



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

*Date/Time:* **Wednesday, 5 February 2025 at 2.00 pm**

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

*Contact:* **Damien Buckley (Tel: 0116 305 2583)**

*Email:* **Damien.Buckley@leics.gov.uk**

### **Membership**

Mrs D. Taylor CC (Chairman)

Cllr. Liz Blackshaw	Cllr. Ravi Mahesh
Parisha Chavda	Salma Manzoor
Cllr. Sarah Cox	Cllr. Michael Mullaney
Cllr. Mohammed Dawood	Cllr. Les Phillimore
Cllr. Jenny Joannou	Cllr. Sarah Russell
Cllr. Jim Knight	Cllr. Christine Wise
Cllr. Kevin Loydall	Cllr. Andrew Woodman

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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 the meeting held on 2 December 2024.	(Pages 3 - 10)
2. Minutes of the meeting held on 13 January 2025.	(Pages 11 - 14)
3. Public Question Time.	
4. To advise of any other items which the Chairman has decided to take as urgent elsewhere on the agenda.	
5. Declarations of interest in respect of items on	



the agenda.

6. Police Precept Proposal and 2025/26 Budget. (Pages 15 - 84)
7. Police and Crime Commissioner's Update. (Pages 85 - 100)
8. Corporate Governance Board Update. (Pages 101 - 116)
9. Date of next meeting.

The next meeting of the Panel is scheduled to take place on 23 March 2025.

10. Any other items which the Chairman has decided to take as urgent.

Minutes of a meeting of the Leicester, Leicestershire and Rutland Police and Crime Panel held at County Hall, Glenfield on Monday, 2 December 2024.

PRESENT

Mrs D. Taylor CC (in the Chair)

Cllr. Liz Blackshaw	Cllr. Les Phillimore
Parisha Chavda	Cllr. Sarah Russell
Cllr. Sarah Cox	Cllr. Christine Wise
Cllr. Mohammed Dawood	Cllr. Andrew Woodman
Cllr. Kevin Loydall	

In attendance

Rupert Matthews – Police and Crime Commissioner  
 Rani Mahal – Deputy Police and Crime Commissioner  
 Claire Trewartha – Chief Executive, Office of the Police and Crime Commissioner  
 Kira Hughes – Chief Finance Officer, Office of the Police and Crime Commissioner  
 Siobhan Peters – Director of Strategy, Partnerships & Commissioning, Office of the Police and Crime Commissioner

34. Minutes of the meeting held on 28 October 2024.

The minutes of the meeting held on 28 October 2024 were taken as read, confirmed and signed.

35. Public Question Time.

There were no questions submitted.

36. To advise of any other items which the Chairman has decided to take as urgent elsewhere on the agenda.

There were no urgent items for consideration.

37. Declarations of interest in respect of items on the agenda.

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

No declarations were made.

38. Police and Crime Commissioner's Update

The Panel considered a report of the Police and Crime Commissioner (PCC) which provided an update on his work throughout September and October 2024. A copy of the report, marked 'Agenda Item 5', is filed with these minutes.

In introducing the report, the PCC highlighted that the data included within Table 1 on page 13 of the report, which outlined community engagement, was a duplicate of the information provided within the last PCC's Update. It was agreed that the correct data

would be included within the next PCC's Update, to be presented at the meeting on 5 February 2024.

Arising from discussion, the following points were noted:

- (i) The PCC confirmed that he was undertaking internal reviews with the OPCC focussing on community based commissioning. The reviews aimed to ensure that there was a good level of public engagement with the public across the Force area. The outcome of the reviews would be shared with the Police and Crime Panel.
- (ii) With regards to community days attended by the PCC, feedback from residents continued to inform the work undertaken by the PCC and the Force in order to address issues. The PCC confirmed that he planned to undertake work which focussed on road safety issues, as the issue continued to be raised by residents and local authorities. The Panel were invited to submit suggestions for future community engagement activity to the PCC.
- (iii) In response to a question relating to outcomes connected to grant funding for community based commissioning, the PCC confirmed that quarterly monitoring and end of year evaluations took place, and additional due diligence reviews were conducted to ensure that the PCC had oversight of project performance and had regular opportunity to address concerns relating to performance.
- (iv) The Chairman raised a question relating to the potential development of a Children and Young Peoples Sexual Assault Referral Centre (SARC) within Leicestershire. The East Midlands Children and Young People's Sexual Assault Service had centres in Nottingham and Northampton. The OPCC confirmed that the existing centres would be required to pass an accreditation process before additional sites could be considered.

RESOLVED:

- (a) That the contents of the Police and Crime Commissioner's update be noted.
- (b) That the PCC be requested to include the latest data relating to community engagement within the Police and Commissioners Update to be presented at the meeting on 5 February 2024.

### 39. Deputy Police and Crime Commissioner's Update.

The Panel considered a report of the Deputy Police and Crime Commissioner (DPCC) which provided an overview of how she was fulfilling her delegated duties. A copy of the report, marked 'Agenda Item 6', is filed with these minutes.

Rani Mahal announced that she would step down from the role of DPCC on 9 December 2024, in order to invest more time in her primary role as a District Councillor in Harborough. The DPCC thanked the PCC, OPCC, the Panel, and partners for their support, and the Police Force for its work in keeping communities safe.

The PCC and the Panel thanked Rani Mahal for her invaluable support and for the work that she had undertaken within the OPCC.

RESOLVED:

That the contents of the Deputy Police and Crime Commissioner's update, be noted.

40. Corporate Governance Board.

The Panel considered a report of the Police and Crime Commissioner which provided an update on how he was fulfilling his duty to hold the Chief Constable to account for the performance of the Force through Corporate Governance Board meetings. A copy of the report, marked 'Agenda Item 7', is filed with these minutes.

Arising from discussion, the following points were noted:

- (i) A question was raised relating to the OPCC's Hate Crime Review regarding what reporting had been carried out which focussed on geographical areas and protected characteristics. The OPCC confirmed that deep dive analyses were undertaken in order to understand the rate of hate crime experienced by individuals from different localities within the Force area and by individuals with protected characteristics, as well as their satisfaction with the response from the Force.
- (ii) Concern was raised relating to a sustained high staff vacancy rate held within the Force and whether vacancies had an impact on service delivery. The PCC assured members that that the impact on service delivery continued to be limited due to the types of vacancies held, and that critical posts would be prioritised for recruitment. A particular concern was raised by a Panel member that there was a vacant beat officer post within the Rutland area and that this represented a 25% reduction in the officers in the area. The PCC assured the Panel that he had raised this concern with the Chief Constable and that a beat officer would be appointed for Rutland as soon as a suitable candidate was available.
- (iii) The PCC confirmed that the Local Criminal Justice Board was chaired by the Chief Constable rather than himself. This decision had been made as the Chief Constable was responsible for the national criminal justice portfolio and so it was felt appropriate for him to hold both responsibilities. It was suggested that a report on the work undertaken by the Local Criminal Justice Board could be presented to the Panel at the next meeting.
- (iv) The Chairman raised strong concern that the Force were overachieving savings whilst proceeding with a reduction of Police Community Support Officers (PCSOs), from 200 FTE to 150 FTE, despite uncertainty regarding the awaited financial settlement. The PCC acknowledged that the reductions were a concern and stated that to date all staff redundancies had been voluntary. The Panel noted that the Government had stated its intention to deliver 13,000 new neighbourhood officers, which were expected be a combination of police officers, PCSOs and special constables. However, the OPCC were awaiting further information on this policy, particularly relating to how it would be funded.

RESOLVED:

That the update in relation to the Corporate Governance Board be noted.

#### 41. Annual Scrutiny Reports.

The Panel considered a report of the Police and Crime Commissioner which provided an outline of how he was fulfilling his duty by holding the Chief Constable to account using independent scrutiny functions, namely the Joint Audit and Risk Assurance Panel (JARAP) and the Ethics and Transparency Panel. A copy of the report, marked 'Agenda Item 8', is filed with these minutes.

Arising from discussion, the following points were noted:

- (i) In response to a question regarding how agenda items for meetings of the Ethics and Transparency Panel were determined, the OPCC stated that the agenda for meetings of the Ethics and Transparency Panel were set in accordance with its Terms of Reference. The Panel was responsible for enhancing external and internal trust and confidence in the ethical governance and actions of Leicestershire Police and the Office of The Police and Crime Commissioner. Officers across the Force could raise ethical dilemmas raised by individuals within the Force and discussions also took place relating to issues focussed on by sub-panels.
- (ii) A question was raised regarding whether the PCC was confident that members of the Ethics and Transparency Panel had the necessary expertise to effectively scrutinise officers across the Force in order to provide assurance for public trust and confidence. The PCC assured the Panel that members of the Ethics and Transparency Panel had all of the resources in place to ensure that they were able to effectively scrutinise areas of concern across the Force.
- (iii) In response to concern raised regarding the level of inappropriate conduct expressed by police officers, which had been reported by members of the public, the PCC assured the Panel that the issue had been escalated urgently with the Chief Constable. Feedback was provided by the Chief Constable and additional oversight work had been developed. The Panel would be kept updated on progress in this area.

RESOLVED:

That the report outlining the annual reports of the Joint Audit and Risk Assurance Panel and the Ethics and Transparency Panel, be noted.

#### 42. Rape Offences.

The Panel considered a report of the Police and Crime Commissioner which provided an overview of how he was fulfilling his duty by commissioning services to support victims of crime, specifically domestic and sexual offences and outlined how he was holding the Chief Constable to account for the performance of the Force in relation to rape offences. A copy of the report, marked 'Agenda Item 9', is filed with these minutes.

Arising from discussion, the following points were noted:

- (i) Strong concern was raised by the Panel regarding the overall performance relating to rape outcomes, low detection rates, and the traumatic impact this had on victims. The PCC stated that he acknowledged and shared the panels concern. Although it was important to note that Leicestershire Police was not

an outlier when it came to rape outcomes, he and the Chief Constable would continue to focus on improving performance in this area. He recognised the trauma which victims faced following a sexual assault, as well as throughout investigation and conviction processes. The PCC assured the Panel that he would raise the issue urgently with the Chief Constable and would consider the work being undertaken by neighbouring authorities in order to improve outcomes relating to rape, particularly the Nottingham Consent Coalition.

- (ii) A question was raised relating to low force detection rates relating to rape offences and how work undertaken within the Operation Soteria workstream would aim to improve this performance. The OPCC stated that it had focussed on moving towards a perpetrator focussed approach rather than victim focussed background. Work would be undertaken to ensure that a number of police officers were trained in responding to rape offences and a pilot programme was being developed to ensure that individuals had access to a crisis support worker 365 days per year. It was anticipated that this work would improve the number of convictions.
- (iii) With regards to prevention work, the OPCC confirmed that funding had been allocated through Round Five of the Safer Streets Fund to support women and girls at risk of violence. Work was also being undertaken to deliver prevention work to both young girls and boys relating to appropriate behaviour and consent. The work would aim to address the attitudes and behaviour that often underpinned crimes of violence against women and girls.
- (iv) In light of the concerns raised by the Panel about rape offence outcomes, it was suggested that a sub-group of the Panel should be established in order to provide additional scrutiny of the Police and Crime Commissioners activity and the performance of Leicestershire Police when it comes to rape offences. Further discussions relating to the details of the sub-group work would take place following the meeting.

#### RESOLVED:

- a) That the update provided on the performance of the force in relation to rape offences, be noted.
- b) That a sub-group of the Police and Crime Panel be established in order to provide additional scrutiny of the Police and Crime Commissioners activity to hold the Force to account when it comes to rape offences.

#### 43. Commissioning Update.

The Panel considered a report of the Police and Crime Commissioner which provided an update of commissioning activity and a summary of progress to date. A copy of the report, marked 'Agenda Item 10', is filed with these minutes.

Arising from discussion, the following points were noted:

- (i) A question was raised regarding how the OPCC would encourage young victims to engage with the work of victim services. The OPCC stated that they would work with Catch 22 and Victim First in order to identify potential participants. The Panel noted that the OPCC would encourage victims over the

age of 18 to engage with the work. The Violence Reduction Network (VRN) had a Community Oversight Group (COG) which engaged with young people over 16 years of age. The COG aimed to directly influence, shape, and scrutinise the VRN's interventions and projects through regular interactive meetings.

- (ii) Concern was raised that the report from the Police and Crime Commissioner had not made reference to a reduction in Drug Testing on Arrest (DToA) and that the Panel had therefore not had the opportunity, at this meeting, to scrutinise the issue. The OPCC stated that funding for DToA had been reduced by government and that whilst other funding sources had been considered, it would not be possible to continue with the work at the same rate. The OPCC went on to assure the Panel that it would lobby the Ministry of Justice on this matter as the work which had been undertaken on DToA to date had been positive.
- (iii) The Panel were pleased with the work which had been undertaken within round five of the Safer Streets Fund in tackling neighbourhood crime, violence against women and girls and anti-social behaviour, particularly the work of those volunteers and PCSOs who had supported the initiative.

#### RESOLVED:

That the update in relation to commissioning activity and a summary of progress to date, be noted.

#### 44. Finance Update.

The Panel considered a report of the Police and Crime Commissioner which provided an update on the finances of the Office of the Police and Crime Commissioner and Leicestershire Police in advance of the Panel considering the Police and Crime Commissioner's proposed Precept 2025/26 and Medium Term Financial Strategy at the Panel meeting on 5 February 2025. A copy of the report, marked 'Agenda Item 11', is filed with these minutes.

