prioritize a Victims Strategy to give further improved services demonstrating my commitment to this area of work.
- b. Review victim's services to ensure they receive the best possible service, through robust mechanisms focused on the individual.

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- c. Work more closely with victim groups and individuals to ensure I capture their experiences and understanding when commissioning services.
 - d. Ensure that support for victims is incorporated into our core business as an integral part of our delivery and not a standalone item.
 - e. Ensure that the diverse nature of victims is supported by the service in place including the young, the old and all the diverse groups in LLR.
41. One of my Statutory Responsibilities is to ensure that victims and witnesses of crime are properly supported. This is partly funded by a grant I receive from the Ministry of Justice (MoJ). This funding helps to:
- a. Deliver services to assist any victims of crime to cope and recover from their experience.
 - b. Ensure we meet the requirements of the Victims Code of Practice and current European Union regulations.
42. This grant funding does not, unfortunately, cover those affected by Anti-Social Behaviour (ASB) which can have such a corrosive effect on individual lives and communities. I will raise this issue with the intention of putting in place processes to ensure that victims of ASB have access to appropriate support services.
43. My office has already worked, and is working, in partnerships with local authorities and other commissioning bodies across the whole area to design, fund and implement a range of services to meet the needs of victims. These services are subject to regular performance monitoring determined through a contract management approach. This allows each commissioned service to have a tailored set of quantitative and/or qualitative performance measures. I will continue to ensure that the victim's voice is central to our appraisal of these services.
44. My intention during the my time in office is to:
- a. Develop and simplify the commissioning monitoring arrangements.
 - b. Maintain enough flexibility within my commissioning budget to ensure I am able to respond to any emerging needs.

Vulnerability Protection

45. My aim is to:

- a. Work closely with partners to offer an appropriate service to vulnerable members of society supported by a range of contact channels.
- b. Continue and further develop work to encourage better understanding of 'hidden crime' with a view to the reporting of this crime becoming less suppressed.

- c. Provide a commitment to work with the Chief Constable to tackle knife crime.
- d. Adopt a zero-tolerance approach to the supply of Class A drugs across the whole area.
- e. Work Closely with Health Partners to ensure that the challenges of turning the Crisis Care Concordat into an operational reality are fully met.
- f. Develop and improve the '101' non-emergency telephone contact number to act as a gateway to better and wider ranging advice services.

46. The term 'Vulnerability' is a generic term to describe where an individual's circumstances and/or situation mean they are unable to protect themselves from harm. During the time covered by this plan my focus is to be on:

- a. Alcohol and drug related incidents
- b. An integrated response to demand
- c. Children and Crime including Child Sexual Exploitation (CSE)
- d. Domestic violence and abuse including coercion
- e. Hate incidents
- f. Human trafficking and modern day slavery
- g. Mental health and learning disabilities
- h. Missing from home individuals
- i. Sexual violence

47. Alcohol and drug related incidents.

During my term in office I will continue to support work that addresses the harmful effects of alcohol and drugs on local communities, specifically:

- a. A new drugs and alcohol service provider for LLR. The provider has been actively setting up its services, establishing its operational centres and recruiting staff. During the next phase of delivery I will continue to work with partners to ensure effective delivery of services.
- b. I will continue to support all the work of the alcohol Harm Reduction group. This will specifically include giving consideration to the effects of alcohol on young people and work which incorporates a mixture of education, enforcement, community engagement and provision of diversionary activities for young people.

- c. I will focus on measures to reduce harm from the Night Time Economy and will support treatment services and other partners in continuing to support the Police licensing team to seek licence reviews of problematic licenced premises.
- d. The multiagency approach to managing street drinking, substance misuse and substance misuse related begging should be continued. Where areas are identified where activities are taking place that are or may likely be detrimental to the local community's quality of life I will support the use of Public Space Protection Orders under the Anti-social Behaviour, Crime and Policing Act 2014.

48. An integrated response to demand:

- a. The idea of a collective approach to service delivery is well established but this tends to be based on referral. I believe this approach can be adopted by a far wider range of public services and can be more immediate and responsive.
- b. Non-emergency calls to the Police make up around 75% of all calls received and often include requests for services and help that are provided by other public sector partners across LLR. I intend to work closely with our partners to improve access to services so that citizens can get to the right service provider to resolve their problem. In developing greater links across the public sector the public will be able to access the right service provider more easily and receive a better service. To enable this improved early access to services to work well I will be engaging with all our partners to see how we can deliver our services better, utilizing technology when best suited to allow improved access to public services.
- c. I believe the Police 101 non-emergency telephone system, which is a well established and well used service and brand, can be improved and potentially provide ease of access to a far wider range of public services, information and support. My vision is to see a multi-agency call handling and resolution facility built around the 101 service enabling the public to seek help and support across a wider range of public service functions.
- d. This improved 101 system must be more than a switchboard just dealing with calls. In a multi-agency arena it must have added value to resolve calls at first contact and be so judged as to its effectiveness.
- e. In this development of the 101 service and other areas I am also aware that the Police and Crime Panel and other partners will be instrumental in developing my ideas. I am particularly interested to see what opportunities there are to work collectively and productively.

49. Children and Crime (including Child Sexual Exploitation):

The tragic rape and murder of the Leicester teenager Kayleigh Haywood led to my predecessor and the Leicestershire Police launching the Commitment to Eradicate

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Abuse and Sexual Exploitation (CEASE) campaign to encourage community awareness of Child Sexual Exploitation (CSE). However CSE is not the only threat to children. The Leicester Police Child Abuse Investigation Unit:

- a. Dealt with 2,264 incidents last year.
- b. Made 13,250 referrals to multi agency partners sharing concerns about children following police contact.

Leicestershire Police, using funding from the increased 2016/2017 precept, have created a Child Sexual Exploitation Hub which is co-located with the existing Children's and Adult Referral Desks to create a Multi-Agency Hub ('The Hub'). Frontline Officers, with special expertise, are also available to identify signs of abuse and other underlying concerns, before passing the information to 'The Hub', which is staffed by trained personnel who will:

- a. Recognise, understand and interpret the information given to them.
- b. Work with partner agencies to provide those affected with the help they require.
- c. It is of note that 'The Hub' and action taken:
 - i. Is a holistic approach to the support of survivors of CSE and other child abuse.
 - ii. Through the integration, provides survivors, who may experience other difficulties throughout their childhood, more joined up engagement with services as they enter adulthood.

50. It is good news that fewer young people who have committed offences are now given custodial sentences or find themselves in custody for any length of time. The Police have an important role in persuading people not to offend and re-offend, and I will:

- a. Support and encourage all the preventative measures taken in this field including visits to schools and colleges together with the increasing use of social media.
- b. Work with community networks and forums to support young people who are at risk of being drawn into criminality to make positive choices.
- c. Look for new ways for the police to act in this area.

As a criminal law barrister for many years I have seen how young lives can be ruined by knife crime, drugs, bad influences and a failure to rehabilitate. Modern policing has a special role to play in this vital area.

51. **Domestic violence and abuse including coercion**

Domestic violence and abuse blights the lives of those affected whether they suffer

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the violence directly or are children growing up in homes where such violence is present. Research and experience of those working in this area indicate a significant level of under reporting. I am determined, working with the Chief Constable and other partners, to:

- a. Increase the level of confidence amongst survivors that by reporting such incidents they will receive the help and support they need.
- b. Build upon and strengthen the already impressive existing arrangements.
- c. Explore new opportunities in this area.
- d. Together with partners to continue supporting local specialist providers to deliver quality and timely services to domestic violence and abuse survivors encompassing those experiencing honour based violence and at risk from female genital mutilation

52. Hate incidents

Hate incidents and hate crimes do not simply injure the victim or damage their property but can and often do have an effect on whole families, the wider community and society as a whole. Research both locally and national indicates that hate incidents and hate crimes can cause greater psychological harm than other types of crime with a much greater and longer lasting effect on those involved.

Whilst Leicestershire Police are the lead agency in investigations of hate crimes, I recognise that no single agency can effectively tackle hate incidents and hate crimes alone. However it is important to ensure that the police work towards an increased reporting of hate crime, particularly where there is under reporting, such as disability, Lesbian, gay and bisexual (LGB), race, religion and belief and transgender hate crime.

Leicestershire Police have set up a Hate Crime Strategic Board enabling oversight of their annual hate crime delivery plan that captures key areas of work in response to hate and I will support them in their aims:

- a) To enhance Leicestershire police response to hate crime
- b) To improve user experience and increase satisfaction
- c) To support and influence the development of effective partnership working and campaigns
- d) To ensure effective monitoring of performance and baseline
- e) To capture and review emerging good practice and evidence based policing for hate crime.

Partnership working is vital in responding to incidents of hate and I am pleased to note that Leicestershire Police has been a key partner in bringing Leicestershire County Council, the seven District and Borough Councils, Leicester City Council,

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Rutland County Council and the local NHS together to produce the first LLR strategy statement for tackling hate and action plan. The strategic priorities for this plan have been identified as raising awareness, improving response and reassuring and strengthening communities.

I will work with the Hate Crime Strategic Board to develop an offender programme both voluntary and statutory using Restorative Justice and mediation to change perception and behaviour and provide closure for victims.

Additionally I have agreed the commission of four initiatives:

- a) **Perpetrator out of court disposal (OOC) programme.** This programme will be developed with the support and involvement of both statutory and voluntary partners and will be run initially as a year long pilot. Using a Restorative Justice approach the programme will involve the perpetrator working with a subject matter expert to understand the impact their behaviour and actions have had on the victim and the wider community. It is anticipated that the OOC will lead to a change in perception and attitude for the perpetrator and provide closure for victims.
- b) **Major sports clubs against hate crime campaign.** This will involve working with the local major sports clubs to develop a series of focused campaigns around hate and will involve work on a number of different platforms.
- c) **Hate crime fold out cards.** This is the development, production and distribution of credit card sized information cards including how to report hate incidents and crimes via the LLR Hate Delivery group.
- d) **Better journey cards.** This is the further production and distribution of these existing cards to enable reach to a wider group of vulnerable LLR residents and will be overseen by the LLR Keep Safe Places steering group.

53. Human Trafficking and Modern Day Slavery

I will keep a watching brief on the offences of Human Trafficking and Modern Day Slavery and I will ensure a robust response when these crimes affect the communities of LLR.

54. Mental Health and Learning Disabilities

In relation to mental health, learning disabilities and suicide, which remain a significant challenge in terms of both volume and complexity, the Police and partners are required to provide a good quality service for supporting those in crisis and whose lives are impacted by mental ill health.

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- a. Mental health is a community issue that the police service has a role in supporting. The Police are not the experts in managing mental ill health and will be looking to those with lived experience of mental illness to help shape and inform our practice.
 - i. I will maintain a mental health portfolio which falls in line with our frontline community response.
 - ii. I will work with the Chief Constable to provide a policing response to mental ill health that is led and supported by our community.
- b. The police service often responds to those in times of crisis. Integrated joint responses such as the Mental Health Triage Car have shown how a better response can be provided by professionals working more closely together. Where this is particularly relevant is in regards to the prevention and intervention to suicide.
 - i. I will work with the Chief Constable towards preventing crises before they happen and working with other lead professionals to improve the lives of those struggling with mental ill health in our community.
- c. Policing is an all age provision. However both the Chief Constable and I recognise the specific issues surrounding children and young people's mental health. Poor mental health and wellbeing can be a result of contact with the police service, and influence further interaction.
 - i. I will work together with the Chief Constable to educate our staff in the issues surrounding young people and mental ill health and support partnership working specifically looking at this area of business.
- d. Leicestershire Police have a role in supporting those in crisis, duties under the Mental Health Act, and in the provision of a good quality policing service to those in the community whose lives are impacted by mental ill health.
 - i. I will support and work with partner agencies to ensure that our community receives access to appropriate clinical care at the right time, in the right place and by the right people.
 - ii. I do not believe that custody is an appropriate place for the mentally unwell and will actively adopt approaches to prevent that from happening in LLR.
- e. Mental Health related demand is a significant and growing business area for the police service.
 - i. I will support Leicestershire Police in regards to good quality training that supports a resilient, compassionate and professional response to mental ill health.