In introducing the report, the PCC stated that the referendum limit for the police precept had been announced by the government but that the OPCC were awaiting information from the government relating to the Police Grant for 2025/26.

Arising from discussion, the following points were raised:

- (i) The OPCC confirmed that the Government would subsidise the increase in employer national insurance contributions, which had been announced in the latest budget. However, concern was raised regarding the extent that these changes would have on commissioned services and contractual arrangements. It was expected that there would be a direct impact in terms of an increase in costs.
- (ii) In response to a question regarding the impact of the implementation of the 2024/25 Police pay award, the OPCC confirmed that the Government had agreed to fund the 4.75% pay award for Police Officers and Police Staff.

#### RESOLVED:



That the updated provided on the finances of the Office of the Police and Crime Commissioner and Leicestershire Police in advance of the Panel considering the Police and Crime Commissioner's proposed Precept 2025/26 and Medium Term Financial Strategy, be noted.

45. Update on how the Police and Crime Commissioner and Police Force are implementing the recommendations that were provided as part of the Police and Crime Panel Tasking Group S106 Funding Review.

The Panel considered a report of the Police and Crime Commissioner which provided an outline of how he and the Force were implementing the recommendations that were provided as part of the Police and Crime Panel Tasking Group Section 106 of the Town and Country Planning Act 1990 funding review. A copy of the report, marked 'Agenda Item 12', is filed with these minutes.

Arising from discussion, the following points were noted:

- (i) The OPCC confirmed that a number of bids for developer contributions had been rejected by local authorities but stated that this included rejections from developers also. The Panel were encouraged by the Chairman to raise this issue within their authorities. The Chairman stated that she would participate in discussions with developers relating to the reasons behind rejections.
- (ii) The Chairman requested that rather than reports relating to the implementation of recommendations provided as part of the S106 funding review coming to every single Panel meeting as had been agreed in the past, they now be presented to the Panel on a six-monthly basis, due to the positive progress made in this area.

RESOLVED:

- a) That the update on how the recommendations provided as part of the Police and Crime Panel Tasking group S106 funding review were being implemented, be noted.
- b) That reports relating to the implementation of recommendations provided as part of the S106 funding review now be considered on a six-monthly basis.

46. Annual Complaints Report.

The Panel considered a report of the Director of Law and Governance at Leicestershire County Council which provided the Police and Crime Panel with an update on complaints relating to the PCC over the last 12 months. A copy of the report, marked 'Agenda Item 13', are filed with these minutes.

RESOLVED:

That the update relating to complaints received relating to the Police and Crime Commissioner over the last 12 months, be noted.

47. Date of next meeting.

RESOLVED:

It was noted that the next meeting of the Panel would be held on 5 February 2024.

2.00 - 3.47 pm  
02 December 2024

CHAIRMAN

Minutes of a meeting of the Leicester, Leicestershire and Rutland Police and Crime Panel held at County Hall, Glenfield on Monday, 13 January 2025.

PRESENT

Mrs D. Taylor CC (in the Chair)

Cllr. Liz Blackshaw  
Cllr. Sarah Cox  
Cllr. Kevin Loydall  
Cllr. Ravi Mahesh  
Salma Manzoor

Cllr. Les Phillimore  
Cllr. Sarah Russell  
Cllr. Christine Wise  
Cllr. Andrew Woodman

In attendance

Rupert Matthews – Police and Crime Commissioner  
Charlotte Chirico – Deputy Police and Crime Commissioner candidate  
Claire Trewartha – Chief Executive, Office of the Police and Crime Commissioner

48. Public Question Time.

There were no questions submitted.

49. Urgent Items.

There were no urgent items for consideration.

50. 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.

No declarations were made.

51. Confirmation Hearing for Deputy Police and Crime Commissioner.

The Police and Crime Panel considered a report of the Office of the Police and Crime Commissioner (OPCC) regarding the proposed appointment of Miss Charlotte Chirico to the post of Deputy Police and Crime Commissioner (DPCC). A copy of the report, marked 'Agenda Item 4', is filed with these minutes.

The Chairman welcomed the Police and Crime Commissioner (PCC) and Miss Charlotte Chirico to the meeting.

The Chairman outlined the process for the hearing and the options available to the Panel on the conclusion of the hearing which were as follows:

1. If the Panel was content with the proposed senior appointment, it could agree to report its endorsement to the PCC.

2. Where a candidate met the standards, but the Panel had concerns about their suitability, such concerns could form part of the Panel's report and recommendations to the PCC.
3. In the event that the Panel determined that the candidate did not meet the requirements for the post, the Panel could provide advice and recommendations accordingly to the PCC in its report.

The Chairman asked the PCC to explain why Miss Chirico was his chosen candidate for the post. The PCC stated that she had experience within the Crown Prosecution Service and as a local councillor. She had all of the skills and experience in order to carry out all of the duties expected of a DPCC.

The Panel questioned Miss Chirico with regards to her professional competence and personal independence. In response to questions Miss Chirico made the following points:

- (i) She had experience working within the Crown Prosecution Service. This experience included various leadership roles, working with prisons and mentoring prisoners, undertaking work to support victims, and sitting on scrutiny panels as a statutory stakeholder;
- (ii) She had worked within several police force areas and understood national issues within the criminal justice system;
- (iii) She had a political background. She had sat as a unitary councillor and had campaigned for election as an MP. Her role as a councillor included working on a cross-party basis and with community leaders to resolve local issues. In addition to this, she had sat on a young person's scrutiny panel and was involved in decision making relating to education;
- (iv) During a political campaign for election as an MP, she had focussed on reducing anti-social behaviour and increasing diversionary activities for young people;
- (v) She understood the importance of prevention work and identifying the route cause behind crime;
- (vi) She had undertaken work to support victims of domestic violence with a particular focus on removing barriers for reporting crimes and increasing conviction rates;
- (vii) If appointed to the role of DPCC, she would undertake to Chair the Local Criminal Justice Board, work closely with partners from statutory and non-statutory organisations, and work towards identifying and protecting vulnerable people across the police force area;
- (viii) She understood the importance of operational independence and personal independence and would apply this knowledge to the role of DPCC. Were the PCC to pursue a course of action that she felt was unwise she would have a conversation with the PCC, make him aware of her feelings and consider using data to illustrate her point but be careful not to continue to pursue the matter further than was welcome;

- (ix) She also understood the importance for a transparent, good working relationship with the Police and Crime Commissioner. In addition, she understood that public scrutiny from the Police and Crime Panel could highlight where improvements could be made across the force area;
- (x) With regards to ensuring that she acted fairly across the County, City and Rutland to ensure all areas got an equal focus in the role of DPPC, Miss Chirico stated that she wanted to deliver for all communities across the police force area;
- (xi) Whether the DPCC's term of office had been a success should be judged on the scrutiny and feedback of her work and performance by the Police and Crime Panel.

The Chairman thanked the PCC and Miss Chirico 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 PCC and Miss Chirico left the room.)*

52. Exclusion of 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 involves the likely disclosure of exempt information as defined in the paragraphs of Part 1 of Schedule 12A of the Local Government Act 1972 and, in all circumstances of the case, the public interest in maintaining the exemption outweighs the public interest in disclosing the information:

- Panel deliberations on the proposed appointment of a Deputy Police and Crime Commissioner.

53. 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 Miss Chirico to their questions, in addition to the introduction and responses to questions provided by the PCC and all relevant paperwork provided.

RESOLVED:

In accordance with the Police Reform and Social Responsibility Act 2011 and following consideration of the information submitted to it, the Panel recommends that the candidate is appointed to the position of Deputy Police and Crime Commissioner.

The Panel determined that the candidate understood the role, met the criteria, and will be fully committed to carrying out her duties as Deputy Police and Crime Commissioner. The panel made some observations about the appointment noting that whilst they were satisfied that Miss Chirico had undertaken work to support individuals from a variety of backgrounds, they recommend that she extends her knowledge of the whole police force area with a particular focus on the diversity of communities within Leicester Leicestershire and Rutland. The Panel will be keen to receive feedback on how Miss Chirico aims to support diverse communities across the police force area through Deputy

Police and Crime Commissioner update reports, which are presented at meetings of the Police and Crime Panel.

54. Date of next meeting.

RESOLVED:

It was noted that the next meeting of the Police and Crime Panel would be held on 5 February 2025 at 14:00.

10.00 - 10.53 am  
13 January 2025

CHAIRMAN

Not Protectively Marked



**POLICE & CRIME  
COMMISSIONER**  
for Leicester,  
Leicestershire & Rutland  
Your Communities - Your Commissioner

## Police and Crime Panel

*5<sup>th</sup> February 2025*

### *Proposed Precept Report for 2025/26*

<b>Report Date</b>	27 <sup>th</sup> January 2025
<b>Report Author</b>	Kira Knott, Chief Finance Officer
<b>Security Classification</b>	Official

## **Purpose of Report**

1. In his role as the Police and Crime Commissioner (PCC) the Commissioner is required to secure efficient and effective policing for Leicester, Leicestershire and Rutland and set the budget and precept.
2. The PCC brings this report to outline the Policing budget for Leicestershire for 2025-26 and put forward a policing precept proposal for consideration by the Panel.

## **Request of the Panel**

3. The Panel is asked to:
  - 3.1 Note the information presented in this report, including:
    - the total 2025-26 net revenue budget of £254.653m,
    - a council tax (precept) requirement for 2025-26 of £105.067m,
    - the future risks, challenges, uncertainties and opportunities included in the precept proposal, together with the financial and operational considerations identified.
    - the Home Office grant allocations notified through the provisional settlement and the Band D council tax base and estimated collection fund deficit received from the billing authorities.
    - the current Medium-Term Financial Plan (MTFP) contained in Appendix 1, the Review of the Medium-Term Financial Plan Budget Setting 2025-26 and the operational implications at Appendix 2, the Capital Strategy at Appendix 3 and the Treasury Management Strategy at Appendix 4.
4. The Commissioner would specifically like to ask the Panel to support his proposal to increase the 2025-26 policing element of the precept by £14.00 per annum to £300.2302 (4.89%) for a Band D property.



## Commissioner's Foreword



Since my re-election in 2024, I have been clear with both my office and Leicestershire Police that we must continue to deliver value for money for the taxpayers of Leicester, Leicestershire and Rutland. The process that has been undertaken to deliver this budget report has been both constructive and collaborative between the OPCC and the Chief Officer Team of Leicestershire Police, and I pay tribute to the insights and judicious work of all involved.

It should come as no surprise that the financial challenge facing Leicestershire Police for 2025-26 is greater than it has been for a number of years. While I welcome the fact the new Government increased the Government Grant for Policing by 4.8%, as expected, the outdated and inequitable police funding formula has meant that this has not been enough to cover costs for 2025-26. Leicestershire Police were left facing a £9.2 million deficit in the wake of this announcement. Alongside this, the costs arising from the Government's changes to National Insurance Contributions have not been fully met, despite assurances that this would occur, resulting in an additional £0.3 million cost to the Force.

The future financial picture for Leicestershire is looking bleak, and this will not change unless a fundamental change is made to the way that Leicestershire Police are funded. The current funding settlement for example only spans 1 year. It is nigh on impossible to plan efficiently for the future without a multi-year settlement. That is why I have lobbied both the current and previous Governments on numerous occasions on this pressing issue. I look forward to the upcoming spending review in Spring where I sincerely hope the Government has the strength of its convictions to make an impactful and lasting change to whole system of police funding.

In the last 3 years alone, Leicestershire Police have made £14m of savings. A further £9.3m was required to be found to close the deficit for 2025/26 and a further £8.5m over the medium-term financial plan (MTFP). As central funding remains insufficient, difficult decisions have had to be made to ensure that the Force can deliver on its priorities set out in the Police and Crime Plan, Strategic Policing Requirements and Force Management Statement. The Force have reduced in size, removing 91 Police Staff Roles and 50 PCSOs over the last two years, with a further 35 needing to be removed in order to balance the budget for 2025/26.

In light of these financial pressures, I have decided to recommend to the Police and Crime Panel that the Policing Precept paid by taxpayers in Leicester, Leicestershire and Rutland be increased by 4.89%, equivalent to a £14 per year or 27p per week increase for a Band D Property. This additional spending, alongside cost saving exercises within Leicestershire Police and the Office of the Police and Crime Commissioner, will result in £1.1 million deficit, which will be held as an in-year efficiency target.

Despite these financial challenges, Leicestershire Police continue to deliver a quality service to residents throughout Leicester, Leicestershire and Rutland. In 2024 alone Leicestershire Police:

- Dealt with 197,445 emergency contacts, amounting to 541 per day

- Had 95,563 crimes reported
- Had 4,338 reports of missing people
- Attended 68,900 emergency and priority incidents, amounting to 189 per day

The report from HMICFRS in December 2024 highlighted that Leicestershire Police are 'Good' and 'Adequate' in 6 of the 8 areas of performance, and 'Requires Improvement' in 2. I will continue to scrutinise the performance of the Force on behalf of the public to ensure the required improvements are made, to ensure that a consistently good service is provided for the people of Leicester, Leicestershire and Rutland.

I know that the financial picture is tough for most households. I have not taken the decision lightly to recommend an increase to the Policing Precept to the Police and Crime Panel. Increasing the Policing Precept by 27p per week for a Band D property secures the progress that has already been made by Leicestershire Police since 2021. Our 332 additional officers gained under the previous Government's Uplift programme, the improvements made to 999 and 101 call handling and the introduction of a dedicated crime prevention directorate have all been secured by the precept increase.

Rest assured that I will ensure that every penny of taxpayers' money is spent wisely, and that there is measurable value to the public when it is spent. My office will also continue to seek new ways of finding efficiencies, reducing financial waste and delivering the quality policing service you deserve.

**Rupert Matthews**

**Police and Crime Commissioner for Leicester, Leicestershire and Rutland**

## 1. Executive Summary

- 1.1. This report, and the Precept proposal, is the culmination of several months' work by the Office of the Police and Crime Commissioner (OPCC) and Force colleagues, and takes account of public and stakeholder consultation, key government announcements and economic pressures.
- 1.2. The Police Grant Provisional Settlement was announced on 17<sup>th</sup> December 2024 in a written statement, setting out the police funding envelope for 2025/26.
- 1.3. The provisional settlement headlines were as follows:
  - 6% average increase in funding – including precept and NICs compensation.
  - 3.7% flat rate increase in Core Grant for all PCC areas.
  - £986.9m increase in funding between 2024-25 and 2025-26, of which £329.8 (33%) will come from precept.
  - The remaining £657.1m is coming primarily from £339m increase in Core Grant, £230m for employer NICs compensation and a new £100m Neighbourhood Policing Grant.
  - Neighbourhood policing grant distributed according to core grant.
- 1.4. For Leicestershire Police there has been an increase in Core and Ex-MHCLG funding of £5m, a reduction in the Uplift grant of £1.1m compared to 2024/25 and a reimbursement of £3.9m for the Employers NIC increase (£0.3m less than the cost of the NIC increase). The precept referendum threshold has been confirmed at £14 for a Band D property.
- 1.5. The Commissioner has been briefed on the current and emerging operational challenges, both nationally and locally by the Chief Constable, with reference to the Force Management Statement and recent HMIC Peel inspection and has considered this advice in preparing the budget for 2025-26.
- 1.6. The Commissioner has been briefed on the current financial landscape, which has become a challenging one for policing. A nationally-set pay agreement for all Police Officers and Police Staff, higher inflation, changes in legislation, volatility in the energy and fuel markets and other inflationary pressures have put significant pressure on the Force's budget.
- 1.7. The budget is focussed upon the Commissioner's priorities as contained within the Police and Crime Plan and the Strategic Policing Requirement and ensures there are strong links with the Force Target Operating Model (TOM).
- 1.8. Enhancement of the Call Management Centre has improved the performance to the public, exceeding targets for both emergency and non-emergency calls. With support of the Commissioner the Force will continue to maintain the enhancement in 2025/26 to maintain performance and drive-up trust and confidence.
- 1.9. The PCC has set an ambition in his Police and Crime Plan to take a holistic approach to Prevention. As such the OPCC and the Force have worked together to build a

proposal that sees a more joined up approach to prevention and the setting of a prevention strategy 2024-2028. This is to maximise the impact on preventing and reducing crime, harm and demand through pursuing an integrated approach to the planning, commissioning and delivery of prevention activity across the OPCC and the Force and in collaboration with communities and partners.

- 1.10. Over the last 3 years £23.3m of savings have had to be sought in order to close the budget deficit. The budget included a £5.4m efficiency savings target for 2023/24, an £8.6m deficit for 2024/25 and going into 2025/26 a further £9.3m will need to be removed in order to balance the budget.
- 1.11. The Commissioner has received regular updates from the Chief Constable that the efficiency targets are being achieved, whilst still ensuring the Force can deliver its core functions, deliver good service and high standards.
- 1.12. To build on that work, and looking forward to 2030, the Chief Constable is looking to create an operating model which is sustainable and delivers against the Police and Crime Plan. The approach is to align transformation, Police and Crime Plan priorities and budgetary requirements through cohesive planning arrangements.
- 1.13. The pay award for 2024/25 was confirmed in September 2024 at 4.75% for all Police Officers and Staff. As in previous years there is a shortfall between funding and actual cost of the pay award.
- 1.14. The Reserve Strategy has been reviewed as part of the budget setting process and the Commissioner has considered the adequacy of reserves. The General Reserve will remain at 2.3% of net revenue budget which will result in a transfer to the reserve of £269k. The MTFP assumes a drawn down of reserves of £7m to support transformation and fund one off costs.
- 1.15. As at end of November 2024, the outturn forecasted for 2024/25 is £238.423m. This is a positive variance of £4.668m (1.9%) against the annual net revenue budget of £243.091m. During the current financial year, it has been recognised that further savings would be required over the MTFP and therefore a strategic approach to reducing the deficit has been taken. The Commissioner agreed to utilise any further underspends in the 2024/25 to support the transition into 2025/26 and help protect services.
- 1.16. In considering the proposed level of precept, the Commissioner was keen to consult with local residents regarding the level of precept they were prepared to pay. To this end he offered all residents of Leicestershire, Leicestershire and Rutland the opportunity to give their views.
- 1.17. The survey asked if residents of LLR were willing to pay more than £14 (per Band D property) to deliver an effective and properly funded Police Force in Leicestershire, Leicestershire and Rutland; willing to pay £14 (per Band D property) to help maintain service levels provided by Leicestershire Police or not willing to pay £14 (per Band D property) which will directly result in severe cuts and reductions in service from Leicestershire Police.

1.18. There were 1398 responses to the survey. Overall, 76% of respondents were supportive of paying at least £14 to maintain service levels of Policing in Leicestershire.

## 2. Leicestershire Context

2.1. This section sets out some key information in relation to the policing area and the external factors that are driving demand which have a significant impact on policing in Leicester, Leicestershire and Rutland.

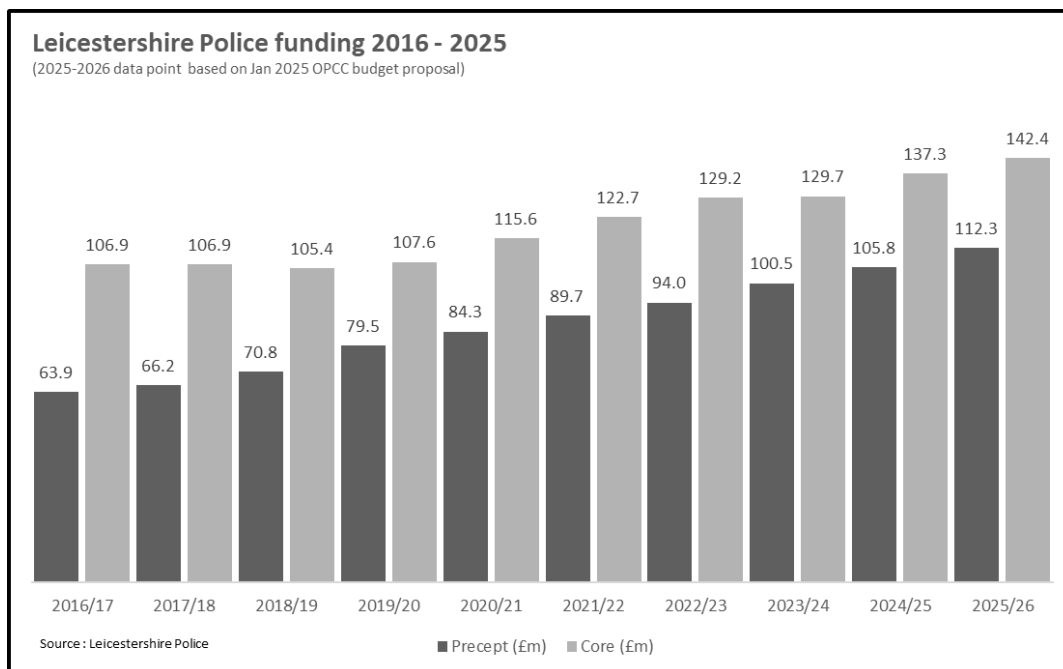
2.2. Chart One shows what has happened to core grant funding and the locally raised precept since 2016/17. It shows the actual cash grant received each year and does not consider the real terms reduction in funding.

2.3. The chart shows that core grant funding has increased from £106.9m in 2016-17 to £142.4m for 2025-26 an increase of 33.2%.

2.4. The graph also shows that the funding raised locally has increased significantly over the same period. In 2016-17 £63.9m was raised directly from residents of the area (and related grants) and for 2025-26 this will increase to £112.3m. An increase of £48.4m or 75.7% over the period.

2.5. Funding has not kept pace with real terms cost increases resulting in budget deficits and a shrinking Force.

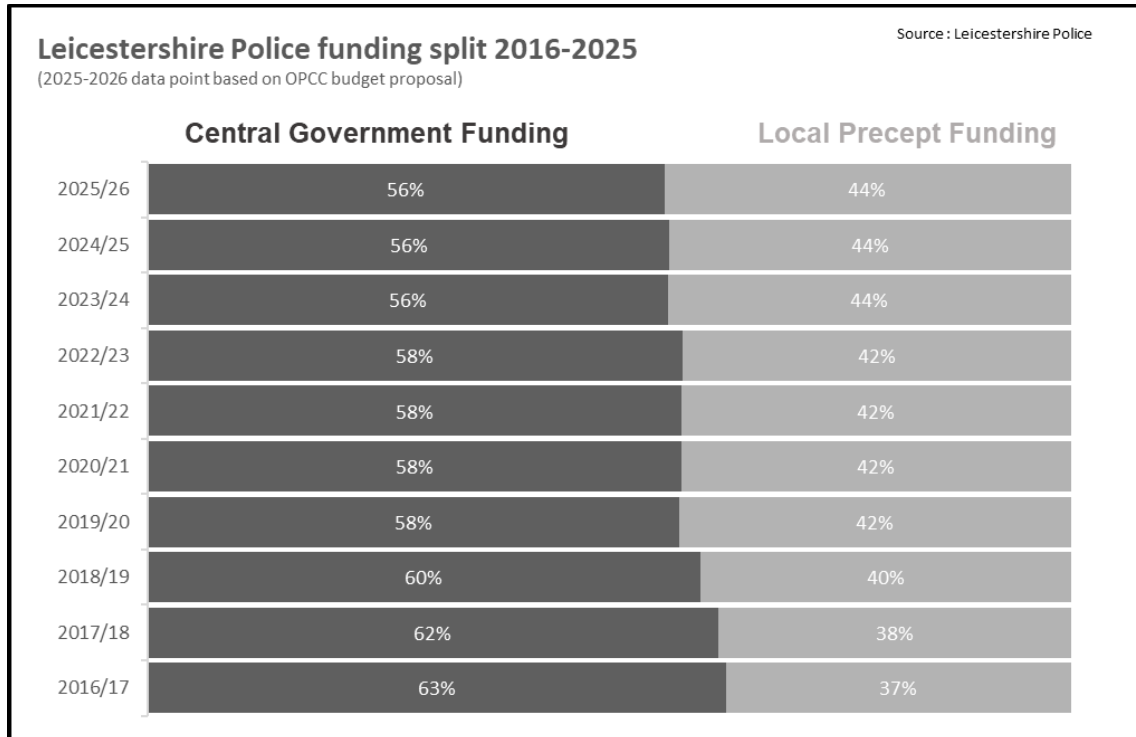
Chart One - Leicestershire Police Funding 2016-2025



2.6. Chart Two demonstrates how the total funding has moved between Core Grant and Precept Funding since 2016-17. It shows that in 2016-17 63% of the funding came from Core Grant with the balance of 37% coming from the local precept. For 2025-26

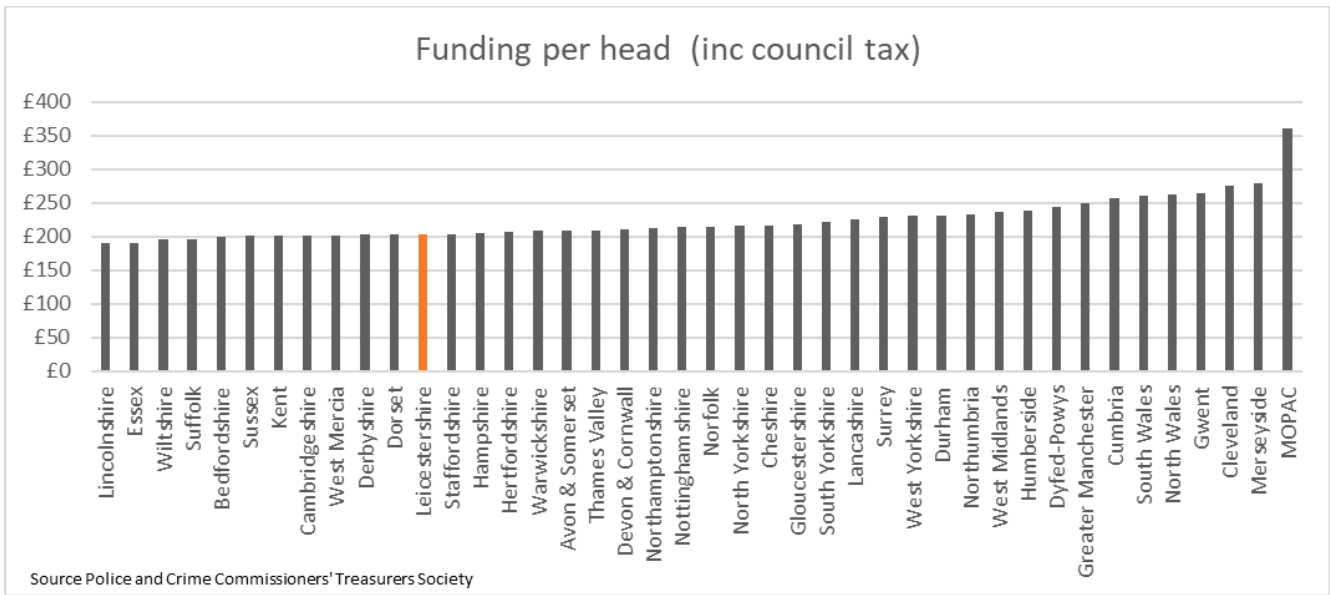
this has moved significantly to show that 56% of the total funding will come from Core Grant and that 44% of funding now comes directly from the local taxpayer (and related grants).