55. Missing from Home Individuals

The young people who go missing, particularly those who go missing time and again, risk the very real threat that they will be exploited in some way, sometimes for serious criminal purposes.

A great deal of Police time goes into finding the children and adults who go missing where they too are vulnerable. This can particularly impact on those people living with dementia.

I will be working closely with partners to see whether we can be more innovative and collaborative in solving this problem which affects all of us.

56. Sexual Violence

The number of rape offences is disproportionately high and, as with the national picture, has increased over the last two years. The police and our partner agencies have worked hard to encourage victims of this most serious offence to have the confidence to come forward and report it. I accept though that this can be influenced by national events and media coverage. Currently:

- a) About 50% of rape reports are reported within seven days of the offence (Potentially allowing for the recovery of important forensic evidence)
- b) A further 25% are reported within one year.
- c) The last 25% are historic.

Juniper Lodge Sexual Assault Referral Centre (SARC) provides a comprehensive service for anyone aged 13 and over living in LLR who have been raped or sexually assaulted either recently or at any time in the past, regardless of gender or gender identity. A team of specially trained and dedicated staff will endeavor to help victims to recover both physically and emotionally whether they choose to report it to the police or not.

Notwithstanding the good work to date, we cannot be complacent in this area:

- a) Much remains to be done
- b) I am determined to support and develop appropriate services to deliver an improvement

Value for Money

57. My aim is to:

- a. Be more responsive, reflecting changes in budget demand as issues arise.

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- b. Provide support to groups and projects outside policing who have better knowledge and reach within our hard to reach and hard to engage communities.
- c. Focus on the most effective use of public funds whilst being cautious and challenging around private outsourcing proposals to ensure that my principles around added social value are adhered to. I am committed to protecting frontline policing.
- d. Revisit the Budget, Grants and Commissioning arrangements to ensure greater effectiveness, clarity and simplicity in the way they operate.
- e. Have regard to the economic, social and environmental well-being of local communities and how this can be improved through procurement and the supply chain.

58. Since the recession the austerity measures implemented by the Government have had a significant impact on both capital and revenue budgets and the resources available today.

59. My Plan is based on delivering within the funds available. Consequently I:

- a. Intend to tightly manage all resources at my disposal.
- b. Will ensure that local people receive value from the money that is invested in policing and other areas where I am responsible for commissioning services.
- c. Will be open to potential opportunities to work with other organisations to reduce costs and maximise resources available for the priorities of my plan, where it makes practical and fiscal sense to do so.

60. The Budget is made up of:

- a. Two-thirds from Central Government, and any reductions are therefore significant.
- b. One-third derived directly from local people through their Council Tax via the Police Precept.
- c. Grants, currently set at £1.24m, from the Ministry of Justice, to support victims of crime.

61. Details of my Budget, Precept and Financial Plans have and will continue to be published on my website. Currently 96% of the funding is passed to the Chief Constable to provide operational policing delivered either locally or through regional collaborations. In 2017/18 my budget will be allocated as follows:

Funding Passed to the Chief Constable	£M	%
Operational Policing delivered by Leicestershire Police (Net)	154.5	90.1

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Operational Policing delivered through Regional Collaboration	10.2	5.9
Total funding passed to the Chief Constable	164.7	96.0
Funding Retained by the Commissioner		
To Commission Services (net of grants and use of reserves)	3.1	1.8
To run the Office of the Police and Crime Commissioner	1.2	0.7
Total funding retained by the Commissioner	4.3	2.5
To support the capital programme	2.6	1.5
Net Budget Requirement 2017/18	171.6	100

62. In line with the statistically significant researched views of the residents throughout the area during consultation on this Plan it is my intention to maximise the local Council Tax available through the Precept during my time in office. Whilst this will not meet all the future savings anticipated in the medium term financial strategy this will help minimise the impact, protecting and where possible maintaining a sustainable Police Force in LLR.

63. With further Financial Challenges likely on the budget in the future I have asked the Chief Constable to develop a Change Programme which:

- a. Includes a savings plan to limit the impact of any resource reduction on visible policing.
- b. Subject to the impact of future financial settlements, identifies potential additional resources to reinvest into policing.

64. Where additional investments in policing are made these will be monitored closely to consider their 'Value for Money' and their impact on all those resident in the area.

65. I intend to support the Force by:

- a. Resourcing the 'Change Programme'.
- b. Working with the Chief Constable and his team to consider the wider implications of any proposals and plans.
- c. Having a liaison officer from the Change Team working within my office.

Strategic Policing Requirement and Collaboration

66. The Home Secretary has placed a Statutory Requirement on all Forces and Commissioners to ensure they are able to contribute to national policing issues as well as satisfactorily policing their area.

67. This is known as the Strategic Policing Requirement (SPR) and Commissioners are required to have regard for these National Requirements when setting their Police and Crime Plans and in future reviews.

68. Due to the complexity of modern day policing there are a number of SPR areas to

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which local forces are expected to contribute, currently including:

- a. Child Sexual Abuse.
- b. Serious and Organised Crime, including Local, National and International Organised Crime Groups.
- c. Large Scale Public Order.
- d. Civil Emergencies that require a large scale response.
- e. Terrorism.
- f. National Level Security Cyber Security Incidents.

69. This is not new to the Leicestershire Police as this region has led the way in terms of 'Police Force Collaboration' over the last ten years. Consequently Senior Government Officials have often cited the 'East Midlands Area' as 'Best Practice' when challenging other areas to learn from our mature regional experience.

70. I will work with the Chief Constable to ensure we maintain and improve our SPR Capability. However my focus throughout this plan has been to ensure the best policing for LLR so that my Guiding Principles around Regional Collaboration are that:

- a. Local Policing is provided locally.
- b. Any collaboration helps deliver a more effective and efficient policing service for LLR.
- c. All areas of business are considered.
- d. Decisions not to participate in a particular collaboration are reviewed regularly as circumstances change.
- e. Any costs and/or benefits are shared between participating forces.
- f. I will meet regularly with other Regional Commissioners and Chief Constables to review existing work and carefully consider any cases for future collaboration.

Conclusion

71. I believe that in Leicester, Leicestershire and Rutland we have a Police Force of which we can be proud. Our Police Officers and Police Staff are outstanding and

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serve the public well.

As such they deserve our support. Nevertheless the next four years will not be easy. Every year our population goes up with the force already under resourced for the tasks they are asked to perform. As ever there is also always the need and room for improvement.

This plan lays out my policies for the way forward to help overcome these difficulties. I believe that with the support of the public, together with the advantages that successful partnerships at all levels can bring, we have the ability to do even better.

Signed

Lord Willy Bach

Police and Crime Commissioner for Leicester, Leicestershire & Rutland.

Dated

2017

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APPENDIX B

Equality Impact Assessment Form

Before completing this form please refer to the [EIA Guidance](#)
For further advice and assistance please contact the Equality Unit.

Name of the policy/function	Police and Crime Plan
Owner of policy/function (name/dept)	PCC
Person completing the EIA	Equality Unit and OPCC office
Date EIA completed	25/01/17

What is the aim of this policy/function?

Background and Context

The Police Reform and Social Responsibility Act 2011 gave Police and Crime Commissioners (PCC) the responsibility of producing a Police and Crime Plan. The Plan sets the Police and Crime Commissioner's priorities during their term of office.

This Police and Crime plan has been created by the PCC in consultation with the Chief Constable, partner organisations and communities. The overall aim of the plan is to ensure that policing across the Leicester, Leicestershire and Rutland area is efficient, effective and meets the needs and expectations of all the communities.

In addition, the Association of Police and Crime Commissioners and the National Police Chief Council's Policing Vision 2025 sets out the National plan for policing over the next ten years. The plan acknowledges that reducing crime and protecting the vulnerable are core priorities for the police service and that to achieve this, the service must increase partnerships within the community and with other service providers, protect the rights of victims and engage in community led policing to reduce demand.

The Vision describes the ambition for the reform of policing by 2025 by the transformation of the way it delivers its mission with a key focus on prevention and vulnerability.

The first Police and Crime plan set in 2013 focused on:

- Reducing offending and re-offending.
- Supporting victims and witnesses
- Making communities and neighbourhoods safer.
- Protecting the vulnerable.

The new Police and Crime plan includes these areas, however there is a greater emphasis on:

- Crime Prevention.
- A simplification of the Commissioning Framework.

To ensure this is effective, the plan concentrates on the five 'V's, namely:

- Viable Partnerships.
- Visible Policing.
- Victim Services.
- Vulnerability Protection.
- Value for Money.

Which of the protected characteristics is the policy or function likely to impact upon?

Age	<input type="checkbox"/>	Religion or Belief	<input type="checkbox"/>
Disability	<input type="checkbox"/>	Sex	<input type="checkbox"/>
Gender Reassignment	<input type="checkbox"/>	Sexual Orientation	<input type="checkbox"/>
Pregnancy and Maternity	<input type="checkbox"/>	All protected characteristics	x
Race	<input type="checkbox"/>	None	<input type="checkbox"/>

Step 1:

Collecting the data

What data or statistical information or evidence based research have been used to identify how this policy or function might affect equality?

The content in the draft Police and Crime Plan was compiled from a number of different strands of work that the PCC undertakes as part of the wider public engagement work, and also took into account the previous Police & Crime Commissioner's (PCC) consultations.

In particular, the Police and Crime Commissioner commissioned a web based survey and a telephone survey to obtain the views of the public, communities, stakeholders, partners and staff. The stakeholders also included the members of the Independent advisory groups.

The telephone based survey produced 1,105 responses.

The web-based survey was circulated in 3 ways:

- To internal personnel (Police Officers and Police Staff)
- To members of the public directly
- To stakeholders (Councillors, MPs etc.)

In total over 6,000 "direct invites" were sent out, these included City / County / Borough & District Councillors. As well as other local politicians and key stakeholders including members of the Independent Advisory groups

The web-based survey generated a total of 1,769 external responses and another 152 were received from Police Officers and Staff.

A total of 3,026 responses were received.

	<p>The survey asked questions in the following areas:-</p> <ul style="list-style-type: none"> • What policing priorities should be included in the plan? • How should non-emergency matters be reported to the police? • How would the public like to receive general information from the police, not related to specific crimes. • What was the top suggestions to improve police visibility. • What suggestions were there for providing support to victims? • Was there support for raising additional funding through an increased police precept? • Would they be prepared to engage in further consultation? <p>The two top priorities identified by respondents as being the most important elements to include in the plan (with nine out of every ten respondents believing them to be important, similar to the levels of support in the web surveys) are :</p> <ul style="list-style-type: none"> • Reducing and preventing Crime • Ensuring that crimes such as Hate Crime, Domestic Violence, Sexual offences and Cyber Crime are reported to the Police
	<p>What gaps in the information or research have been identified?</p>
	<p>Whilst there were 3,026 responses, the demographic breakdown of those who responded shows certain members of the community were less likely to engage in the consultation methods used.</p> <p>The breakdown of respondents to the consultation show a proportional response in terms of gender (in relation to the breakdown of the community). However, the respondents demographic data show the following disproportionalities :</p> <p>Age</p> <ul style="list-style-type: none"> • Under representation of people aged between 16 – 24, 25 - 34 and 65+ responding. • Over representation of people aged between 45 – 54 and 55 - 64 responding. <p>Ethnicity</p> <ul style="list-style-type: none"> • Under-representation of respondents who identified as Asian, Black, Chinese and Other. • Over-representation of respondents who identified as White or White Irish.