Chart Two - Leicestershire Police Funding Split 2016-2025



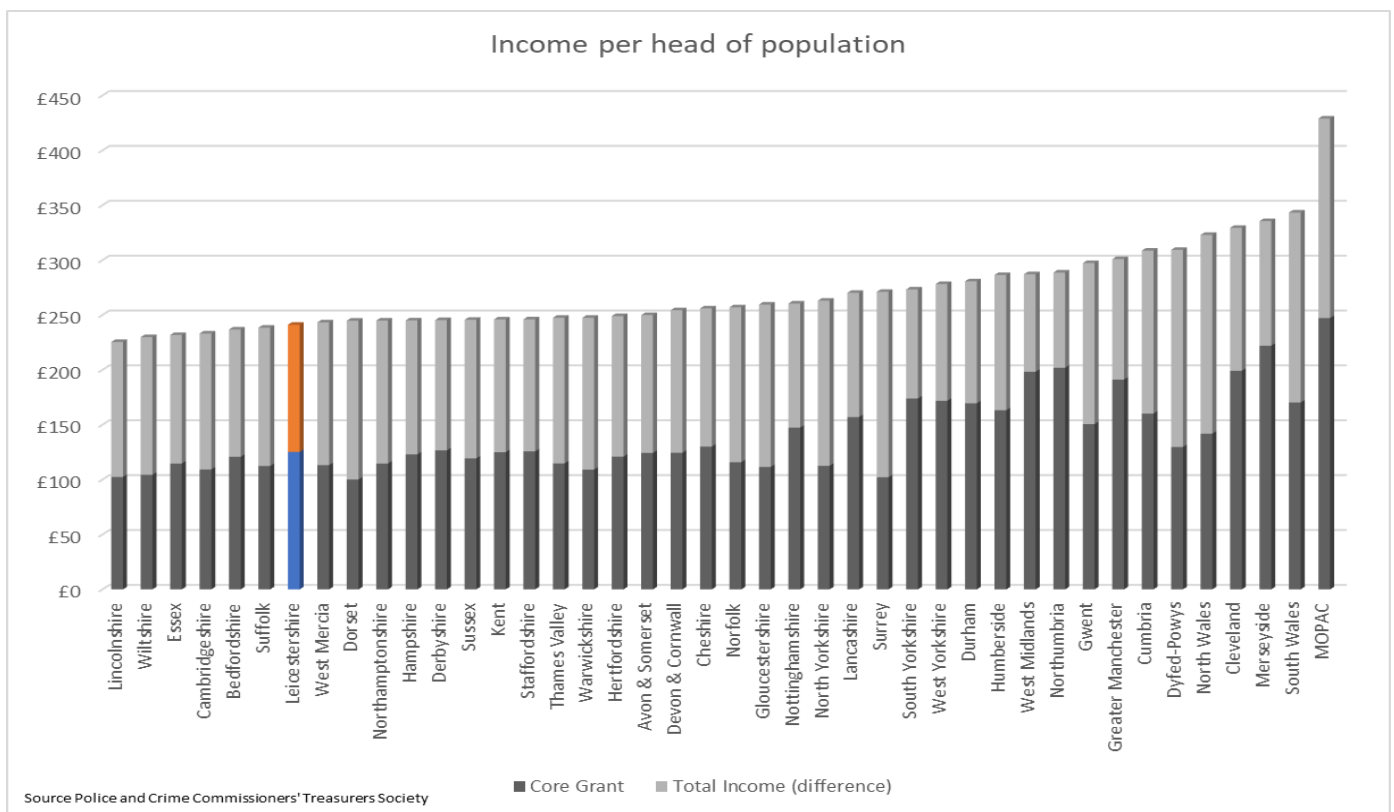
- 2.7. Chart Three below shows the core funding (core grant and precept) per head of population for all forces in the UK. This shows that LLR receive approximately £204 per head of population which is lower than the national average. Leicestershire Police funding per head of the population is the 12<sup>th</sup> lowest in the country.

Chart Three - Funding per head of Population



2.8. Chart Four below shows the total income (core grant, precept, pension grant, NICC grant & PUP grant) per head of population for all forces in the UK. This shows that LLR receive approximately £241 of income per head of population which is lower than the national average. Leicestershire Police income per head of the population is the 7<sup>th</sup> lowest in the country.

Chart Four - Income per head of Population



### 3. Grant Settlement 2025-26

- 3.1. On the 28<sup>th</sup> November 2024 the Government released local government finance policy statement 2025 to 2026, which set out its intentions for local government finance settlement. The policy statement states:
- A £14 referendum principle on Band D bills for Police and Crime Commissioners.
- 3.2. The Provisional Police Grant Settlement was announced on 17<sup>th</sup> December 2024. The Home Office are obtaining feedback from stakeholders on the contents of the provisional settlement and the final settlement is expected in January 2025.
- 3.3. As part of the Autumn Budget the Chancellor confirmed an increase in Employers NIC to 15% and the Employers NI threshold reduced to £5,000. The increase in ER's NI and the decrease of the NI threshold resulted in an additional cost of circa £4.2m for 2025/26. The budget report stated that "Allowances have been made for the impact on public sector organisations", and grant funding of £3.9m was confirmed for Leicestershire for 2025/26.
- 3.4. The Autumn Budget 2024 indicated that there would be an increase for police forces in the settlement to support frontline policing. The increase settlement would "put the government on track to start to deliver the manifesto pledge to boost visible neighbourhood policing with 13,000 more neighbourhood officers and Police Community Support Officers (PCSOs)". The settlement confirmed additional funding of £1.5m for Neighbourhood Policing but did not specify the conditions of the grant, which will follow later.
- 3.5. The increased Core and Ex-MHCLG funding quoted for Leicestershire is £5m. The overall increase in funding is broken down as follows:

Funding	2024-25 £000	2025-26 £000	Difference £000
Home Office Police Grant	86,712	89,947	3,235
Ex-MHCLG Grant	48,716	50,521	1,805
Council Tax Support Grant	7,020	7,020	0
Council Tax Freeze Grant	1,911	1,911	0
Precept	98,544	105,067	6,523
Collection Fund Surplus / (Deficit)	187	187	0
<b>Total Core Funding</b>	<b>243,090</b>	<b>254,653</b>	<b>11,563</b>
<b>%age Increase</b>		<b>4.76%</b>	

\*excludes Pension grant, NICC grant, Neighbourhood grant and PUP Maintenance Grant as these funding streams do not make up core funding and offset the additional expenditure.

- 3.6. The additional precept funding is only delivered if the Policing element of the Band D Council Tax bill increases by £14.00 (4.89%) from £286.23 to £300.23.
- 3.7. The Provisional Statement also confirmed Serious Violence funding of £49.7m for Violence Reduction Units however Leicestershire's share of this is not yet confirmed.



- 3.8. There are other cost pressures which will need to be funded relating to staff pay, inflationary increases and other contractual increases.
4. Base Budget Preparation, Approach, and Scrutiny
  - 4.1. 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.
  - 4.2. The Force/OPCC continues to consider key corporate risks when setting the budget. Essentially these risks are operational and organisational around managing people, infrastructure assets, information and so on. The Force and OPCC has maintained and kept up to date its Corporate Risk Registers that sets out how it intends to control and mitigate these risks. The Corporate Risk Registers are regularly reported to the Joint Arrangements Risk and Assurance Panel which is a public meeting.
  - 4.3. 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.
  - 4.4. Each year, the Force undertakes a major exercise to review its operational risks which are set out within the "Force Strategic Policing Assessment". This was also informed by the work of regional collaborations.
  - 4.5. 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 have been allocated to address a substantial risk, thereby creating a significant risk gap.
  - 4.6. The revised four-year financial forecast and, in particular, the 2025-26 budget contained within this report aligns the Force and Commissioner's financial resources to risk and therefore, is fundamental to the Force's performance management regime.
  - 4.7. The OPCC Chief Finance Officer (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 2025-26. 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.
  - 4.8. The Commissioner, together with his Senior Management Team have held regular discussions with the Chief Constable and his Chief Officers throughout the year, particularly prior to and throughout the budget preparation process and the announcement and interpretation of the Settlement.
  - 4.9. This has resulted in a number of discussions of the budget requirement, the national and local operational and financial challenges, the precept options available and a review of the MTFP and associated risks.

## 5. Precept Proposal

- 5.1. 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.
- 5.2. From 2012-13, the Secretary of State is required to set principles annually, determining what increase is deemed excessive. The Home Office has confirmed that in order to maximise council tax income for 2025-26, Police and Crime Commissioners can increase their precept on a Band D property by up to £14.00 without triggering a referendum.
- 5.3. The proposed precept increase for 2025-26 is £14.00 per annum (4.89%) for police purposes to £300.2302 for a Band D property. This generates an extra £6.5m in revenue funding based on a Band D tax base of 349,954 and an estimated Collection Fund surplus of £0.187m.
- 5.4. Leicester City Council, Rutland County Council and the Borough and District Councils are responsible for estimating the tax base in their area, and the Council Tax Collection Fund surplus or deficit.
- 5.5. The total tax base is used to calculate the total precept that will be collected by billing authorities on behalf of the Commissioner.
- 5.6. In 2024-25 the tax base used in setting the budget for the Commissioner was 344,284 Band D equivalent properties. For 2025-26 this has increased to 349,954 Band D equivalent properties.
- 5.7. The collection fund surplus for 2025-26 is currently estimated at £0.2m. This is currently an estimate as awaiting confirmation from billing authorities which is expected late January/early February 2025.
- 5.8. The table below illustrates the impact of precept changes on the funding for Leicestershire Police:

<b>Sensitivity Analysis</b>	
Band D Precept Proposal	£300.2302
Band D Precept 2024/25	£286.2302
Increase on prior year	£14.00
Increase on prior year (%)	4.89%
Tax Base	349,954.47
Precept levied	£105,066,901
Each £1 reduction in precept	-£349,954
Amount foregone:	
Over 2 years	-£699,909
Over 5 years	-£1,749,772
Over 10 years	-£3,499,545

- 5.9. For each £1 of precept not maximised Leicestershire Police lose £350k of potential funding to support the delivery of services. Over the MTFP this increases to £1.7m foregone and decreases the funding per head of population further in comparison to Forces who do maximise precept.
6. Revenue Budget 2025-26
- 6.1. The base budget for 2025-26 has been built based upon the 'budget rules' which are consistent with previous years and the risk-based approach outlined earlier in the report.
- 6.2. In line with this approach, the OPCC and the Force worked collaboratively to build a bottom-up budget and presented to the Commissioner the budget requirement for both the OPCC and the Force. The total net budget requirement for 2025-26 was £263.995m, resulting in a budget deficit of £9.3m. The Force and OPCC have worked together over the last few months to identify area for potential savings in both the OPCC and the Force. Difficult decisions have had to be made in order to balance the budget including reducing service delivery and resource (further information available in the efficiency savings section of the report).
- 6.3. With identified savings taken into account the Panel is advised that the total net revenue budget in 2025-26 is £254.653m, with a £1.1m efficiency savings target. This equates to an increase of £11.6m (4.8%) from the 2024-25 net revenue budget level of £243.091m.

2025/26	
	£m
Budget Requirement	264.0
Savings identified*	-8.2
<b>Revised Budget requirement</b>	<b>255.8</b>
Efficiency Savings Target	-1.1
<b>Total Net Revenue Budget</b>	<b>254.7</b>

- 6.4. As part of the budget planning, it was agreed that the new approach to setting the budget would be to build the budget by service delivery rather than on a subjective heading level. This would give better understanding of how the budget is allocated which in turn would aid decision making and inform the taxpayer of how funding is used.
- 6.5. The following table breaks down the costs by service delivery and includes the staffing levels for each division:

Heading	Police Officer FTE	Staff FTE	PCSO FTE	Net Budget Requirement (NBR) £000	%age of NBR
Prevention & Partnerships	59.0	24.7	0.0	7,594	3.0%
Public Contact	98.0	254.3	0.0	21,976	8.6%
Policing in Neighbourhoods	1372.0	88.1	140.0	100,858	39.4%
Investigation & Vulnerable People	415.0	194.4	10.0	40,952	16.0%
Detaining and Prosecuting Offenders	45.0	119.5	0.0	11,583	4.5%
Enabling Services	120.0	469.4	0.0	48,947	19.1%
Victims and Witnesses	0.0	2.9	0.0	398	0.2%
OPCC functions	0.0	20.9	0.0	1,715	0.7%
Regional Collaboration	51.0	0.0	0.0	14,606	5.7%
Centrally Held Functions	60.0	0.0	0.0	7,100	2.8%
<b>Total</b>	<b>2220.0</b>	<b>1174.2</b>	<b>150.0</b>	<b>255,729</b>	<b>100.0%</b>

#### Prevention & Partnerships

- 6.6. The PCC has set an ambition in his Police and Crime Plan to take a holistic approach to Prevention. As such the OPCC and the Force have worked together to build a proposal that sees a more joined up approach to prevention and the setting of a prevention strategy 2024-2028. This is to maximise the impact on preventing and reducing crime, harm and demand through pursuing an integrated approach to the planning, commissioning and delivery of prevention activity across the OPCC and the Force and in collaboration with communities and partners. The prevention and partnership budget includes funds for an integrated prevention and partnership hub, diversion and youth justice, crime prevention and community safety and offender management.

#### Public Contact

- 6.7. The Public Contact offer is efficient and effective public contact through a range of customer centric services that optimises technology and innovation along with the right skills and empathy to deliver resolutions and customer satisfaction. The Public Contact heading includes the budget for the Contact Management Centre. A proposal was agreed in 2024/25 to uplift the number of call takers by 26 FTE for a 1-year period. A further proposal was agreed for 2025/26 to continue the enhancement of the Call Management Department, costing £1m.

#### Policing in Neighbourhoods

- 6.8. Policing in Neighbourhoods delivers local policing in the most effective and efficient way, building connected leadership with teams, partners and communities. The budget for Policing in Neighbourhoods includes the budget for Local Policing, Operations and Volunteers. As outlined in paragraph 33 the Government announced that it intends to increase neighbourhood policing officers and PCSOs by up 13,000. The government confirmed a £1.5m grant for Neighbourhood policing but not did not provide details of the grant conditions.

#### Investigation and Vulnerable People

- 6.9. The Investigation and Vulnerable People layer provides locally based Professionalising Investigation Programme (PIP) 1 & 2 criminal investigation teams working collaboratively and proactively within Neighbourhood Policing Areas to support local investigations and lead serious, specialist and high risk investigations. This area

contains a number of different departments including Crime and Intelligence, Force Intelligence Bureau, Serious Crime teams, Digital Hub, Forensics and Major Crime.

#### Detaining and Prosecuting Offenders

- 6.10. The Detaining and Prosecuting Offenders (Criminal Justice) maximises use of technology to increase efficiencies and enhance voluntary attendance and support frontline policing to ensure quality file submissions and reduce submission failure rates.

#### Enabling Services

- 6.11. Enabling Services are designed to meet the needs of policing, providing the right people and right skills and keeping the workforce fit and well. It is to provide a flexible suitable estate, equipment and fleet that supports policing and digital technology that enables officers to be efficient and effective in any location. Enabling Services is split between enabling services, people services and corporate services. Enabling Services includes estates, transport, IT, HR, Team Leicestershire Academy, change team, professional standards and many other departments.

#### Victims and Witnesses

- 6.12. Victim and Witness Services are delivered and commissioned through the OPCC. This heading includes costs for Victim First, the Victim Liaison Unit, the Adult and the Children and Young Persons SARC, the Domestic Abuse Helpline and Sexual Violence and Abuse Services. The budget is based on staffing costs for 2.9FTE. Included in the Victims and Witnesses heading is grant income from the Ministry of Justice which offsets the a large proportion of the expenditure.

#### OPCC Governance, Accountability and Statutory functions

- 6.13. The PCC and OPCC has a number of responsibilities around governance, accountability and statutory functions. This budget heading captures the cost required for the OPCC to undertake these responsibilities and have been broken down into the following sub-headings:
- Democratic and Business Support Services
  - Scrutiny
  - Efficiency and Effectiveness
  - Communications and Engagement

Further breakdown is available in the OPCC section later in the report.

#### Regional Collaboration

- 6.14. The Force is part of 6 Regional Collaborations. The Target Operating model and budget requirement has been reviewed. The region has identified £1.58m of savings and a number of investments were agreed to support the Regional Collaboration. Leicestershire's share of the savings is £105k. Regional collaboration budgets relate only to Leicestershire Police's share and include the cost of 51 police officer posts. The budget for regional collaboration in 2025-26 is £14.6m.

#### Centrally Held Functions

- 6.15. Central held functions includes a number of costs and income streams which do not sit within the other headings. This includes Non-Mainstream funding such as Counter-terrorism and policing of the Airport. This also includes projects and initiatives such as

ESN, Accreditation costs, Taser and Single online Home. Also included in Central held items is the Police uplift grant and the Pension grant.

## 7. Investments

7.1. Having considered operational and organisational needs, along with the continued delivery of the Police and Crime Plan, below are areas which will require continued or additional investment during 2025/2026.

- Digital forensics and achieving accreditation status across a multitude of forensics processes. This is to address the year on year and ever increasing demand from digital evidence retrieval and receive and examine electronic devices at increased volumes to a service-level standard, achieve ISO accreditation for the Digital hub, Sexual Referral Centre, Forensic Collision Unit, CCTV recovery and traditional forensics.
- Delivery of the estate's strategy, in particular the Contact Centre now and for the future.
- Maintaining the enhancement of resources in the Contact Centre as we have evidenced the positive impact on service and call handling times from the investment.
- In developing our use of digital resolution technology to provide a better and more efficient service to the public.
- In developing our use of AI and robotics to support transformation, efficiency, and effectiveness in regard our services and to manage demand and support address complexity.
- Maintain and develop our focus on Prevention to help reduce future demand, in particular around repeat offending.
- The workforce churn continues, and the loss of experience and specialist skills requires additional investment in training and leadership to ensure the Force can remain compliant with Authorised Professional Practice, Health and Safety and other legislation.

## 8. Risks

8.1. There are number of financial risks within the draft budget requirement, as summarised below:

- Pay inflation – is included for 2025/26 at 2%. The Government's October budget report contains a statement from the OBR which suggested pay inflation may be around 2.6% next year (1% is approx. £1.2m part year September to March). A provision will be earmarked against the BER for 0.8% if the pay award is above 2%.

- Emergency Services Network (ESN) – The Emergency Services Mobile Communications Programme (ESMCP) have announced a further delay of at least 6 years. The earliest transition date for the Force is now 2030. The continuing airwave costs have been included in the IT budget.
- Digital transformation and Cloud migration – the Force has developed a digital transformation strategy, part of which includes the move from on premise data storage to Cloud storage which will enhance operational analytical capability. The risks and costs associated with this are factored into the funding envelope but are likely to change through time as the migration evolves.
- Neighbourhood Policing additional 13,000 personnel – the Government has announced it intends to increase neighbourhood policing officers and PCSOs by up to 13,000 funded through shared services and procurement savings. The Settlement confirmed a £1.5m grant for 2025/26. No further details are available however it should be noted that all such savings are already captured and budgeted for, so any growth in personnel costs will potentially increase future budget deficits in the absence of any additional funding.
- Forensic Service Provision – the regional contract is due for renewal in April 2025. Leicestershire’s annual costs are £0.9m in 2024/25. This could potentially increase to £1.9m in 2025/26. At this stage, given the uncertainty, an increase of only £0.2m is included for 2025/26 in line with existing contract terms.

## 9. Capital Strategy, Capital Programme and Treasury Management Strategy

- 9.1. The Capital Strategy 2025-26 is set out in Appendix 3. The revenue consequences of the proposed programme have been considered in the development of the revenue budget, and the required prudential indicators are set out.
- 9.2. The Capital Programme includes investment in operational areas of premises, IT and vehicle fleet.
- 9.3. A summary of the proposed Capital Programme for 2025/26 is shown in the table below:

<b>Proposed Capital Programme 2025/26</b>			
<b>Expenditure</b>		<b>Funding</b>	
Property	<b>£000</b>	Borrowing Requirement	<b>£000</b>
Information Technology	743	Revenue Contributions	5,325
Vehicle Fleet	3,378	3 <sup>rd</sup> Party Contributions	100
Corporate Projects	1,000	HO Grants	136
Operational Equipment	390		50
	100		
<b>Total</b>	<b>5,611</b>	<b>Total</b>	<b>5,611</b>

- 9.4. The Treasury Management Strategy report is set out at Appendix 4. 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.
10. Medium Term Financial Plan (MTFP)
- 10.1. Prudent financial management requires the Commissioner to have an MTFP that covers a period of at least four financial years. This provides a longer-term view which will enable informed decision making to take place over the period of the plan. This is not without its challenges, given that there is only a firm Government announcement of funding for 2025-26 and no indication of potential funding beyond next financial year.
- 10.2. The government have indicated that they will be undertaking a spending review in Spring 2025 which would hopefully provide multi-year funding settlements.
- 10.3. Until further information becomes available a MTFP has to be formulated using the best information available at the time of producing it. The attached MTFP has been produced on this basis, accepting that it is subject to change as new information emerges that can and will, change the assumptions inherent in the plan.
- 10.4. Key assumptions that have been included in seeking to outline the financial challenge for the medium term are:
- That the council tax base grows at 1.5% for financial years 2026-27, 2027-28 and 2028-29 respectively.
  - All existing council tax related grants continue up to and including 2028-29.
  - Core Government funding increases by 1% in 2026-27 and each year thereafter.
  - The precept is based on a £14.00 increase per Band D equivalent property for 2025-26 and each year thereafter in line with the prevailing national view, and modelling assumptions in each of the other East Midlands region Force areas. It should be noted that no decision on future years precept has yet been taken.
  - Pay awards for officers and staff are included at 2% for 2025-26, and each year thereafter. The 2024-25 pay award could be higher than 2% but this will not be confirmed until the Autumn. The national view is that pay increases should be modelled at 2%.
  - Non-pay inflation is included at 2% for certain goods and services for 2025-26 and for each year thereafter. Utility and vehicle fuel inflation is included at significantly higher rates in line with market forecasts. IT contractual inflation is included at actual rates averaging 10%.
  - At this stage, there are no significant impacts on grant funding incorporated into the MTFP from the Funding Formula Review.
  - No additional, unfunded responsibilities are given to the Commissioner.
  - Further borrowing beyond the capital programme is not required.
- 10.5. Taking into account the above assumptions, the position is as follows:



<b>Summary of the Budget Requirements</b>				
	<b>2025/26</b>	<b>2026/27</b>	<b>2027/28</b>	<b>2028/29</b>
	<b>£m</b>	<b>£m</b>	<b>£m</b>	<b>£m</b>
Budget Requirement	264.0	265.5	274.7	280.7
Net Funding	254.7	262.6	270.7	279.1
<b>Funding Gap / (Surplus)</b>	<b>9.3</b>	<b>2.9</b>	<b>4.0</b>	<b>1.6</b>
Reductions:				
Savings Identified (see below)	-8.2			
Efficiency Savings Target	-1.1			
<b>Revised Funding Gap / (Surplus)</b>	<b>0</b>	<b>2.9</b>	<b>4.0</b>	<b>1.6</b>

## 11. Efficiency Savings

- 11.1. Over £47 million-worth of savings have been taken out of Leicestershire Police since 2011, with £13 million of cashable efficiencies delivered in the current and previous two years.
- 11.2. Since 2023/24 the Force have implemented a transformation programme to address the financial and operational challenges. Through vacancy management, non pay savings and the removal of staff posts the Force have successfully overcome the budget challenges over the last 3 years and exceeded the efficiency savings targets.
- 11.3. In the last 2 years 91 police staff and 50 PCSO roles have been removed from the organisation with a further 35 police staff reductions planned for 2025/26.
- 11.4. Despite these efforts and as a result of unfunded pay awards, inflationary increases and changes within legislation, Leicestershire Police find themselves with a £9.3m budget deficit for 2025-26.
- 11.5. The Police and Crime Commissioner agreed to the use of the strategically generated and anticipated 2024/25 underspend, and the use of reserves where the required conditions were achieved, to support the transition, and mitigate the impact of the budget shortfall.
- 11.6. The following areas have been identified as savings to reduce the £9.3m deficit:

<b>Budget Deficit</b>	<b>9,341,828</b>
<b><u>Closing the Gap</u></b>	<b>£</b>
Savings identified a part of budget process e.g. officer recharges, utility savings, overtime savings	-2,185,578
<b>Establishment Review</b>	
Realignment of Police Officer Authorised Establishment to National Government Levels.	-1,000,000
Reorganisation of Police Staff Roles	-1,400,000
Reduction in EMSOU /FSS capability	-104,615
OPCC/Commissioning Savings	-284,000

Reduction in Debt Charges due to a Revenue Contribution to Capital for 2024/25	-502,552
Increase in Council Tax Base above estimated 1.5%	-152,016
Increase in Firearms Licensing Income under the Firearms (Variation of Fees) Order 2025	-268,980
Review of Assumptions (underwritten from reserve)	-669,171
<b>Funded from Reserves:</b>	
<u>Carry forward Reserve</u>	
X-Plan required for accreditation (this is one-off expenditure)	-35,000
Additional airwave Costs (subject to HO negotiations, may not be realised)	-250,000
Payroll - one off contractual charges on renewal	-83,345
Op Olympos (Post Office Investigation)	-116,932
Maintaining CMD capacity until 2026-27	-1,000,000
<u>Budget Equalisation Reserve</u>	
Contribution to Prevention Activity	-214,000
<b>Residual funding gap</b>	<b>-1,075,639</b>

## 12. Use of Reserves and Balances

12.1. In considering the 2025-26 budget, the Commissioner has reviewed all of the reserves held.

12.2. In March 2024 a Reserves Strategy was agreed which set out the following 'guiding principles' for managing reserves:

- As per the Home Office guiding principles the General fund reserves should be in the range of 2% to 5% of the total net revenue budget (between £5.09m and £12.73m based on the 2025-26 net revenue budget).
- The BER can be used to support the budget but there must be a strategy to move reliance away from the reserve over a period of time.
- Other earmarked reserves should only be used for specific time limited projects, to provide financial cover for potential future financial liabilities and for 'invest to save' projects.
- Ongoing reliance should not be placed on reserves to deal with the funding of financial deficits and a clear plan should be in place to move reliance away from one off reserves.
- There should be an annual review of reserves.