	<p>Sexual Orientation</p> <ul style="list-style-type: none"> • The respondents who identified as Lesbian, Gay, Bisexual or Transgender was 6.9%, this is an under representation of previously projected figures of over 10%. <p>Disability</p> <ul style="list-style-type: none"> • Under representation of respondents who identified as disabled. <p>Religion and belief</p> <ul style="list-style-type: none"> • Under representation of respondents who identified their religion as Christian, Hindu, Jewish, Muslim and Sikh. • Over representation of respondents who identified their religion as Pagan or non-religious. <p>The gaps identified in the respondents to the survey will guide future consultation processes, in order to get more representative views. This has been identified in the action plan attached to the EIA.</p>
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Step 2:	Describe any adverse impact of the policy or function on any of the equality groups, along with any factors that can explain or justify this impact
Assessing likely impacts	<p>The emphasis of the Police and Crime Plan is the five 'Vs' as described above. In particular, viable partnerships, victim services and vulnerability protection, if successful this will have a positive impact of different communities and groups. Visible policing can also have a positive impact on those members of the community who feel more vulnerable and at risk and provide reassurance.</p> <p>In addition the plan outlines a number of areas where there will be a focus of resources and scrutiny in order to provide better outcomes for the public. Many of these areas of crime or policing already see a disproportionate outcome for different communities, because of their age, disability, gender, gender reassignment, race, religion and belief and sexual orientation. Therefore focus and resources will hopefully see more positive outcomes for those groups. This includes:-</p> <ul style="list-style-type: none"> • Reducing rural crime and keeping residents, particularly the elderly feeling safer. Preventing metal and lead theft which can impact on faith communities, at their places of worship. • Prioritising a victim's strategy, which recognises the differing needs of different victims. Ensuring this is captured in the commissioning of services. • Ensuring those members of the community who are vulnerable or who find themselves in a vulnerable position have access to information and support.

	<p>Encouraging the reporting of hidden crime, or crime which is often impacting on minority groups and is also under reported. This includes, child sexual exploitation, domestic violence and abuse including coercion, hate crime and hate incidents, human trafficking and modern day slavery and sexual violence.</p> <ul style="list-style-type: none"> • There will also be a focus on areas where issues of safety particularly impact on minority communities, this can include missing from homes, which often impact on young children or people living with dementia. Also those people living with a mental health condition who find themselves in a crisis and may self-harm or harm others. • There will also be an emphasis on the use of police powers to ensure that there is proper internal and external scrutiny. In particular to recognise the impact that the use of stop search has on communities, particularly those who are young, male and from an Asian or Black background. Monitoring of stop search still shows there is a disproportional outcome for those communities. To ensure the appropriate use of stop search, use of force and Taser, there will be work with representative community groups to quality assure the work and provide feedback on areas of concern, good practice and improvement.
	<p>What actions can be taken to mitigate any adverse impact</p> <p>The plan has put an emphasis on areas of policing where focus and scrutiny will be undertaken. Many of those areas as described above have a disproportionate impact on certain communities as defined by age, disability, gender, gender reassignment, race, religion and belief and sexual orientation. Those areas will be subjected to ongoing governance and it is hoped that future monitoring will show a reduction in the disproportionate outcomes of these areas.</p> <p>The principles of respect, absence of bias, integrity, openness and diversity are present throughout the plan and in the commitments made at the outset. The aim is to ensure policing across Leicester, Leicestershire and Rutland is efficient and effective. For this to be successful that requires all communities to experience an improvement and for their needs and expectations to be understood and accounted for.</p>

<p>Step 3:</p> <p>Consulting</p>	<p>Describe who has been consulted and how this has had influenced the assessment</p>
	<p>The telephone survey that was conducted gave the following results:</p> <p>The differences in respondents from different backgrounds have not made a significant difference to the responses. However, the following differences were identified in the 6 areas questioned in the survey:-</p> <p>1. What Policing Priorities should be included in the Plan?</p> <p>The following outlines the differences in responses from respondents by different diversity demographics:-</p> <ul style="list-style-type: none"> • Asian respondents felt that the PCC should give more encouragement to people to volunteer to assist in policing. • Significantly more female respondents believe the PCC needs to communicate the role and purpose of PCCs than male respondents. • For respondents aged over 65, there was a higher importance placed on the protection of Neighbourhood Policing Teams, Making it easier to Report Crime, Encouraging People to Volunteer and Improving the public's understanding of the purpose and role of the PCC'. • Those aged 25 to 34 think that 'Making it easier to Report Crime' is of less importance than other respondents; and those aged 45 to 54 consider improving the public's understanding of the purpose and role of the PCC to be of less importance. • Respondents who identify themselves as bisexual consider that Reducing and preventing Crime, Visible Policing and Supporting Neighbourhood Policing to be of less importance than do other respondents. • Respondents who identify as lesbian or gay believe that ensuring crimes such as Hate Crime, Domestic Violence, Sexual offences and Cyber Crime are reported should be of more importance than do other respondents. • There are no significant variances in opinion between people who consider themselves disabled and those who don't.

2. Reporting non-emergency matters

- Respondents aged 16 to 24 are less supportive of the use a multi-agency phone line to report less serious matters than are other respondents; likewise, those over the age of 65 are less supportive of reporting matters on-line or via an App.
- There are no significant variances in opinion between male and female respondents or different ethnicities, between people who consider themselves disabled and those who don't and between people of different sexualities.

3. Receiving information from the Police

- Significantly more respondents from smaller communities (i.e. "Other" ethnicity (Chinese, Mixed, Arab or "any other")) indicate that they have less desire to receive any information about policing than other respondents.
- There is significant less support for receiving general policing information by leaflets from male respondents.
- Respondents over the age of 65 are less supportive and those 16 to 24 more supportive of receiving general policing information by SMS.
- Respondents over the age of 65 are more supportive of receiving information through a leaflet or email than other respondents.
- Respondents between the ages of 25 and 34 are more supportive, and those aged between 45 and 54 less supportive of the use of social media for this purpose
- Respondents aged 25 to 34 indicate significantly less desire to receive any information about policing in general than do other respondents.
- There are no significant variances in opinion between people who consider themselves disabled and those who don't and from people of different sexualities.

4. Police visibility

- Asian respondents have indicated greater support for seeing uniformed officers on bicycles or vehicles, as well as being available in non-police community locations and the Police having an on line presence, than do persons of other ethnicities.
- Both those between 16 to 24 and over the age of 65 consider Uniformed Police personnel on foot to be a

more important form of visible policing than other respondents, albeit those aged 35 to 44 see this as less important than others do.

- Those over the age of 65 also see Uniformed Police personnel on bicycles to be more important than other respondents as well.
- Those aged 16 to 24 also see an availability in Police Stations and other Community Locations to be more important than do persons of other ages.
- People who describe themselves to be bisexual consider it more important to have Police personnel available in Police Stations than do other respondents.
- There are no significant variances in opinion between people who consider themselves disabled and those who don't and between male and female respondents.

5. Support to victims

- Asian respondents are significantly more supportive of victim support being provided collaboratively by the Police and other agencies; this is balanced by less support for a joint Police and Victim First arrangement.
- Respondents between the ages of 55 and 64 believe stronger than others that all victim support should be accessed through a single point of contact. Persons over the age of 65 have a stronger belief than others that it is policing personnel who should actually provide this.
- There are no significant variances in opinion between people who consider themselves disabled and those who don't and between people of different sexualities.

6. Additional Funding through an increased Policing Precept

- Whilst there is still a majority in favour, there is significantly less support amongst Asian and Black respondents for an increase in the level of precept than for other ethnicities.
- There are no significant variances in opinion between genders, people of differing ages or between people who consider themselves disabled and those who don't and also between people of different sexualities.

Following the initial consultation on what issues might be important to the public in developing the plan, the draft plan was drafted and this was sent to a number of stakeholders within Leicestershire Police and also the Police & Crime Panel. In addition the plan has been discussed at external meetings which

	<p>the Police and Crime Commissioner attended in January.</p> <p>The responses received have been collated into the following themes:-</p> <ol style="list-style-type: none"> <p>1. Equality and diversity issues</p> <p>Feedback has been received on how equality and diversity issues are described. In particular there was comment that representation of a diverse workforce only concentrated on BME representation.</p> <p>There was also no description or comment on age, disability, religion and belief or sexual orientation whilst describing diversity.</p> <p>Action taken</p> <p>The relevant areas of the plan were amended to be more inclusive and widen the definition of equality and diversity.</p> <p>2. Stop Search</p> <p>Stop and search needs to be more prominent in the plan. The Force monitoring data indicates that Black and Asian young people are disproportionately stopped and searched compared to the White community.</p> <p>Action taken</p> <p>This area of policing has now been included in the plan, ensuring continual oversight and accountability of this policing tactic, along with the use of Force and the use of Taser.</p> <p>3. Volunteers</p> <p>Volunteers are not mentioned in the plan. The volunteers represent a diverse range of people.</p> <p>Action taken</p> <p>This has now been included and the presence shows the breadth and depth of volunteers within the police service.</p> <p>4. Drugs and Alcohol</p> <p>Drugs and alcohol needed a stronger presence, particularly the impact it can have on members of the community who may be vulnerable or in a vulnerable position.</p> <p>Action taken</p> <p>This has now been included and there is a greater emphasis of the impact this can have on different communities, including those living with mental health conditions.</p>
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	<p>5. Mental health</p> <p>This area should be broadened, as being greater than the triage car.</p> <p>Action taken This section has been amended and there is now a greater emphasis on partnership working and seeking solutions to crises which ensure that custody is not an appropriate place of safety.</p> <p>6. Youth commission</p> <p>The Youth Commission was not mentioned.</p> <p>Action taken They have now been included under the section on volunteers to show the diversity of volunteers within the Force.</p> <p>7. Speeding</p> <p>There should be a reference to the impact the Fatal 4 have on communities in the plan.</p> <p>Action taken The Fatal 4 has now been included in the plan under visible policing.</p> <p>8. Accessibility of information.</p> <p>There have been comments on the layout of the document. In particular the use of justified text, capitalisation and lack of Plain English.</p> <p>Action taken The layout was amended to ensure the document is accessible to a wide audience.</p> <p>An Easy Read version of the plan is to be developed, along with versions in alternative languages, including BSL. An audio version is also being planned.</p>
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Step 4:	Which of the following decisions has been taken? Please select one of the following options	
Decision making	1. Policy/function to remain unchanged	<input type="checkbox"/>
	2. Policy/function to be amended	X
	3. Stop and remove the policy or function	<input type="checkbox"/>

NB. Where any further actions have been identified an [EIA Action Plan](#) will need to be completed.

Step 5: Publishing	Please select one of the following publishing options for the EIA	
	Secret	<input type="checkbox"/>
	Confidential	<input type="checkbox"/>
	Restricted	<input type="checkbox"/>
	Not Protectively Marked	X

Step 6: Reviewing	Date of next review	January 2017
	Please provide details of all reviews completed (including date, person completing review and any changes made as a result of the review)	
	Results of any consultations to be included in the EIA as they are undertaken – so reviews to be ongoing and amended when any additional information/views are acquired.	

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POLICE AND CRIME COMMISSIONER FOR LEICESTERSHIRE POLICE & CRIME PANEL

Report of	POLICE & CRIME COMMISSIONER
Date	FRIDAY 3rd FEBRUARY AT 1:00PM
Subject	PROPOSED PRECEPT 2017/18 AND MEDIUM TERM FINANCIAL STRATEGY (MTFS)
Author :	CHIEF FINANCE OFFICER

Purpose of the Report

1. To present the 2017/18 Precept Proposal and the additional considerations contained within it.
2. To present the Medium Term Financial Strategy (MTFS).