12.3. Three types of reserve are held and these are explained further below:

### General Reserve

12.4. There is a General Reserve which currently stands at 2.2% based on a NRE of £254.653m. In line with Reserve strategy, which has been reviewed as part of the budget process, it is the intention that that General Reserve balance will remain at

2.3% of the net revenue expenditure (NRE) for 2025-26. To remain at 2.3% of NRE a transfer of £264k will be required and it has been agreed that this will be transferred from the 2024/25 underspend. It is prudent to have such a reserve to enable the organisation to withstand unexpected events which may have financial implications. There is no further planned use of this reserve during 2025-26 or beyond.

Budget Equalisation Reserve (BER)

- 12.5. 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 £10.2m at 31<sup>st</sup> March 2025, decreasing to £6m by 31<sup>st</sup> March 2029. Its purpose when established was twofold:
- To fund 'invest to save' and other new initiatives and investments.
  - To recognise that some savings would take time to implement and to smooth the impact of these changes.
- 12.6. It was agreed in July 2022 that the £7.5m of the BER would be used during the MTFP period to fund ongoing historical investigations of £0.3m, Job Evaluation Pay protection costs of £0.1m and Business Transformation costs of £7m. To date £0.22m has been spent in 2023/24, it is anticipated that £1.96m will be spent in 2024/25 and a further £3.94m over the remaining MTFP.
- 12.7. It was agreed that an additional £1.511m would be used to fund investments outlined in for 2024/25. It is anticipated that only £1.44m of this will be spent.
- 12.8. It is proposed that £214k of reserves is used in 2025/26 to invest into Prevention activity aimed at reducing demand in the longer term.

Earmarked Reserves

- 12.9. The Commissioner currently holds a number of Earmarked Reserves which at 31 March 2025 are estimated to total £9.8m (excluding the General Reserve and BER) and those to note are as follows:
- 12.10. OPCC & Commissioning Reserve £1.58m – This contributes towards supporting the cost of the Commissioning Framework. It is proposed to use £75k for Surveying software, £58k for invest to save initiatives and £30k to extend the VAWG lead for an additional 6 months, given the importance of this work.
- 12.11. Civil Claims £1.45m – This reserve holds funds set aside, where considered prudent, for Civil Claims (Public and Employer liability) in line with professional advice. It is proposed that this reserve is increased by £130k for 2025-26 to ensure that there is sufficient level of reserve to mitigate the risk of civil claims. This will result in a balance of £1.57m.
- 12.12. Capital Reserve £0.3m – to support future Capital expenditure. There is no plan use of this reserve.
- 12.13. Proceeds of Economic Crime - £1.61m – reserve funded from proceeds of crime, used to support the Force's capability in specific investigative areas. It is proposed that £0.51m



line of the budget scrutinised. Both the Chief Executive and the Chief Constable presented their budget requirements and a joint approach taken to closing the deficit.

13.2. A Workforce Planning Review was carried out at the beginning of the current financial year to ensure that the OPCC was structured to be able to discharge the legislative requirements of a PCC plus the key policy areas that the Commissioner required at that time. This has been reviewed in line with the new Police and Crime Plan to ensure that the right support is in place for 25/26 and beyond.

13.3. The OPCC budget has been split into 6 areas:

- Democratic and Business Services
- Efficient and Effective
- Engagement
- Scrutiny
- Prevention
- Victims and Witnesses

13.4. The total budget for the Office of the Police and Crime Commissioner is £5.2m and is made up of:

	<b>£000</b>
Democratic and Business Services	591
Efficiency and Effectiveness	442
Engagement	331
Scrutiny	479
Prevention	3,152
Victims and Witnesses	1,624
	<hr/>
	6,619
Ministry of Justice Grant	(1,225)
Transfer from Reserves	(158)
	<hr/>
Total OPCC budget	<u>5,236</u>

13.5. Overall, the budget for the OPCC budget has decreased by £134k from 2024/25.

13.6. The FTE of the OPCC has increased to 30.7FTE, an increase of 2.4FTE. The budget includes an additional member of staff to oversee the invest to save initiative and an extension of the VAWG lead for 6 months; both of which will be funded from OPCC reserves. The other additional post is for a project co-ordinator to administer a new grant scheme.

13.7. It is agreed that £158k is transferred from the OPCC reserves for the 2 posts above plus a one off cost for survey software.

13.8. The OPCC and the Force have worked together to build a proposal that sees a more joined up approach to prevention and the setting of a prevention strategy 2024-2028. The total budget for prevention and partnership is £7.6m of which the OPCC will be

contributing £3.2m of the Commissioning budget towards preventing and reducing crime, harm and demand through pursuing an integrated approach to the planning, commissioning and delivery of prevention activity in collaboration with communities and partners.

- 13.9. The Commissioning Framework for 2025-26 aligns to the priorities contained within the Police and Crime Plan.
- 13.10. The Ministry of Justice (MoJ) Victims and Witnesses Grant has been confirmed at £1.225m for 2025-26, £54k less than 2024-25. The OPCC will be undertaking a review of the victims and witness services during 2025-26.
- 13.11. The Provisional Statement also confirmed Serious Violence funding of £49.7m for Violence Reduction Units however Leicestershire's share of this is not yet confirmed. It is anticipated that funding will be in line with funding received for 2024-25.
- 13.12. It is important to note that in addition to the published budget each year, the Commissioner has opportunities to submit bids to funding bodies (normally government departments) for additional, normally in year, funding. It is anticipated that further significant additional funding will be acquired for 2025-26. The OPCC has already secured additional funding of £5.4m for 2023-24, £5.6m for 2024-25 and potentially an additional £4.2m for 2025-26.

## Robustness of the budget and adequacy of reserves – Statement of the Commissioner’s Chief Finance Officer

The Local Government Act 2003, Part 2, Section 25, as amended by the Police Reform and Social Responsibility Act 2011, requires the Commissioner’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 Commissioner 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:

“The budget setting process for 2025-26 has once again been a challenging one. It was identified early in the process that there was a shortfall between the budget requirement and available funding of £9.3m. This is due to a number of factors including inflationary pressures, underfunded pay awards and legislative changes e.g. XL bully dogs. It has been an extremely difficult process to identify savings which limit the impact on service delivery and maintain an efficient and effective police service.

In the sections above, titled “Base Budget Preparation, Approach, and Scrutiny”, it outlines the approach taken to setting the budget. 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. I have agreed with the assumptions being made, and where there were any differences of opinion they were discussed until a consensus was reached.

I have attended a number of Corporate Governance Board meetings as the OPCC Section 151 Officer to provide assurance 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.

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

Together with the Chief Officer Team, OPCC, Chief Executive and the Commissioner, I have reviewed, scrutinised, and challenged the case for operational investment. This has included reviewing the operational and financial risks of the investment and highlighting the impact on the MTFP.

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 Corporate Governance Board.

The Chief Constable has discussed the revenue, capital, operational and Police and Crime Plan requirements (Appendix 2) for 2025-26 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.

This report details that the budget can be balanced for 2025-26 through the delivery of £9.3m of savings. The Force and OPCC have scrutinised the budget requirement for both the Force and the OPCC to identify potential areas for savings. A number of difficult decisions have needed to be made and £8.2m of savings have been identified so far. This has resulted in a remaining deficit of £1.1m which will be set as an efficiency savings target for both the Force and the OPCC. A detailed plan will be worked up in the next few months which outlines the Force and OPCC approach to realising these savings and identifying further savings to meet the efficiency savings target. In my opinion the efficiency savings plan is achievable but needs to be looked at in conjunction with the overall transformation project to ensure that the savings are sustainable but minimises the impact on service delivery.

The level of General Reserve, which should be held as a 'contingency of last resort' or to provide funds on a very short-term basis, is held at 2.2% based on the 2025-26 Net Revenue Expenditure. The Reserves Strategy sets the General reserve at 2.3%, which is within the recommended range but will require an increase of £264k to meet the stipulations of the reserve strategy. This will ensure an adequate level of reserve to mitigate the risk from an unforeseen event.

In coming to my conclusion on the robustness of the budget and adequacy of reserves I have also reviewed the separate papers on Capital Strategy (Appendix 3) and Treasury Management (Appendix 4).

Whilst a balanced budget is presented for 2025-26 with the use of an efficiency target, the MTFP shows that in 2026-27 and beyond there are financial deficits. The PCC has asked the Chief Constable to develop plans with a view to creating further efficiencies and to achieve further cashable savings. It is reasonable to assume that the financial and operational challenges will change over the course of the medium term. As such the MTFP contains the best estimates available at this point in time and assumptions contained within the MTFP are reasonable, prudent and will be updated as new information emerges.

I conclude, therefore, that the budget for 2025-26

- Has been prepared on a robust and prudent basis.
- Includes investment into a number of areas as detailed in the report which are all in line with the Commissioner's Police and Crime Plan priorities.
- Includes an appropriate use of reserves and that the planned level of reserves remaining are adequate and sufficient.
- Includes an achievable efficiency savings target however, the financial landscape after 2026-27 is challenging and further savings will need to be realised in order to close the budget deficit.

However, it is prudent to be mindful of emerging issues and challenges which will change the assumptions in the medium-term financial plan and therefore, the estimated budget requirements for those years."

**Kira Knott**

**Chief Finance Officer/S151 Officer for the OPCC for Leicestershire**



## Views on the Commissioner's Precept Proposal - Chief Constable's Statement

In proposing the precept, the PCC has sought views from the Chief Constable and his statement on the PCC's precept proposal for 2025/26 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 also give regard to the Police and Crime Plan, actively assist the planning of the Force's budgets, have regard to the Strategic Policing Requirement set by the Home Secretary in respect of national and international policing responsibilities, and have day to day responsibility for financial management of the Force.

I do this within the framework of the Scheme of Consent agreed budget allocation and levels of authorisation agreed with the PCC.

My advice to the PCC is that he should seek a £14.00 increase for Band D properties and its equivalents for other bands.

This should:

- sustain the investments we have made to uplift officer numbers and strengthen leadership in local policing to support our young-in-service workforce.
- continue our drive to improve service and standards as part of the Leicestershire Police Pledge.
- support our ability to invest in technology to be more effective and efficient in how we deliver the Pledge and the Police and Crime Plan.

This increase would be to sustain and manage existing commitments against growing demand. It is not additionality. If the PCC were not to seek a £14.00 increase for Band D properties (and its equivalents), my advice is that the investments and efforts mentioned above could be undermined in the short- and medium-term.

The external inflationary environment and the pay awards in 2022/23, 2023/24 and 2024/25 are central to the Force's budget deficits in 2025/26 and beyond. In 2022/23 the Government agreed a pay increase of £1,900 per annum for all police officers and staff. In 2023/24 the agreed increase was 7% and in 2024/25 it was 4.75%. However, Government grant has only provided partial funding for these increases which has created a funding deficit of £7.3 million in 2025/26 rising by over £0.4m year-on-year thereafter. In addition, the Government has also underfunded the 1% employer's national insurance cost increase by £0.4m in 2025/26. The combined effect of these funding shortfalls of £7.7m in 2025/26 undermines the medium-term sustainability of police officer, PCSO and Staff numbers.

As Chief Constable, it is necessary for me to point out that the Force continues to see: an increase in demand and complexity; additional national requirements linked with accreditation; and the latest census confirmed a 10% growth in population. It is also incumbent on me to point out that, prior to the budgets being set, each Force is required to submit their payroll data to the Home Office to give an accurate view of the costs of running Leicestershire Police. These costs are then aggregated up to national level and allocated back out to Forces through a formula for grant funding.

The challenge Leicestershire Police experiences is that the funding formula results in the Force not receiving enough grant to meet its payroll costs. This applies to 18 of the 43 Forces in England and Wales. Whilst it has been recognised that the funding formula needs to be reviewed, little progress has been made. This means Leicestershire Police has had to disproportionately make savings and reduce capability compared to some other Forces.

Despite this, Leicestershire Police has worked hard to overcome the budget deficit in 2024/25 and found another £5.4 million of cash efficiency savings into 2025/26. It is recognised that there are a number of funding restrictions linked with maintaining officer headcount.

My advice to the PCC is that we accept a reduction in officer numbers in 2025/26 from 2,242 full time equivalent (FTE) officers to 2,220 FTE whilst still maintaining and managing our service to local communities in line with the Police and Crime Plan and the Leicestershire Police Pledge. Any further staffing reductions that may be required will impact police staff numbers. The Force will continue to receive grant funding linked with maintaining the national 'police uplift' programme which requires the Force to maintain a minimum of 2,298 officer headcount. Ensuring we maintain that number, whilst reviewing the size of the Force to meet financial shortfalls, is what has driven the decision to move to 2,220 FTE (2,298 headcount) whilst maximising the 'uplift' grant. We will seek to pass those benefits on to the people of Leicester, Leicestershire and Rutland, operationally, efficiently and sustainably.

The Force is currently assessed by HMICFRS to be one of the most efficient in the country. Given that 81% of the Force budget is invested in our people, the funding gap means that the Force will have to continue to manage shrinkage into the future. This also means that, in the short term, the cuts and efficiencies will disproportionately fall on Staff roles because officer numbers are largely ringfenced at this time. Reducing staff is not a sustainable option in the longer term, because many staff are in specialist roles many staff which contribute greatly to the overall performance of the Force.

An increase is therefore necessary and essential. In my opinion, the level of funding allocated does not meet the Force's requirements and further cuts are inevitable. The approval of the full £14.00 Band D precept increase plays a significant role in minimising some, but not all, of the reductions that will be necessary.

The Force will also need to find efficiencies and reductions through a range of measures, implemented carefully, in a manner which protects performance and service. Despite these challenges the Force will continue to focus on good quality service and high standards in delivery of policing.

I remain deeply grateful for the work of the Panel who have invested their time and energy to support the PCC and the Force in their responsibilities. I must reiterate my advice to the PCC

that this year's request for a precept increase of £14.00 is not to give additionality to the service the Force gives. Instead, because of an unfair funding formula, in-year cashable savings we have already had to make, and will have to make next year, the maximum precept increase is a necessity to merely sustain a good service and the investments already made."

**Rob Nixon**  
**Chief Constable of Leicestershire Police**

----- **End of Report** -----

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The Office of the Police and Crime Commissioner for Leicestershire  
Budget Requirement and Precept 2025/26

Version Date	23/01/25
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		Precept Increase	4.89%	4.66%	4.46%	4.27%
2024-25			2025/26	2026/27	2027/28	2028/29
Approved Budget			Revenue Budget	Revenue Budget	Revenue Budget	Revenue Budget
£			£	£	£	£
141,656,410	Police Pay & Allowances		148,173,072	153,225,725	156,033,888	158,375,970
59,704,140	Staff Pay & Allowances		63,119,209	66,514,963	68,610,031	70,381,672
7,786,264	PCSO Pay & Allowances		6,916,439	7,279,626	7,528,314	7,736,607
<b>209,146,813</b>			<b>218,208,720</b>	<b>227,020,315</b>	<b>232,172,233</b>	<b>236,494,248</b>
10,775,177	Regional Collaboration		11,400,888	11,668,083	11,901,445	12,139,474
4,109,567	Police Pensions		4,203,379	4,346,247	4,472,293	4,600,861
50,326,126	Non-Pay Expenditure		52,303,089	54,296,788	55,343,598	56,908,385
4,335,217	Inflation Contingency		3,711,909	1,150,207	1,150,207	1,150,207
(19,323,678)	Income		(19,867,552)	(19,937,556)	(20,198,676)	(20,425,809)
<b>50,222,409</b>			<b>51,751,713</b>	<b>51,523,769</b>	<b>52,668,867</b>	<b>54,373,117</b>
<b>259,369,222</b>	<b>Force Budget Requirement (excl. OPCC)</b>		<b>269,960,433</b>	<b>278,544,083</b>	<b>284,841,100</b>	<b>290,867,366</b>
1,993,903	OPCC		2,488,689	2,537,749	2,587,596	2,634,521
4,654,011	Commissioning		4,129,914	4,129,914	4,129,914	4,129,914
(1,278,828)	Specific Grant - Victims and Witnesses		(1,225,384)	(1,225,384)	(1,225,384)	(1,225,384)
<b>5,369,087</b>			<b>5,393,219</b>	<b>5,442,280</b>	<b>5,492,126</b>	<b>5,539,051</b>
<b>264,738,309</b>	<b>Gross Budget Requirement</b>		<b>275,353,652</b>	<b>283,986,363</b>	<b>290,333,227</b>	<b>296,406,417</b>
(6,194,804)	Home Office Pension Grant		(6,174,230)	(6,174,230)	(6,174,230)	(6,174,230)
(391,280)	Home Office Pension Remedy - One Off Grant		-	-	-	-
(6,463,666)	Home Office Uplift Grant		(5,362,488)	(5,416,113)	(5,470,274)	(5,524,977)
-	- Home Office National Insurance Grant		(3,888,857)	(3,927,746)	(3,967,023)	(4,006,693)
1,611,188	Investment		-	-	-	-
(400,000)	PCC Contribution towards Force Prevention Strategy		-	-	-	-
(5,469,402)	Efficiency Savings		(1,075,639)	-	-	-
(4,339,661)	Use of reserves for specific projects		(4,199,175)	(2,936,320)	(25,596)	(31,208)
-	- General transfer (from)/to reserves		-	-	-	-
<b>243,090,687</b>	<b>Net Budget Requirement</b>		<b>254,653,263</b>	<b>265,531,954</b>	<b>274,696,104</b>	<b>280,669,310</b>
-	- Surplus / (Funding Gap)		-	(2,925,156)	(3,948,896)	(1,590,969)
-	- Transfers into Reserves		-	-	-	-
<b>243,090,687</b>	<b>Net Revenue Budget</b>		<b>254,653,263</b>	<b>262,606,799</b>	<b>270,747,207</b>	<b>279,078,340</b>
	<b>Funding</b>					
86,711,986	Police Grant		89,947,004	90,846,474	91,754,939	92,672,488
48,715,867	Business Rates		50,520,968	51,026,178	51,536,439	52,051,804
7,020,391	Council Tax Support Grant		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
187,469	Collection Fund Surplus / (Deficit)		187,469	187,469	187,469	187,469
98,544,444	Precept		105,066,901	111,615,757	118,337,439	125,235,658
<b>243,090,687</b>			<b>254,653,263</b>	<b>262,606,799</b>	<b>270,747,207</b>	<b>279,078,340</b>

£	Precept by Billing Authority	Tax Bases	£	£	£	£
9,876,611	Blaby	34,672.75	10,409,807	11,058,654	11,724,624	12,408,085
17,081,818	Charnwood	60,276.30	18,096,766	19,224,743	20,382,489	21,570,641
11,140,623	Harborough	39,576.40	11,882,031	12,622,642	13,382,798	14,162,918
11,388,527	Hinckley & Bosworth	40,132.40	12,048,959	12,799,974	13,570,810	14,361,890
22,841,456	Leicester City	82,627.00	24,807,121	26,353,357	27,940,399	29,569,123
5,756,252	Melton	20,459.05	6,142,425	6,525,284	6,918,247	7,321,531
10,613,130	North West Leicestershire	37,532.00	11,268,240	11,970,593	12,691,482	13,431,304
5,257,471	Oadby & Wigston	18,594.19	5,582,537	5,930,499	6,287,643	6,654,167
4,588,556	Rutland	16,084.38	4,829,017	5,130,011	5,438,949	5,756,000
<b>98,544,444</b>		<b>349,954.47</b>	<b>105,066,901</b>	<b>111,615,757</b>	<b>118,337,439</b>	<b>125,235,658</b>
<b>344,284</b>	Council Tax Base		<b>349,954</b>	<b>355,204</b>	<b>360,532</b>	<b>365,940</b>

£	Precept by Band	Apportionment	£	£	£	£
190.8201	Band A	6/9	200.1535	209.4868	218.8201	228.1535
222.6235	Band B	7/9	233.5124	244.4013	255.2902	266.1790

254.4268	Band C	8/9	266.8713	279.3157	291.7602	304.2046
286.2302	Band D	9/9	300.2302	314.2302	328.2302	342.2302
349.8369	Band E	11/9	366.9480	384.0591	401.1702	418.2814
413.4436	Band F	13/9	433.6658	453.8881	474.1103	494.3325
477.0503	Band G	15/9	500.3837	523.7170	547.0503	570.3837
572.4604	Band H	18/9	600.4604	628.4604	656.4604	684.4604

<b>£286.2302</b>	<b>Band D Council Tax</b>		<b>£300.2302</b>	<b>£314.2302</b>	<b>£328.2302</b>	<b>£342.2302</b>
4.76%	% Increase		4.89%	4.66%	4.46%	4.27%
13.00	£ Increase		14.00	14.00	14.00	14.00
<b>25.0p</b>	<b>Increase per week in Pence</b>		<b>26.9p</b>	<b>26.9p</b>	<b>26.9p</b>	<b>26.9p</b>

#### Summary of Assumptions

Changes in Core / Uplift Funding / National Insurance Grant	2.70%	1.00%	1.00%	1.00%
Precept increases	4.89%	4.66%	4.46%	4.27%
Precept increases £	£ 14.00	£ 14.00	£ 14.00	£ 14.00
Tax Base increases	1.65%	1.50%	1.50%	1.50%
Pay Inflation	2.00%	2.00%	2.00%	2.00%
Non-Pay Inflation	5.00%	2.00%	2.00%	2.00%
Police Officer FTE	2220	2220	2220	2220
PCSO FTE	150	150	150	150
Staff FTE (Force and OPCC Combined)	1174	1174	1174	1174

#### Budget Equalisation Reserve

	2025/26 £	2026/27 £	2027/28 £	2028/29 £
Balance B/Fwd	10,155,721	7,754,483	6,004,542	6,004,542
Transfers from BER for specific purposes	(2,401,238)	(1,749,941)		
Balance c/fwd	7,754,483	6,004,542	6,004,542	6,004,542

# POLICE AND CRIME COMMISSIONER FOR LEICESTERSHIRE

## CORPORATE GOVERNANCE BOARD

PAPER MARKED

Report of	<b>Chief Constable</b>
Subject	<b>Review of Medium-Term Financial Plan Budget Setting 2025/2026 and the Operational Implications</b>
Date	<b>Wednesday 22<sup>nd</sup> January 2025, 2pm.</b>
Author	<b>Deputy Chief Constable David Sandall</b>

### 1. Purpose of the Report

- 1.1 To provide the Chief Officer Team and Police and Crime Commissioner Rupert Matthews (PCC) with operational advice to inform the 2025/26 budget review.
- 1.2 To provide a summary of the strategic context, our principles and approach, and the operational and organisational risks identified in the planning process following the budget announcement. Specifically, focussing on how we propose to close the £9.3m budget deficit in 2025/26. This is in addition to the £47m of efficiencies delivered in recent years, created because of nationally imposed decisions and failure to fund them.
- 1.3 To outline the importance of the precept in maintaining public service levels and operational capability, and identify the areas of focus for transformation, to ensure the force is fit for policing 2030 and beyond.

### 2. Recommendations

- 2.1 To note the report and consider the operational implications in setting the budget.
- 2.2 To support the proposals in principle to close the budget deficit and be financially sustainable within 2025/26.
- 2.3 To agree the use of the Budget Equalisation Reserve (BER) and the strategically created underspend from 2024/25 to support close the budget deficit in 2025/26, and support maintain capability, capacity, and public service. This also enables the 2025 National Spending Review outcomes to

be known and support the transition to a refreshed operating model, that is required due to the further reductions in the number of people working for Leicestershire Police.

- 2.4 The Police and Crime Commissioner to consider opportunities and requests of the force to help address the budget deficit gaps.
- By supporting and affirming the importance of the maximum £14 precept in 2025/26 to the Police and Crime Panel.
  - By continuing to identify efficiencies from within the Office of the Police Crime Commissioner (OPCC) to contribute to closing of the budget deficit.
  - In lobbying to ensure the unfunded pay decisions in 2022/23, 2023/24 and 2024/25 at the root of the financial challenge are retrospectively paid.
  - In lobbying to ensure the unfair funding grant shortfalls that detrimentally impact on the communities of Leicester, Leicestershire and Rutland are addressed.

### 3. **Strategic Context**

- 3.1 Leicestershire Police has recently been assessed by Her Majesty Inspectorate of Constabulary and Fire and Rescue Services (HMICSFRS) and continues to be a leading force nationally. The force is still navigating through an unprecedented period of change and faces a multifaceted challenge in a context of a reducing workforce, a changing workforce demographic in terms of skills and experience, increasing population, rising public expectation and accessibility to policing, with significant international and national issues having a direct local impact. There is ever increasing demand volume, complexity and persons entering the Criminal Justice System, and significantly more work placed on our staff to process the demand and calls for service to the required national standards.
- 3.2 Transformation is set within this strategic context and is complex due to several competing and interdependent challenges. In particular, the national budget decisions are impacting on police and partners, specifically resulting in a further significant in-year and future budget deficit.
- 3.3 It is important to recognise that within this strategic context that the ratio of officers to members of the public has significantly decreased due to the rising local population and reduction in officers. In 2009, Leicestershire Police had 2344 Police Officers, and 1253 Police Staff, compared to 2242 Police Officers and 1202 Police Staff at the start of 2024/25, which has already reduced and will reduce further into 2025/26 to overcome the budget deficit.
- 3.4 In addition, within this strategic context over £47 million-worth of savings have been taken out of Leicestershire Police since 2011, with £19 million of cashable efficiencies delivered in the current and previous two years. The



2023/24 operational context CGB paper highlights where these efficiencies were focussed upon historically.