Recommendation

3. The Police and Crime Panel is asked to:
 - a. Note the information presented in this report, including:
 - the total 2017/18 net budget requirement of £171.639m, including
 - a council tax requirement for 2017/18 of £58.089m.
 - b. Support the proposal to increase the 2017/18 Precept by 1.99% (£3.65 per annum) for police purposes to £187.2302 for a Band D property.
 - c. Note the future risks, challenges, uncertainties and opportunities included in the precept proposal, together with the financial and operational mitigations and additional considerations identified.
 - d. Note that any changes required, either by Government grant alterations 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 Force Efficiency Savings or through a transfer to or from the Budget Equalisation Reserve (BER).
 - e. Note the current MTFS, the anticipated savings required and plans to identify further solutions alongside the requirements of the Police and Crime Plan.

Executive Summary

4. This report, and the Precept proposal within it, is the culmination of several months' work by the Office of the Police and Crime Commissioner (OPCC), supported by Force colleagues and taking account of public and stakeholder consultation and key government announcements.
5. Following the announcement of the provisional Police Grant settlement, the PCC (Lord Bach) has considered current and future funding levels, together with the factors included within his Draft Police and Crime Plan, the consultation, the Spending Review (SR2015) and the Chancellor's 2016 Autumn Statement.
6. The PCC has also reviewed the sound track record of the Force in delivering over £31m of savings since 2013/14 (over £38m since 2009/10) as highlighted to the Panel in February 2016.
7. The PCC has been briefed on the current and emerging operational challenges, both nationally by the Home Secretary and the Home Office and locally by the Chief Constable, particularly in those areas included within the Force's Draft Strategic Assessment for 2017/18.
8. The PCC has received briefings and updates on the provisional grant settlement and acknowledges the assumption contained within it that PCCs will increase their precept locally at 1.99% each year for the period of the SR to ensure that police spending is protected in real terms.
9. The PCC has received the updated grant allocation methodology which now takes into account the previous year's actual taxbase increase rather than the 0.5% level assumed increase in the 2016/17 grant allocation. The PCC has been briefed that this approach facilitates greater reductions in grant funding whilst maintaining the "flat cash" pledge.
10. The PCC has reviewed the budget and precept in light of the significant feedback received from public consultation, his Draft Police and Crime Plan priorities and his Draft Commissioning Framework.
11. These factors, together with the provisional and anticipated grant settlements have enabled him to prioritise investment in frontline operational visibility in Neighbourhoods for 2017/18 and future years as follows:
 - An additional 8 Police Officers to be added to the current establishment and allocated to each Neighbourhood Policing Area (NPA).
 - For these posts to be added to the establishment, permanently. Together with the 10 posts incorporated into the budget during the year, this increases the establishment to 1782, as compared to 1764 budgeted for in April 2016.
 - To review the potential for relocating some uniformed Headquarters Teams to NPA stations, which would not only increase visibility but also accessibility of officers in Neighbourhood Areas, together with better utilisation of local Police Stations.

- To invest the sum of £2m in 2017/18 and a further £2m in 2018/19 from the Capital Programme to continue to implement and roll out agile IT equipment. This will enable uniformed staff to complete a greater number of tasks and activities based in the community without having to return to stations.
12. The PCC will continue to support the drive to increase active community involvement by well informed and well supported members of the public, by supporting them into roles as a Volunteer Police Cadet, Special Constable, Police Volunteer or an Independent Custody Visitor.
 13. In his integrated response to demand, the PCC will work with local partners to develop thinking towards a multi-agency call handling and resolution facility. This facility will be built around the 101 service enabling the public to seek help and support across a wider range of public service functions. To facilitate this innovative approach, the sum of £0.5m will be ring fenced from within the Budget Equalisation Reserve to help shape and support this work as it develops.
 14. The PCC has reviewed the adequacy and level of Reserves to ensure that funds are still available within the Budget Equalisation Reserve for investment to support Collaborative or Innovative solutions, in addition to meeting one off short term funding shortfalls, should this be required whilst savings plans are realised.
 15. Furthermore, whilst there was a better than anticipated SR settlement in 2015, the PCC has recognised that there are further financial challenges facing the Police over the next five years and where by 2021/22 a financial shortfall of over £10.3m is forecast.
 16. To meet this challenge, the PCC will support the Chief Constable to develop a Change Programme which includes a savings plan and which limits the impact of these savings on visible policing. The PCC has already committed to fund the resourcing of the Force Change Programme in 2017/18. A member of this team will be co-located within the OPCC to maximise partnership and stakeholder engagement and ensure cognisance with the Police and Crime Plan.
 17. The PCC has taken into account the further £100k anticipated reduction in provisional Capital Grant allocation available to him in 2017/18 and in future years and has reviewed this together with the investment requirements of the Capital Programme.
 18. The PCC has taken into account the adequacy and level of reserves and the impact of future financial challenges and opportunities in the Medium Term Financial Strategy.
 19. In considering the proposed level of precept, the PCC has conducted, and been informed by, a survey of 2,924 residents of Leicester, Leicestershire and Rutland (1,112 in 2016/17 and 863 in 2015/16). These views received have informed his final Precept proposal.
 20. After careful consideration of these factors, the PCC is proposing a precept increase of 1.99% for the 2017/18 financial year in order to build a sustainable base budget not only to maintain and safeguard policing services across the entire Force area of Leicester, Leicestershire and Rutland but also to make additional support to visibility as highlighted during the Police and Crime Plan consultation.

Precept Strategy and 2017/18 Precept Proposal

21. The 2017/18 Precept proposal is the first precept proposed by Lord Bach in his term as Police and Crime Commissioner.
22. For the past four years, there has been consultation on the precept with local residents and stakeholders.
23. As discussed at the Police and Crime Panel in December 2016, when considering his precept strategy, Lord Bach undertook extensive consultation in Leicester, Leicestershire and Rutland on the precept for 2017/18 and future years, alongside consultation of priorities to inform his Police and Crime Plan.
24. Out of the survey of 3,026 residents, 2,924 respondents expressed an opinion as to whether they supported an increase in the precept of 1.99% per year for 4 years.
25. Whilst results across Local Authority Boundaries and demographics varied, all groups were overwhelmingly supportive of an increase. **The survey results reflected public support for the PCC to increase precept by 83.3%**. This support compares favourably to the 70.7% level for 2016/17 and 56.1% for 2015/16.
26. Lord Bach has listened closely to this feedback and, both in the Draft Police and Crime Plan and this report, has outlined his intention to maximise funding raised by the precept throughout each year of his term.
27. At present, in line with the referendum principles, the maximum increase he is able to set is 1.99% and this assumption has been included throughout his Police and Crime Plan and Medium Term Financial Strategy (MTFS).

The Comprehensive Spending Review 2015 (SR2015) and the Provisional Grant Settlement 2017

28. On 25 November 2015 the Chancellor of the Exchequer announced the outcome of the SR2015. The SR2015 details the spending settlements for each government department over the four year period 2016/17 to 2019/20.
29. Contained within both the detail of the Chancellor's Autumn Statement and the provisional grant settlement is the assumption that PCCs' will increase their precept locally by 1.99% each year for the period of the SR to ensure that police spending is protected.
30. Since 2014/15, policing bodies have received their formula funding solely from the Home Office which subsumed the former DCLG grants (including previous funding from Business Rates).
31. The grant allocation continues to be calculated through the four-block model, which has been subject to limited technical and data updates but, following a pause on funding formula work in 2015, new work is currently underway on a review of the formula with a view to implementation in 2018/19.
32. It is anticipated that first iteration of the formula will be available for consultation in February/March 2017. The Panel will be updated on formula developments as they transpire.

33. As the Panel are aware, the current formula was never fully implemented, with the annual impact for Leicestershire being an underfunded level of Home Office Grant of over £5.6m. However, the last two iterations of the model have suggested reductions in overall funding for Leicestershire, rather than increases.
34. The Police and Crime Commissioners Treasurers Society (PACCTS) has scrutinised the key elements of the Police Grant Settlement which has reduced by 1.4% from 2016/17. Whilst not all of the detail is yet available, PACCTS have identified that one of the most significant impacts is the reallocations (top-slicing) of Police Grant to fund central initiatives.
35. Whilst the Home Office advise that no PCC will face a cash reduction in their total funding, this protection only applies to those who raise their council tax by the maximum possible (excluding referendums). Whilst there is a £5 flexibility for the PCCs with the lowest 10 precept rates, this does not apply to Leicestershire.
36. Additionally, actual taxbase increases for 2016/17 (2.65% for Leicestershire) have been taken into account when allocating the Grant, rather than the 0.5% assumed within the 2016/17 Grant Settlement.
37. PACCTS has advised that reallocations (top-slicing) have been simplified to enable easier year on year comparisons. In 2017/18 reallocations total £812m, 22% higher than the 2016/17 equivalent.
38. Whilst the Transformation Fund increase was foreseen and prudently included within the forecasting for 2017/18, some were additional to those anticipated.
39. The reallocations (top-slice) elements are detailed further as follows:

Top-slice	2017/18 £m
Private Finance Initiatives (PFI)	73
Police Technology Programmes (incl. ESN)	417
Arms Length Bodies	54
Strengthening the Response to Organised Crime	28
Police Transformation Fund	175
Special Grant	50
Pre-Charge Bail	15
Total	812

40. Key issues in relation to the settlement and top-slice elements include the following:
- a. Counter terrorism (CT) funding is negotiated separately to the police settlement, therefore, increases should not impact on the rest of the Police settlement. In 2017/18, the funding for CT has increased by a further £30m to £670m.
 - b. Some of the top-slice elements, may be returned to PCCs/Forces as a competitive funding pot, for example the Transformation Fund.
 - c. The Innovation Fund (of which Leicestershire has historically been a “gainer”) has been incorporated within the Transformation Fund. In 2016/17 the Transformation Fund was worth £131.4m and has increased by 33.2% to £175m. Of this amount, £32m will be going to Firearms and the rest will be available for bids and/or funding already committed from 2016/17 bids (and for which the successful 2016/17 Regional NICHE bid is included).
 - d. In 2016/17, the Minister advised £1bn was included in the Police settlement (but was never separately specified) and £80m was “top-sliced” for core Emergency Services Network (ESN) costs. The Ministerial statement for 2017/18 suggests a further £100m has been top-sliced and added to Police Technology Programmes. At this stage, however, there is still some uncertainty about total ESN costs which will impact on the PCC and national timescales continue to slip.
 - e. Arms-Length Bodies include Her Majesty’s Inspectorate (HMI), Gangmasters (new topslice for 2017/18) and the Independent Police Complaints Commission (IPCC).
 - f. Police Technology Programmes include ESN, existing Airwave System, Home Office Biometrics and the National Law Enforcement Database.
41. Whilst the total value of top slicing for 2017/18 is known (and it is assumed this reduction from top-sliced elements is permanent), there remains a high level of uncertainty about the impact on Police Grant of future years’ 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.
42. A summary of the provisional settlement (based the proposed 1.99% precept increase) is shown in the table below:

Funding Source	2016/17 Final (£'m)	2017/18 Provisional (£'m)
Police Grant	65.345	64.433
Business Rates & Revenue Support Grant	39.649	39.093
Precept (Proposed 1.99% increase in 2016/17)	55.714	58.089
Localised Council Tax Support (LCTS)	7.020	7.020
2011/12 & 2013/14 Council Tax Freeze Grants	1.911	1.911
Council Tax Collection Fund Surplus	1.201	1.093
Total	170.840	171.639

43. The allocations have been based on the existing police funding formula. As has been highlighted in the budget reports of previous years, Leicestershire Police is currently disadvantaged by this arrangement as it would receive about £5.6m more each year if the formula were allowed to work in full, i.e. the floor was funded from sources other than those policing bodies whose formula increases are capped.
44. The Office of the Police and Crime Commissioner (OPCC) also receive a specific grant for the Localisation of Council Tax Support (LCTS). This scheme replaced the council tax benefit scheme (CTB) in 2013/14, and is administered locally by council tax collecting authorities. As a local scheme, the grant previously given to collecting authorities to reflect actual expenditure on LCTS is distributed to collecting and precepting authorities. The sum allocated to the OPCC for Leicestershire for 2017/16 is £7.02m which is the same amount allocated in 2016/17.
45. Although PCC grants after 2017/18 have not been provided at a local level, the SR2015 provided an indication of the total grant available; albeit there is no detail of the level of top-slices (the Transformation Fund is anticipated to increase each year).
46. In line with the 2017/18 provisional grant allocations, the MTFs now assumes a 1.4% reduction of police grant year on year for the period of the SR, rather than the 1% grant reduction year on year assumed in February 2016.
47. This change equates to a reduction in Grant of over £400k per annum and this assumption is in line with those being made across other Force areas.
48. The largest uncertainty for Leicestershire regarding Home Office Grant relates to the detail and impact of the Funding Formula Review which the Minister intends to implement for 2018/19.

Council Tax Referendum Limit

49. The Localism Act 2011 requires authorities, including Police and Crime Commissioners, to determine whether their “relevant basic amount of council tax” for a year is excessive, as such increases will trigger a council tax referendum. From 2012/13, the Secretary of State is required to set principles annually, determining what increase is deemed excessive.
50. Within the Provisional Local Government Finance Settlement: England 2017 to 2018, the document: “The Referendums Relating to Council Tax Increases (principles) (England) Report 2017/18” (draft) was issued on the 15th December 2016. This document is in line with the guidance issued by the Home Secretary, in her letter to Chief Constables and Police and Crime Commissioners on the 25th November 2015 where she advised that *“you should plan on the basis that the overall referendum limit for Police Precept will be maintained at 2% over the Spending review period for Police and Crime Commissioners in England”*.

The level of precept proposed is below this threshold.

51. The cost of a referendum for a proposal to set a Council Tax increase in excess of 1.99% is significant and this would fall to the PCC (and more importantly the residents of Leicester, Leicestershire and Rutland) thus needing to be built into the increase sought.

52. If a referendum were held to increase the Policing precept above 1.99%, on the same day as local elections in May, it would cost approximately £650k. That would rise to £1.2m if held on an alternative day.
53. Furthermore, if a “no” vote was returned in such a referendum, there could be a further cost of £1 million to re-issue council tax bills to every home. This would increase the total potential cost to between £1.650m and £2.2m if the referendum were unsuccessful.
54. The PCC has decided not to propose a precept which will trigger a referendum.
55. Whilst all provisional information has been received in respect of tax base and collection Fund levels from the District and Borough Councils, should there be any subsequent revisions which affect the above calculation, either Force efficiency savings or the Budget Equalisation Reserve will be used to balance the impact of any changes.

The Financial Challenge – Future Risks, Challenges, Uncertainties and Opportunities

56. The Panel in February 2016 were advised that savings of over £31m were achieved over the full term of the previous Police and Crime Plan 2013/17, some of which were reinvested.
57. The MTFs shows that, for SR2015, this challenge is far from over. It is anticipated that further savings will need to be sought over the period of the Draft Police and Crime Plan and savings of over £10.3m will need to be sought over the period of the MTFs.
58. The PCC and his office will continue to work with the Force to ensure that their excellent track record in identifying and implementing changes will continue to enable the PCC and the Force to meet this financial challenge.
59. The PCC will support the Chief Constable in developing a Change Programme which includes a savings plan and which limits the impact of these savings on visible policing.
60. In doing so, the PCC has committed to fund the resourcing of the Force Change Programme in 2017/18. A member of this team will be co-located within the OPCC to maximise partnership and stakeholder engagement and ensure cognisance with the Police and Crime Plan.
61. Some further financial and operational risks and challenges are as follows:
 - a. The unknown impact of the Funding Formula Review (anticipated to be implemented in 2018/19) on Future Funding Settlements. All options in the earlier review have shown a detrimental impact for Leicestershire.
 - b. Following the £100k reduction in 2016/17, Capital Grant has reduced by a further £100K in 2017/18 and this level of reduction is anticipated for future years.
 - c. The impact of a different grant assumption to that estimated in the MTFs for the years after 2017/18. Of note, every 0.5% reduction in grant equates to just over £0.5m less available revenue per year.
 - d. In 2014, the previous PCC supported the Force commitment to undertake a job evaluation of its police staff posts. This work continues and based on the experience of other employers a provision of 3% of the police staff pay bill has

been included for pay drift. This has been allowed for 9 months assuming that any changes to salaries will be implemented from July 2017 - £1.04m (the full year effect is £1.39m). This will be closely monitored and remains a financial risk until the pay assimilation is completed and the actual costs are confirmed.

- e. During May 2017 the Force and OPCC will be required to auto enrol all of their employees who do not currently contribute to a pension into the relevant scheme as part of the government's initiative to encourage individuals to save for a pension. This is the first time the auto enrolment process will be run. It will then occur every 3 years. As this is the first auto enrolment for the PCC and the Force, it is not yet known how many of the officers and staff will make the decision to remain in the pension schemes. This is a financial risk because if everyone eligible to join the pension scheme decides to continue to pay into the pension the additional employer's contributions for officers and staff would be £537k and £707k respectively.
 - f. The full impact of costs and funding arrangements for the new Emergency Services Network (ESN) are still unknown. Although the £1bn cost across all Emergency Services is included within their settlements, the top-slice has increased significantly in 2017/18 and is anticipated for future years. Additionally, slippage in timescales delays the assumed national financial benefits which are due to accrue in later years, in line with the cost profile of the national arrangements.
 - g. 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. From initial work on the Force's Strategic Assessment for 2017/18, which is in keeping with the national themes, it is clear that these areas of operational threat require more targeted investment and resources - some are one off and some ongoing requirements.
 - h. The capital programme requirements and the investment required to take any collaborative or Tri-Force work forward in advance of the timings of savings. Whilst these may attract Transformation Funding, these would still need match funding and financing.
 - i. Under current assumptions, if no action is taken, it is envisaged that by 2021/22 there will be a shortfall of over £10.3m on the MTFs.
62. However, these risks, challenges and uncertainties are under regular review and the steps already in train to help mitigate these include:
- a. Outcome Based Budgeting (OBB) commenced in 2015/16. This has continued in 2016/17 and will continue moving forwards. The PCC and CC have also agreed that OBB will be undertaken in the Force Communications Department and the DPCC will attend the Output Based Budgeting Review Panel.
 - b. PCC and 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 PCC at the Force Change Board to ensure scrutiny, challenge and full consideration of change and savings proposals.
 - c. Regular review and scrutiny of the Capital Programme and the Treasury Management Strategy.

- d. Reviewing potential opportunities for Collaboration with other PCCs and Chief Constables in the Region. It is anticipated that Business Cases will be presented and decisions taken in regard to potential Tri-Force opportunities with Leicestershire, Nottinghamshire and Northamptonshire.
- e. Regular review of the Reserves Strategy to ensure sufficient earmarked reserves are in place and utilised appropriately, to ensure that the General Reserve is sufficient and that a suitable level of reserves is contained within the Budget Equalisation Reserve (BER) to enable targeted investment and the smoothing of additional costs before longer term realisation of savings.

2017/18 – Base Budget preparation, approach and scrutiny

- 63. In 2008/09 the Force introduced a risk-based approach to budget setting which sought to align the budget process with identified strategic operational priorities and risks.
- 64. 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 etc. The Force has maintained and kept up to date its Corporate Risk Register that sets out how it intends to control and mitigate these risks.
- 65. 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.
- 66. Each year, the Force undertakes a major exercise to review its operational risks which are set out within the “Force Strategic Policing Assessment”. This work was also informed by the work of the Regional Collaboration Project Team looking at the extent of collaborative opportunities across the East Midlands.
- 67. The purpose of the Force Strategic Assessment 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.
- 68. The revised five-year financial forecast and, in particular, the 2017/18 budget contained within this report aligns the Force and PCC’s financial resources to risk and therefore is fundamental to the Force’s performance management regime.
- 69. The budget also takes into account the fact that the Force has delivered over £38m in cashable efficiency savings since 2009/10 in response to Home Office funding reductions arising from the Government’s austerity measures.
- 70. The CFO has worked closely with the Force finance team throughout the year during the budget monitoring process and in the preparation of the budget for 2017/18. 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.
- 71. The PCC, together with the CFO and his team have held regular discussions with the CC and his Chief Officers throughout the year, particularly prior to and throughout the budget preparation process and the announcement and interpretation of the settlement.

72. 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 and a review of the MTFS and associated risks.
73. 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 Assurance Board on the 10th January 2017, culminating in final discussions and agreement of the Force budget between the PCC and the Chief Constable on the 17th January 2017.

2017/18 Revenue Budget

74. The base budget for 2017/18 has been built based upon the 'budget rules' which are consistent with previous years and the risk based approach outlined earlier in the report.
75. In line with this approach, the Panel is advised that the total net budget requirement in 2017/18 is £171.639m. This equates to an increase of £0.799m (0.47%) from the 2016/17 net budget requirement level of £170.840m. The budget requirement is detailed in Appendix 1.
76. 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** – In addition to the 10 Police Officer posts which were incorporated into the establishment after the budget was set for 2016/17, the PCC's first budget and precept increases the Police Officer Establishment by a further 8 Police Officers, equivalent to one per Neighbourhood Policing Area (NPA). This has increased the Police Officer establishment to 1,782 (an increase of 18 since taking up office) and has been assumed throughout the period of the MTFS.
 - **Police Community Support Officers (PCSOs)** – These have been assumed at a level of 251 throughout the MTFS, with the PCSO reserve being utilised until 2020/21
 - **Support Staff** – The budget is based on 1,134 FTE and includes the impact of Hay job evaluation and the triennial actuarial review of the Local Government Pension Scheme which has resulted in an increase of 1% each year.
 - **Apprenticeship Levy** – this has been built into the costs and equates to over £0.5m per annum.
 - **Premises** – it has now been confirmed that premises costs have increased by over £0.250m per annum due to business rates revaluations undertaken by the Valuation Agency on PCC buildings.
 - **Regional Collaboration** – Regional budgets are based on operational priorities recommended by the Regional Chief Constables and the budget relates to Leicestershire's share of collaborative arrangements including a share of 220 shared Police Officer posts.

Office of the Police & Crime Commissioner (OPCC)

77. A report on the budget and costs of the Office of the Police and Crime Commissioner was considered by the Police and Crime Panel in December 2016. As advised at that meeting, the Deputy Police and Crime Commissioner (DPCC) is reviewing the structure of the office on behalf of the PCC and an updated report will be presented to the Panel once a structure has been finalised.
78. In the meantime, the 2017/18 budget is based on the current structure of the OPCC incorporating the DPCC and Advisor roles discussed at the December meeting.
79. In addition to the OPCC and Commissioning budgets, there is an OPCC Transition Reserve which has been used to fund the necessary set up and transitional arrangements for both the first Police and Crime Commissioner, Sir Clive Loader and Lord Bach. It is envisaged that this reserve will be fully utilised in 2017/18 and will have been used towards set-up costs and new initiatives, together with the costs of recruitment and significant structural changes.

Commissioning

80. The Draft Commissioning Framework for 2017/18 is tabled on today's agenda and aligns to the priorities contained within the Police and Crime Plan. The Draft Framework provides a budget for Commissioning in 2017/18 of £4.668m.
81. The 2017/18 Commissioning Budget includes the proposed implementation of a PCC Grants Process. This will include the allocation of funds received from the Police Property Act.
82. During 2017/18, a Draft Framework will be completed to align to the remaining term of the Police and Crime Plan.
83. The Draft Framework is currently out for consultation and assumes £0.376m will be drawn from the Commissioning Reserve for the year.
84. The Ministry of Justice (MoJ) Victims and Witnesses Grant has been confirmed for 2017/18 and although there have been no reductions in cash terms, the MoJ have indicated that this grant could reduce in further years.

Collaboration

85. At a meeting of PCCs and Chief Constables in June 2016, work was agreed to develop Business Cases for specific areas for the three Forces of Leicestershire, Northamptonshire and Nottinghamshire.
86. These Business Cases will be available for PCCs and CCs to review in early March 2017 and it is anticipated that this meeting will determine whether the Business Cases should be progressed, whether further work is required or whether to concentrate on other Collaborative opportunities within the Region.
87. Given these timescales, and that some investment is also funded from Transformation Bids, it is not possible to include this information within the three PCC Budgets or Precept reports for 2017/18. Therefore, in respect of Leicestershire, costs for Tri-Force work if approved will be met initially from the BER. It is intended that an update will be provided to a future Police and Crime Panel meeting.

88. The Panel are advised that the three PCC precept reports across the three Force areas will all include a similar narrative for the Tri-Force collaboration work.
89. Where possible, Leicestershire, Northamptonshire and Nottinghamshire continue to work closely and all three budgets have been prepared on common assumptions for Pay Awards, and inflation, creating a common baseline. Discussions continue nationally with the Home Office, PACCTS, Regional colleagues and the three Forces/PCCs finance teams to determine common grant assumptions.

Capital Programme 2016/17 to 2018/19 and Treasury Management – Investment Strategy

90. The Capital Programme is set out in Appendix 2. 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 a separate report on this agenda.
91. This Capital Programme was considered by both the OPCC and the Force at the Strategic Assurance Board on the 10th January 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 challenge and in line with the PCC's visibility priority, premises will continue to be reviewed closely in the Programme.
92. The Treasury Management report is set out at Appendix 3. This is required by the Code of Treasury Management published by the Chartered Institute of Public Finance and Accountancy (CIPFA) and explains the Investment Strategy in relation to reserves and balances.
93. The Treasury Management Strategy was considered by both the OPCC and the Force at the Strategic Assurance Board on the 10th January 2017 and noted the intention of the Chief Finance Officer (CFO) and the Assistant Chief Officer (ACO Resources) to review the Strategy further during 2017/18.

Medium Term Financial Strategy (MTFS)

94. It is a requirement that the Police and Crime Plan must cover the period until the end of the financial year of the next election for PCCs. Elections are due to be held in May 2020. Thus the relevant date is 31 March 2021.
95. It is appropriate that the MTFS covers not just the same period but extends this to 2021/22 to provide a longer term view which will enable informed decision making to take place for the period of the Plan. This is not without its challenges, given that there is only a firm Government announcement of funding for 2017/18, together with the risks, challenges and uncertainties highlighted earlier within this report.
96. Due to the proactive work undertaken in Leicestershire in line with the previous MTFS, a large number of savings had already been identified and implemented in the base budget for 2017/18 and future years.
97. In 2017/18, the PCC has allocated 96% of the net budget requirement to the Chief Constable for use on local policing and regional collaborations. In 2016/17, the allocation was 95.6%.
98. The PCC has set the Chief Constable the sum of £451,860 (0.27% of the Force budget requirement) for efficiency savings in 2017/18.

99. Key assumptions that have been included in seeking to outline the financial challenge for the medium term are:
- a. That the council tax base grows at 1.75% per annum (source: professional prudent estimate based on the local position over the last five years). This is in excess of the 0.5% assumed by the Home Office nationally;
 - b. There is no new council tax freeze grant from 2016/17 onwards (source: as detailed within the SR2015);
 - c. All existing council tax freeze grants continue up to and including 2021/22 (source: as detailed within the SR2015 and provisional police settlement);
 - d. Government funding reductions are 1.4% each and every year from 2017/18 onwards (source: in line with 2017/18 actual reductions and regional and national CFO estimates);
 - e. The collecting authorities' LCTS schemes deliver a cash neutral position when combined with the council tax support grant from the Government;
 - f. Pay increases are assumed at 1% until 2020/21 and 2% thereafter and prices at realistic levels (source: Pay increases of 1% were announced in the SR2015 and price increases are consistent with other PCCs regionally and locally).
- It is recognised that Public Sector Pay increases have been held at 1% for some years and are budgeted at this level throughout the SR2015. However, using a 2% Pay Assumption in 2021/22 does have an impact on the net budget requirement and funding gap and this will be closely monitored;
- g. At this stage (until early exemplifications have been provided), there are no significant impacts on grant funding incorporated into the MTFs from the Funding Formula Review;
 - h. No additional, unfunded responsibilities are given to the PCC; and
 - i. The BER can fund any invest to save projects.
 - j. Further borrowing beyond the capital programme is not required.
100. Taking into account the above assumptions, following the detail of the provisional grant settlement, the MTFs has been reviewed and the year 2021/22 added to the Plan and the position is as follows:

	2017/18 £m	2018/19 £m	2019/20 £m	2020/21 £m	2021/22 £m
Net Budget Requirement	171.639	176.326	178.361	181.581	184.983
Total Funding	171.639	172.164	172.887	173.718	174.659
Funding Gap	-	4.162	5.474	7.863	10.324

101. The MTFS highlights that whilst 2017/18 will be balanced with minimal efficiency savings there is a significant shortfall in 2018/19. Whilst there are sufficient reserves within the BER available to offset the shortfall in 2018/19, there may also be investment opportunities which would also require funding. It is evident that ongoing savings will need to be sought to balance the budget in the longer term.

Use of Reserves and Balances

102. In considering the budget, the MTFS and level of precept options, it is important to look closely at 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 risks identified within the budget.

103. Three types of Reserve are held and these are explained further below:

a. General Reserve

There is a General Reserve held at £6m. This represents 3.5% of the net budget requirement for 2017/18 and is within recommended external audit and CIPFA levels of 3-5%. 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 during 2017/18.

b. Earmarked Reserves

The PCC currently holds twelve Earmarked Reserves which at 31/3/16 amounted to £20.5m and those to note are as follows:

OPCC Commissioning and Strategic Partnership Fund (SPDF) Reserve £3.9m – it is forecast that this will be fully utilised by 31/3/20 in line with the Draft Commissioning Framework and SPDF plans.

PCSO Reserve £2.2m – this reserve will be applied to support expenditure on PCSO's and will be fully exhausted by 2020/21.

Carry Forwards £1.8m – This reserve includes funds committed at year end to finance specific expenditure in future years.

Jointly Controlled Operations £0.9m – this relates to regional activities where the financial arrangements are managed by Leicestershire.

Civil Claims £0.7m – This reserve holds funds set aside where considered prudent for Civil Claims (Public and Employer liability) in line with professional advice.

Capital Reserve £0.4m – to support future Capital expenditure.

Proceeds of Crime Act - £0.5m – reserve funded from proceeds of crime, used to support Force's capability in specific investigative areas.

c. Budget Equalisation Reserve

Over recent years, due to the impact of effective efficiency programmes and through financial prudence, a Budget Equalisation Reserve (BER) has been created. This reserve is currently estimated to be £9.7m at 31/3/16, and its purpose when established in line with the Reserves Strategy was twofold:

1. To fund invest to save and other new initiatives and investments.
 2. To recognise that some savings would take time to implement (particularly in respect of Police Officers where attrition is at a lower level than reductions required) and to smooth the impact of these changes
104. Furthermore, as highlighted earlier in this paper, the PCC will ring fence the sum of £0.5m from the BER which will be used to facilitate early work and support development of the PCC's priorities and the early and integrated response to demand. It is anticipated that investment plans will be prepared as this early thinking develops over the time of the Police and Crime Plan.
105. As at 31/3/18, it is anticipated that there will be an estimated balance on the reserve of £8m which may be utilised towards investment or Transformational costs associated with Collaborative work, Transformation bids or support the revenue budget whilst ongoing savings are achieved.
106. 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 at the Strategic Assurance Board.

Funding Comparisons

107. Other factors which are worth noting in relation to Funding levels (Source: HMIC VFM indicators 2016) for Leicestershire are as follows:
- In terms of Central funding, Leicestershire received £113.7 per head of population, significantly lower than the £121.3 nationally but slightly higher than the £111.4m for the most similar groups (MSG).
 - At £183.58 in 2016/17, Leicestershire's Council Tax level for a Band D property was higher than both the national average at £178.4 and the MSG average of £160.90.
 - Regionally, Council Tax levels for Band D properties in 2016/17 are:
 - £177.07 (Derbyshire)
 - £179.91 (Nottinghamshire)
 - £183.58 (Leicestershire)
 - £201.51 (Lincolnshire)
 - £204.96 (Northamptonshire)
 - Leicestershire PCC receives a lower level of Precept per head of population at £53.9, compared to national levels of £58.5 but slightly higher than the most similar group of £52.6.

Precept proposal

108. After careful consideration of all the factors highlighted within this report, the PCC is proposing a 1.99% Precept increase to maximise resources for operational policing and seek to mitigate some of the impact of forecast financial reductions.
109. In making this proposal, the PCC is extraordinarily grateful to those who took part in the Precept surveys which showed the willingness of the public in Leicester, Leicestershire and Rutland to pay more in order to safeguard and develop policing in their neighbourhoods.
110. Additionally, in making this proposal, the PCC is satisfied that in doing so he is maximising the resources available to Leicestershire Police to deliver the priorities outlined in his Police and Crime Plan.

Statement of the Chief Constable

111. In proposing the precept and associated conditions, the PCC has sought views from the Chief Constable and his statement on the PCC's precept proposal for 2017/18 is as follows:

"It is my responsibility as described in the Policing Protocol Order 2011 to provide professional advice and recommendations to the PCC in relation to his receipt of all funding, including the Government Grant and precept and other sources of income related to policing and crime reduction. Under the terms of the Order I am responsible for the delivery of efficient and effective policing, the management of resources and expenditure by the Force. I must also support the PCC in the delivery of the strategy and objectives set out in the Police and Crime Plan, assist in the planning of the Force's budgets, have regard to the strategic policing requirements in respect of national and international policing responsibilities, and have day to day responsibility for financial management of the Force within the framework of the agreed budget allocation and levels of authorisation issued by the PCC.

My preferred option is an increase in the Precept of 1.99% as this best enables the Force to deliver the Police and Crime Plan, and meet the requirements of the Strategic Policing Requirement going forward.

This is a challenging budget, with a real terms reduction which follows the reduction of £38M in preceding years. The society that we police faces new issues; CSE, cybercrime and digital forensics have gone from being occasionally reported, to being part of everyday business. This requires new skills and abilities, and the capacity to prevent crime in places that are both real, and virtual.

We live in an age where the desire for a visible policing presence remains key to ensuring community confidence, yet whilst officers visibly patrol the streets the greatest threat may be coming into your house through the internet. To meet this challenge we will be innovative, seeking to protect the vulnerable whilst targeting offenders.

We remain an efficient Force rated by the H.M.I.C. as "Good" for our use of resources and with very low costs for back office functions. The pressures on our budget, significant population growth and civilianisation of roles means that we now have a

Police Officer for every 599 citizens; a decade ago that figure was one Officer for every 430 citizens. This means that we have to do our work differently; that is reflected in our use of technology, such as body worn video and mobile data, our collaborations, which lead the way nationally, and our commitment to local communities, manifest in our network of Neighbourhood Teams, supporting our investigators and responders.

We continue to enjoy great support from local communities. The Panel's support as we manage risk, and work with Community Safety Partnerships is key going forwards.

Robustness of the Budget –Statement of the PCC Chief Finance Officer

112. The Local Government Act 2003, Part 2, Section 25, as amended by the Police Reform and Social Responsibility Act 2011, requires the PCC's Chief Finance Officer 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 Chief Finance Officer and the report must be given to the Police and Crime Panel. The CFO statement is as follows:

“At the Strategic Assurance Board on the 10th January 2017, both the ACO (Resources) and myself attended to provide assurance to the Board that these factors have been considered. Since that date, dialogue, scrutiny and challenge has continued where new factors or information have been highlighted and discussed.

In the sections above, titled “2017/18 – Base Budget – preparation, approach and scrutiny” and “2017/18 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 ACO (Resources) to agree consistent assumptions and methodologies and where possible with CFO colleagues in Northamptonshire and Nottinghamshire which has assured that these have been benchmarked with peers.

Together with the ACO, the Chief Officer Team, OPCC Deputy Chief Executive and the PCC, I have reviewed, scrutinised and challenged the Business Cases for operational investment. 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 work underway to take forward the Change Programme and savings plan and the continuation of the Outcome Based Budgeting process which will assist in identifying savings to meet the 2017/18 efficiencies and future years' shortfalls in the MTFs.

As in previous years, I have confidence that the budget monitoring process will 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 the Strategic Assurance Board.

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 taxbase and council tax surplus/deficits.

The Chief Constable has discussed the revenue and capital operational and Police and Crime Plan requirements for 2017/18 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.

There is an operational contingency available to the Chief Constable, and sufficient general reserves available should operational demands require access to these. Earmarked reserves are also in place for specific requirements such as pensions and insurance.

In coming to my conclusion on the robustness of the budget I have also reviewed the separate papers on Capital Expenditure (Appendix 2) and Treasury Management (Appendix 3).

The sections in this report on “Future Risks, Challenges, Uncertainties and Opportunities” and the “MTFS” highlight significant unknown issues moving forwards in the medium term for both operational and financial areas.

Whilst this report does reveal that 2017/18 shows a balanced budget with an achievable Force efficiency savings requirement, the MTFS, however, reflects that after 2017/18, there are financial shortfalls. In response to this challenge, the PCC has tasked the Chief Constable with the delivery of a Change Programme and savings plan and has funded this team for the year 2017/18.

I conclude that the budget for 2017/18 has been prepared on a robust basis and that although the financial position in the longer term is challenging and shortfalls have been identified for 2018/19 and thereafter, the Force have put in place arrangements to develop plans to address these shortfalls.

Beyond 2017/18, there is a high level of uncertainty as to how the finance settlement and the formula might look. Following the headlines identified in the Chancellor’s Autumn Statement, the SR2015 showed a better than anticipated settlement for the Police, both at a national and a 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 2021/22.

I conclude, therefore, that the budget for 2017/18:

- 1. Has been prepared on a robust basis, and*
- 2. Includes investment into visibility in line with the PCC’s Police and Crime Plan priority.*
- 3. In the short term, the budget is stable and reserves are sufficient.*
- 4. However, the financial landscape after 2017/18 is 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. “*

Implications

Financial:	This report for the Police and Crime Panel to note the precept proposal, the financial position, uncertainties and timescales.
Legal:	The PCC is required to set a precept and this complies with those requirements.
Equality - Impact Assessment:	The budget and proposed precept forms part of the Police and Crime Plan which has a full impact assessment. Furthermore, the additional resources provided support the key priorities of the Police and Crime Plan. Additionally, the survey is comprised of a representative sample of Leicester, Leicestershire and Rutland.
Risks and – Impact:	Risks have been identified within the report.
Link to Police and Crime Plan:	The budget and precept support the delivery of the Police and Crime Plan.

List of Appendices

Appendix 1 Budget and Precept 2017/18 to 2021/22
Appendix 2 Capital Programme 2017/18 to 2019/20
Appendix 3 Treasury Management – Investment Strategy

Background Papers

Provisional Police Grant Report – 15 December 2016
Council Tax Referendum Principles – 15 December 2016
Leicestershire Police and Crime Commissioner Survey

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		Precept Increase	1.99%	1.99%	1.99%	1.99%	1.99%
2016/17 Approved Budget £		2017/18 Revenue Budget £	2018/19 Revenue Budget £	2019/20 Revenue Budget £	2020/21 Revenue Budget £	2021/22 Revenue Budget £	
91,526,724	Police Pay & Allowances	90,909,637	92,572,277	92,546,056	93,058,238	93,605,392	
36,300,795	Staff Pay & Allowances	38,446,797	39,642,986	40,294,508	41,423,703	42,745,512	
7,247,809	PCSO Pay & Allowances	7,764,375	8,195,068	8,410,301	8,678,829	8,989,418	
135,075,328		137,120,809	140,410,331	141,250,865	143,160,770	145,340,321	
9,084,690	Regional Collaboration	10,153,121	10,323,829	10,422,792	10,615,682	10,818,856	
4,187,866	Police Pensions	3,521,524	3,565,227	3,623,361	3,680,366	3,738,512	
25,945,015	Non-Pay Expenditure	26,540,969	29,257,795	30,147,459	30,853,306	31,726,011	
1,931,603	Inflation Contingency	3,440,425	280,000	280,000	280,000	280,000	
(11,678,115)	Income	(11,350,406)	(11,309,770)	(11,433,659)	(11,583,969)	(11,896,007)	
29,471,059		32,305,633	32,117,081	33,039,952	33,845,385	34,667,371	
164,546,387	Force Budget Requirement (excl. OPCC)	169,426,442	172,527,412	174,290,818	177,006,155	180,007,692	
1,061,330	OPCC	1,150,987	1,183,166	1,206,506	1,235,876	1,269,994	
4,611,000	Commissioning	4,668,359	4,292,475	4,292,475	4,292,475	4,292,475	
5,672,330		5,819,346	5,475,641	5,498,981	5,528,351	5,562,469	
170,218,717	Gross Budget Requirement	175,245,788	178,003,053	179,789,799	182,534,506	185,570,160	
(1,101,702)	Specific Grant - Victims and Witnesses	(1,237,845)	(1,237,845)	(1,237,845)	(1,237,845)	(1,237,845)	
2,880,409	Re-investment	115,206	261,039	275,152	292,353	322,064	
814,989	Revenue contribution to capital	-	-	-	-	-	
(598,724)	Efficiency Savings	(451,860)	-	-	-	-	
(1,373,529)	Transfers to/from Earmarked Reserves	(2,032,176)	(700,146)	(466,292)	(8,045)	328,548	
170,840,160	Net Budget Requirement	171,639,113	176,326,101	178,360,814	181,580,969	184,982,927	
	- Surplus / (Funding Gap)		(4,162,184)	(5,473,732)	(7,863,100)	(10,323,678)	
170,840,160	Net Revenue Budget	171,639,113	172,163,917	172,887,081	173,717,869	174,659,249	
	Funding						
65,345,458	Police Grant	64,432,578	63,405,489	62,392,779	61,394,247	60,409,695	
39,648,721	Business Rates	39,093,198	38,545,893	38,006,251	37,474,163	36,949,525	
7,020,391	Council Tax Support Grant	7,020,391	7,020,391	7,020,391	7,020,391	7,020,391	
1,910,530	Council Tax Freeze Grant	1,910,530	1,910,530	1,910,530	1,910,530	1,910,530	
1,201,443	Collection Fund Surplus	1,093,561	1,000,000	1,000,000	1,000,000	1,000,000	
55,713,617	Precept	58,088,855	60,281,613	62,557,130	64,918,537	67,369,108	
170,840,160		171,639,113	172,163,917	172,887,081	173,717,869	174,659,249	

£	Precept by Billing Authority		£	£	£	£	£
		Tax Bases					
5,794,902	Blaby	32,448.66	6,075,369	6,304,704	6,542,695	6,789,669	7,045,968
9,828,492	Charnwood	54,583.50	10,219,680	10,605,456	11,005,792	11,421,238	11,852,372
6,019,031	Harborough	33,482.00	6,268,842	6,505,480	6,751,050	7,005,888	7,270,349
6,681,946	Hinckley & Bosworth	37,362.00	6,995,295	7,259,356	7,533,383	7,817,753	8,112,860
12,704,630	Leicester City	70,825.00	13,260,579	13,761,144	14,280,601	14,819,665	15,379,084
3,302,587	Melton	18,110.20	3,390,776	3,518,773	3,651,600	3,789,440	3,932,486
5,565,871	North West Leicestershire	31,262.00	5,853,191	6,074,139	6,303,426	6,541,368	6,788,294
3,110,565	Oadby & Wigston	17,155.70	3,212,065	3,333,315	3,459,142	3,589,717	3,725,223
2,705,593	Rutland	15,024.60	2,813,059	2,919,247	3,029,443	3,143,799	3,262,472
55,713,617		310,253.66	58,088,855	60,281,613	62,557,130	64,918,537	67,369,108

£	Precept by Band		£	£	£	£	£
		Apportionment					
122.3847	Band A	6/9	124.8201	127.3041	129.8374	132.4211	135.0563
142.7821	Band B	7/9	145.6235	148.5214	151.4770	154.4913	157.5657
163.1796	Band C	8/9	166.4268	169.7388	173.1165	176.5615	180.0751
183.5770	Band D	9/9	187.2302	190.9561	194.7561	198.6317	202.5845
224.3719	Band E	11/9	228.8369	233.3908	238.0352	242.7721	247.6033
265.1668	Band F	13/9	270.4436	275.8255	281.3144	286.9125	292.6221
305.9617	Band G	15/9	312.0503	318.2602	324.5935	331.0528	337.6408
367.1540	Band H	18/9	374.4604	381.9122	389.5122	397.2634	405.1690

£183.5770	Band D Council Tax	£187.2302	£190.9561	£194.7561	£198.6317	£202.5845
1.99%	% Increase	1.99%	1.99%	1.99%	1.99%	1.99%
3.58	£ Increase	3.65	3.73	3.80	3.88	3.95
6.9p	Increase per week in Pence	7.0p	7.2p	7.3p	7.5p	7.6p

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CAPITAL PROGRAMME 2017/18 TO 2019/20

Background

1. The Government support for capital spending includes the capital grant which directly supports the capital programme. Since 2004 the Prudential Code has given the police authority and now the PCC the freedom to set its own borrowing limit subject to compliance with the Code.

Prudential Code

2. The key objectives of the Prudential Code are to ensure, within a clear framework, that the capital investment plans of local authorities are affordable, prudent and sustainable. A further key objective is to ensure that treasury management decisions are taken in accordance with good professional practice.
3. The Prudential Indicators required by the Code are designed to support and record local decision making. They are not designed to be comparative performance indicators.
4. The main objective in consideration of the affordability of the capital programme is to ensure that total capital investment remains within sustainable limits, and in particular to consider its impact on the council tax.
5. In assessing affordability the Office of the Police and Crime Commissioner (OPCC) has to take into account all 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 2 years.
6. In relation to being prudent there is a need to ensure that, over the medium term, net borrowing will only be used for capital purposes. It is also prudent to ensure that treasury management is carried out in compliance with the CIPFA Code of Practice for Treasury Management in the Public Services and limits are set on fixed and variable interest rate exposures, and on the maturity structure of borrowing.
7. The decisions on capital investment need to take into account option appraisal, asset management planning, strategic planning for both the OPCC and Force and the achievability of the forward plan.

Prudential Indicators

8. The actual 2015/16 capital expenditure and the estimated capital expenditure for the current year and future years are:-

	2015/16	2016/17	2017/18	2018/19	2019/20
	Actual	Estimate	Estimate	Estimate	Estimate
	£m	£m	£m	£m	£m
Total	5.5	6.6	11.7	4.1	1.6

9. The estimates of the ratio of financing costs to the net revenue stream for 2015/16 and for the current and future years are:-

2015/16	2016/17	2017/18	2018/19	2019/20
Actual	Estimate	Estimate	Estimate	Estimate
%	%	%	%	%
1.30	1.31	1.46	2.17	2.15

10. The actual capital financing requirement at 31 March 2015 and the estimates for the current and future years are:-

	31.3.16	31.3.17	31.3.18	31.3.19	31.3.20
	£m	£m	£m	£m	£m
Total	21.8	23.0	29.4	29.1	27.1

11. The capital financing requirement (CFR) measures the OPCC's need to borrow for capital purposes. In order to ensure that over the medium term net borrowing will only be for a capital purpose, the OPCC has to ensure that net external borrowing does not, except in the short term, exceed the total of the CFR in the preceding year plus estimates of any additional CFR for the current and next two years. The OPCC met this requirement in 2015/16, and is expected to do so in future years.
12. In respect of external debt, the recommended authorised limits for total external debt, gross of investments, for the next three financial years are shown below:-

	2016/17	2017/18	2018/19	2019/20
	£m	£m	£m	£m
Borrowing	20.4	24.4	27.0	27.8
Long Term Liabilities	1.9	1.4	1.0	0.6
Total	22.3	25.8	28.0	28.4

13. These authorised limits are consistent with the OPCC's current commitments, existing plans, and IT Strategic Alliance proposals for capital expenditure and its financing, and the approved treasury management policy. The authorised limit for 2017/18 is the statutory limit determined under section 3(1) of the Local Government Act 2003.
14. There is a need to have an approved operational boundary for external debt which is based on the same estimates as the authorised limit (para 12). The operational boundary reflects an estimate of the most likely level of debt. It does not include the additional headroom within the authorised limit that allows for unusual cash movements.

	2016/17	2017/18	2018/19	2019/20
	£m	£m	£m	£m
Borrowing	19.4	23.4	26.0	26.8
Long Term Liabilities	1.4	0.9	0.5	0.1
Total	20.8	24.3	26.5	26.9

15. The OPCC's actual external debt at 31 March 2016 was £13.8m. The amount is split between the Public Works Loans Board (PWLB) figure of £12.4m and Leicestershire County Council £1.4m (transferred debt from 1995 regarding the formation of police authorities as per the Police and Magistrates Courts Act 1994. This has now transferred to the OPCC).

It is planned that the 2016/17 'borrowing requirement' of £2.8m will be met by external borrowing however, the final decision will be made in March 2017.

16. The estimate of the incremental impact of capital investments proposed in this report for Band D Council Tax per week are:

2017/18	2018/19	2019/20
0p	8p	2p

17. A monitoring system is in place and reports on progress against the indicators are taken to the OPCC.

Proposed Capital Programme

18. The capital programme has been prepared in consultation with budget holders on the basis of operational need and risk. The Estates programme reflects the previously approved Estates Strategy. The IT programme reflects significant investment in additional mobile devices, local IT infrastructure and Contact centre telephony. The Force's share of the £12.4m investment in the Tri-Force IT enabling work stream is also included.
19. A summary of the proposed Capital Programme for 2017/18 is shown in the table below. The PCC has reviewed and scrutinised a more detailed programme relating to the financial years 2016/17 to 2019/20.

<i>Proposed Capital Programme 2017/18</i>			
Expenditure	£000	Funding	£000
Property	2,969	Capital Grant (provisional)	700
Information Technology	7,118	Borrowing Requirement	8,222
Emergency Services Network	600	Capital Receipts	700
Vehicle Fleet	1,039	Home Office Grants (TBC)	2,004
		Revenue Contributions	100
Total	11,726	Total	11,726

20. The Programme includes property schemes relating to the co-location of Coalville police station with the Fire Service providing for a smaller efficient building, the continuation of major refurbishments at Beaumont leys and Admin 2 (following the recent flood damage), the remodelling of the Command Suite at Force HQ and a provisional sum to create a fit for purpose 'property' storage facility at Keyham Lane which will be subject to further review and scrutiny with the PCC.

The information technology expenditure includes significant investment to complete the roll out of mobile devices across the Force including frontline officers, The Force's share of the Tri-Force IT enabling work stream business case approved by the Tri – Force Collaboration Board on the 11/10/2016, provision for the costs associated with the implementation of the Emergency Service Network as advised by the Home Office and future investments in the Contact Centre telephony. Planned replacements for the existing vehicle fleet are also included.

Funding Arrangements

21. The provisional 2017/18 capital grant is £0.7m a reduction of £0.1m compared to the previous year. After the utilisation of receipts arising from the sale of properties as part of the Strategic Estates Strategy, anticipated Home Office grants (transformation fund for IT) and the application of revenue contributions to capital schemes, the borrowing requirement is **£8.222m** for 2017/18.
22. The Capital Programme assumes that the 17/18 borrowing requirement of £8.222m is financed through maturity loans from the PWLB at an indicative interest rates of 3.07% for 25 years (£3m), 2.50% for 10 years (£0.9m) and 1.75% for 5 year loans (£4.3m). Revenue resources are set a side over the same loan period to repay the principal on maturity.

Minimum Revenue Provision Policy (2017/18)

All expenditure incurred by the Police and Crime Commissioner must be charged to the revenue account in the year it is incurred, with the exception of items which can be capitalised in accordance with proper accounting practice – usually items which have an expected life of more than one year.

Capital expenditure items such as land, buildings, IT, vehicles and equipment can be financed in a number of ways. In the case of capital grant, capital receipts, 3rd Party contributions and contributions from the revenue budget, the expenditure is effectively financed and paid for as it is incurred by the application of those resources.

Where the commissioner finances capital expenditure through borrowing (debt) resources must be set aside to repay that debt from the revenue account. The amount charged to revenue account for the repayment of borrowing is known as the Minimum Revenue Provision (MRP). The Statutory Guidance issued by the DCLG sets out the 4 options for calculating the annual provision.

The Guidance requires an annual statement of the policy adopted in calculating the MRP to be agreed each financial year.

The intention of the Guidance is to ensure that the repayment to revenue is made over a period bearing some relation to that over which the asset continues to provide a service.

The recommended MRP policy is:

- For capital expenditure incurred before the 1st April 2008 (which was supported capital expenditure) the policy will be based on 4% of the Capital Financing requirement
- From the 1st April 2008 for all unsupported borrowing the MRP policy will be the Asset Life Method (Equal instalment approach) – the MRP will be based on the estimated life of the assets.

The commissioner's policy is to finance shorter life assets from capital receipts, grants and revenue contributions with borrowing reserved generally for Land and Buildings with an expected life of 25 years and significant IT projects.

Background Papers

Home Office Settlement Notification via the Home Office website

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TREASURY MANAGEMENT – INVESTMENT STRATEGY

Background

1. The 'Code of Treasury Management' published by the Chartered Institute of Public Finance and Accountancy (CIPFA), and recommended by the Home Office, has been adopted by the Office of the Police and Crime Commissioner for Leicestershire ("the OPCC").
2. The Treasury Management Strategy is approved annually to run from 1st April to the following 31st March.
3. The Strategy has evolved in recent years in response to the relative instability within the banking sector. This saw the removal of all European/foreign banks and all but one Building Society (Nationwide) from the authorised lending list.
4. The Local Government Act 2003 included capital regulations that applied from 1st April 2004. These regulations allow the OPCC freedom to borrow to fund capital expenditure provided it has plans that are affordable, prudent and sustainable. The requirements are covered in the Prudential Code.

Treasury Management Strategy

5. The core aim is to generate additional income for the OPCC but by balancing risk against return. The avoidance of risk to the principal cash amounts takes precedence over maximising returns.
 - i. Managing daily cash balances and investing surpluses

In order that the OPCC can maximise income earned from investments, the target for the uninvested overnight balance in the current account is a maximum of £15k.

At any one time, the OPCC has between £7m and £25m (depending on the cash flow) available to invest. The current lending list is as follows:-

<u>Institution</u>	<u>Maximum Loan</u> £m	<u>Maximum Period of</u> <u>Loan</u>	<u>Short-Term Credit</u> <u>Ratings</u> **
Royal Bank of Scotland plc	10.0	364 days	F2 / A-2 / P-2
Lloyds Bank plc	10.0	364 days	F1 / A-1 / P-1
Barclays Bank plc	10.0	364 days	F1 / A-2 / P-1
HSBC Bank plc	10.0	364 days	F1+ / A-1+ / P-1
Nationwide Building Society	10.0	364 days	F1 / A-1 / P-1
Debt Management Office	*	364 days	n/a

* No limit is set. The DMO tends to pay a low rate of return and hence are used only when funds can not be placed with other approved institutions.

** Short-term credit ratings (valid as at 05/01/2017) are as supplied by the OPCC's brokers - Tullet Prebon (Europe) Ltd. The highest potential ratings are F1+ (Fitch), A-1+ (Standard & Poor's) and P-1 (Moody's) respectively.

ii. Borrowing

Funds are only borrowed to finance part of the Capital programme. External borrowing is from the Public Works Loan Board (PWLB) at below commercial rates. The critical factor in determining the length of such loans is the view on the future movement of interest rates.

Borrowing may be made from internal cash resources where it is considered appropriate by the OPCC having assessed its merits against the external alternative.

Any borrowing, whether internal or external, will be timed such that the impact on the OPCC is as advantageous as possible.

Latest Position regarding Treasury Management

6. The banking sector continues to show signs of instability alongside the wider economy. In this context it is not yet advisable to consider a return to placing investments with the majority of Building Societies or European/Foreign banks. This is in keeping with the OPCC's stated aim of protecting the principal (cash) amount.
7. Funds are placed with institutions based on (a) available headroom and (b) rate of return – this is a daily decision-making process. A balance is struck between the desired level of return and the need to provide liquid funds to meet the OPCC's obligations i.e. supplier payments, payroll costs and tax liabilities.
8. Continued monitoring of the ratings agencies' assessment of institutions takes place and is reported to SAB throughout the year via the "Treasury Management Performance" report.
9. The Bank of England Base Rate has been at 0.25% since 4th August 2016.

<u>Financial Year</u>	<u>Interest Income</u>	<u>Comments</u>
2008/09	£1.48m	Actual
2009/10	£0.18m	Actual
2010/11	£0.12m	Actual
2011/12	£0.10m	Actual
2012/13	£0.25m	Actual
2013/14	£0.14m	Actual
2014/15	£0.12m	Actual
2015/16	£0.09m	Actual
2016/17	£0.06m	Forecasted
2017/18	£0.05m	Proposed Budget

10. Given the reduction in the interest rates in August 2016 and continued uncertainty in the economy a full review of the Treasury Management Strategy will be undertaken during 2017/18 to review whether there are other investment options available.

External Advice

11. External advisers have not been used over the last year. However they may be used on an ad-hoc basis if required.

Borrowing Limits

12. In accordance with the Prudential Code it is a requirement that the OPCC set borrowing limits for the next 3 years. These limits are intended to reduce risk. It is proposed that the limits should be as follows:

		2016/17 £m	2017/18 £m	2018/19 £m	2019/20 £m
(i)	Total authorised borrowing limit*	20.4	24.4	27.0	27.8
(ii)	Long term liabilities	1.9	1.4	1.0	0.6
(iii)	Interest payable limit on borrowing at variable rates	0.2	0.2	0.3	0.3
(iv)	Interest payable limit on borrowing at fixed rates	0.6	0.6	0.8	0.8

* includes headroom for short term borrowing - £1m for each year and potential future IT strategic Alliance proposals.

13. The OPCC has an obligation to repay transferred debt to Leicestershire County Council, to finance capital spending prior to 1st April 1995. The amount outstanding at 31st December 2016 was £0.917m and is subject to interest charged at variable "pool" rates.
14. The Prudential Code also recommends that the Police and Crime Commissioner sets upper and lower limits for the maturity structure of its fixed rate borrowing. The following limits are proposed:-

	Upper Limit	Lower Limit
Under 12 months	20%	0%
Between 12 months and 24 months	20%	0%
Between 24 months and 5 years	20%	0%
Between 5 years and 10 years	50%	0%
Over 10 years	100%	25%

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