#### 4. **Strategic Budget Overview**

- 4.1 It should be highlighted that it was only in March 2022 that Leicestershire Police had a sustainable budget for the entire period of the Medium-Term Financial Plan (MTFP), without use of reserves. This was the healthiest position the force had been in for a decade. Since that time, significant events outside of the force's control have shifted that position.
- 4.2 The budget announcement in December 2023 underfunded Leicestershire Police again. All forces submit detailed budgetary information, but Leicestershire Police is one of 18 of the 43 police forces nationally that is detrimentally impacted upon through pay award costs not being fully funded. This creates a further budget deficit, when 25 other forces, receive their full wage costs and are therefore in receipt of a more beneficial grant.
- 4.3 These funding arrangements then have an ongoing future year impact and are unfair. An unfunded imposed in-year pay award of £1900 in 2022/23 contributed to £2.3m deficit, an only part funded 7% pay award in 2023/24 contributed to a £5.4m deficit and a part funded 4.75% pay award in 2024/25 contributed to a £8.6m budget deficit. The cumulative impact year on year is at the root of a significant, £9.3 million budget deficit in 2025/26.
- 4.4 The force designed, commenced, and implemented Operation Forefront as the force-wide transformation to address and integrate the financial sustainability and operational challenge through the period of the MTFP. The approach undertaken to address the complex and challenging operating context included developing a clear multi-year sustainability plan.
- 4.5 The sustainability plan has supported the force successfully to overcome the 2023/24 £5.4m deficit through cashflow management, vacancy management control, identifying non pay savings and reducing police staff by 21 posts. The effective approach did not utilise the ear marked reserves and enabled the force to prepare for transition into 2024/25.
- 4.6 In 2024/25 the force is on track to overcome the £8.6m deficit and due to effective strategic planning, it has delivered additional efficiencies to enable the force to manage what was anticipated to be a further significant budget deficit in 2025/26. This will enable the force to mitigate the impact of the 2025/26 budget deficit on levels of service and mitigate the impact on staff wellbeing. This has been achieved through a clear planned focus on non-cashable efficiencies, non-pay specific target areas, strong vacancy management and reduction in staff.
- 4.7 The impact of decisions outside of the force control have again had an impact. This is clearly evidenced through the change in legislation in regard XL bully dogs. In 2022 the force spent £0.3m on recovery and management of dangerous or seized dogs. This is estimated to increase to £0.6m in

2024/25 and is anticipated to raise again to £0.8m in 2025/26 due to businesses transferring additional costs to policing and the continued calls for service relating to dangerous dogs.

- 4.8 In addition, the change in technology and approach is creating pressures on the revenue budget. For example the ever-increasing amounts of data and the requirements attached to storing, managing and analysing the data has required an approach to move into cloud technology from solely on-premises storage. This cannot be funded through the capital programme as it has in the past creating additional in-year revenue costs.
- 4.9 There is also a tangible impact from the budget deficit, the force in 2024/25 has been forced to reduce the PCSO establishment from 200 to 150, and robust vacancy management has removed a further 63 staff posts and 7 posts through voluntary redundancy. In addition, the force has reduced the number of police officers in temporary promotion positions and managed the police officer establishment through recruitment to reduce the 'Full Time Equivalent' (FTE) establishment, whilst still achieving the national police officer head count uplift requirements. The severe penalties imposed by Government have been retained in 2024/25 and are anticipated to remain in 2025/26 if the officer headcount drops below 2298, on two set points in the year.
- 4.10 The Leicestershire Police sustainability plan has again delivered its strategic objectives and will mean that the force will on the current budget profile achieve the £8.6m deficit and are forecasting to achieve additional cashable savings of £4.9m to support the force's transition around addressing the 2025/26 budget deficit. The plan and approach have also been audited, with the 'Mazars Audit' finding the highest levels of assurance regarding the force sustainability plan and HMICFRS, reporting they were reassured by the financial plans in place. HMICFRS also recognise Leicestershire police has one of the leanest back office support services in UK policing (Value for money dashboards - His Majesty's Inspectorate of Constabulary and Fire & Rescue Services ([justiceinspectors.gov.uk](https://www.justiceinspectors.gov.uk))).
- 4.11 The sustainability plan is being refreshed to support the force throughout the period of the MTFP and to ensure, as it is required legally, to deliver a balanced budget in 2025/26, by overcoming the £9.3m budget deficit.

## 5. **Budget Planning 2025/26**

- 5.1 The policing budget remains a one-year settlement, with a government commitment to provide more certainty in the future following the national spending review. The reality is, as in previous years, Leicestershire Police is underfunded and has a further budget deficit to overcome. The force may technically receive an increase in the actual budget allocation, but this does not cover the base costs from the pay awards, inflation, and the costs of good, services and in particular increased IT charges.

- 5.2 The anticipated budget deficit for 2025/26 is £9.3m.
- 5.3 The force has a proven track record, and the strategic approach undertaken has placed the force in a stronger position to overcome this further budget deficit challenge, but there will be an inevitable impact from reducing resources further.
- 5.4 The Chief Constable and Chief Officer team have regularly met with the Police and Crime Commissioner (PCC), Office of Police and Crime Commissioner (OPCC) Chief Executive and senior team to agree the budget approach and align this with the transformation required to meet the current challenges and continue to be a leading police force in 2030 and beyond.

## 6. **Operational and Organisational Implications, threat, and risk**

- 6.1 The challenge is that within the strategic and the budget deficit context the operational delivery, public service, and our people's wellbeing (as they deliver our public service) is paramount. The force recognises the need to continually align the strategic ambition with the transformation required to overcome the budget deficit, whilst maintaining operational capability and capacity and being fit for policing in 2030 and beyond.
- 6.2 It is important for the Chief Constable to highlight the implications of the budget and place them in the context of current operational demand, threat, and risk in Leicestershire. The challenges outlined in 2024/25 in the previous operational budget report of January 2023, remain largely the same as we enter 2025/26, but with the unenviable prospect of a further reduction in people and resource to address these challenges in 2025/26.
- 6.3 The Chief Constable will retain the commitment to deliver the Leicestershire 'Policing Pledge' and deliver good public service and high standards, as we support the delivery of the Police and Crime Plan and deliver our core role as an emergency service, protecting our communities by maintaining the peace and preventing and detecting crime.
- 6.4 The operating environment that policing services are being delivered has an impact on crime levels, resource, efficiency, and demand. The population has grown by over 100,000, compared nationally household deprivation and the male population is higher, with a significantly lower female population. Rural villages are continually expanding and housing developments across Leicester, Leicestershire and Rutland are creating increased demand and complexity.
- 6.5 The demand from international, national, and local events, incidents and community tension has remained significant, especially since the serious disorder seen in Leicester in September 2022 and subsequently seen nationally in August 2024. There is an ever-increasing integration between communities, faith, identity, and politics creating demand on policing services, creating a demand and cost not seen across all police force areas.

The levels of investment and engagement necessary to engage victims, communities and sustain and maintain good order continues to far exceed what we have experienced in recent years. This has required the force to invest further in local neighbourhood policing and manage a sustained demand on specialist public order and safety officers.

- 6.6 999 emergency demand has remained consistently at higher levels than previously recorded, and the Criminal Justice System remains under significant strain with significant case backlogs impacting on all those engaged. The national direction is to reduce the short-term prison sentences, which will mean more criminals, especially acquisitive crime offenders being managed within the community. This will necessitate a fresh impetus and innovation in prevention activity, offender management and out of court disposals to reduce re/offending rates. This is set within the context whereby we are arresting more people than in recent years and of the total arrested, 23% are foreign nationals and 46% have a mental health need, increasing the resources and time to manage and process, and increasing our interpreter and medical provision costs.
- 6.7 Policing continues to become more complex; there are ever increasing imposed expectations on recording, checking, and processing demand and with the rapidly changing nature of crime, sharp rises in high-harm crimes, cross-border criminality and the interconnected nature of physical and digital evidence that needs to be captured and interpreted. There remains improved confidence to report complex high harm crimes like rape, child exploitation and abuse, domestic violence, stalking and harassment. They all require continued significant investment as part of the violence against women and girls' strategy (VAWG) and 'Operation Soteria' initiative (Home Office supported approach to rape investigation).
- 6.8 The approach into 2025/26 is building upon the ambitious transformation program "Operation Forefront" that commenced in October 2023. This has strengthened local leadership, enhanced our investigative approach, and focused on delivering a good service with high standards, whilst being fully integrated with the sustainability program.
- 6.9 There has been an impact on the force due to the reductions in people across the establishment, but the force has taken measured steps to mitigate this. The force has registered 194,000 hours of non-cashable efficiency savings to help mitigate the impact of the further reductions in people:
- The introduction of a "redaction" tool to support officers achieve the nationally imposed requirements to redact all files of evidence submitted to the Crown Prosecution Service for a charging decision.
  - A review of the training programme for frontline 999 response officers to create greater capacity to focus on investigations and responding to public calls for service.

- An enhanced trial developing Video Interaction technology to respond to the public in a timelier manner, which will be expanded further into the Assessment and Investigation Unit in 2025/26.
  - The introduction of robotics and AI to support specific areas of business, with further expansion planned and being developed for the future.
- 6.10 The force developed specific task and finish groups focussing on non-pay budgets to problem solve the demand causing the cost and/or to identify options to deliver the same service or capability at a reduced cost. This was effective in several areas including the Taser replacement programme, the deployment of victim alarms and operational equipment.
- 6.11 Operation Forefront “Innovate”, Leadership briefings led by the Chief Constable and regular planned Chief Officer engagement opportunities have also given the whole workforce the opportunity to be briefed and engaged in the challenges the force faces and be able to contribute ideas directly. The HMICFRS inspection reported despite the challenges being addressed 85% of the workforce remained proud to work for Leicestershire Police.
- 6.12 There have been pressure points, for example in regard the performance of the control room, caused by the turnover of resources and the sustained increase in demand and calls for service. The force has invested in uplifting the resources in the control room delivering significant improvements in call handling times and being at the forefront nationally of performance for 999 calls.
- 6.13 The reality is with further additional cuts the force will continue to shrink and therefore the service offer and timeliness in regard non-emergency calls, non-statutory functions, firearms licensing, freedom of information, Data disclosure, complaints handling and vetting, are some of areas that will require a service review.
- 6.14 Any further reductions will have a direct impact on our services across Leicester, Leicestershire and Rutland and could affect local ‘Trust and Confidence’. This will require clear communication, careful management, effective partnership and collaborative working, active mitigation, and reduction in non-core services. The force will be required to focus on maintaining our capacity and capability to deliver our public pledge, as an emergency service, that protects communities, maintains the peace, and prevents and detects crime.
- 6.15 It is also important that the force continues to focus on areas of high harm and invests in areas of transformation. The decisions made in the past have placed the force in a stronger position to manage the challenges of today. Therefore, the investment decisions made this year and subsequent years will help the force in 2030 and beyond.

- 6.16 This has been clear in regard the Training Academy that has supported the substantial change in the force demographics in terms of age and experience, through ensuring we have specialist officers for Counter Terrorism, Rape Investigation, Domestic Abuse, Child Sexual Exploitation and Abuse, Modern Slavery and investing in a new digital evidence system that will deliver benefits into 2025/26 and beyond.
- 6.17 The force has completed a Force Management Statement (FMS), a self-assessment that chief constables prepare and give to HMICFRS each year. This is a central component to the forces' strategic, financial and workforce planning processes. The force has identified areas of current and projected demand it expects to face in the next four years, recognises that there will be pressures on the force workforce and non-workforce assets. The force has prioritised, has implemented, and is developing plans that are aligned with managing the budget deficit, demand management and threat/risk management.
- 6.18 The force recognises and really values the benefits of a mixed police workforce in terms of public service delivery, skills, and specialisms. However, the current government conditions on the budget such as the PUP uplift penalties for police officer numbers are restricting the force. It is currently still unknown what the government approach will be in regard the Neighbourhood policing grant included in the overall budget to the force. It is worth noting that many Police Staff have an integral role in addressing the strategic and contextual risks as they have specific skills and specialisms not held within our PCSO and Police Officer establishment.
- 6.19 Our staff consistently go above and beyond, they have engaged in the transformation but there is a risk that the continued reduction in resources is not sustainable. Leicestershire Police cannot in isolation reduce its workforce further, deliver a good service and high standards without further transformation, investment and by retaining the right workforce mix. Especially when £47 million has already been delivered in efficiencies and demand, complexity and expectation are increasing.
- 6.20 To support our staff we have developed and refreshed our force-wide Occupational Health Service, invested in improving our wellbeing prevention activity and are undertaking a wellbeing survey to understand the impact on our people who remain our greatest asset in delivering services to the public.

## 7. **Precept**

- 7.1. I have set out the context in which this budget sits. We are experiencing greater demand, higher need for investments in technology and specialisms, but with real terms cut in budget and a further year on year reducing workforce.

- 7.2. The proposed budget, even when supported by the maximum increase in precept funding from local taxation of £14, will still fall far short of what is necessary to maintain the current levels of resources and the £20 that was nationally requested through the National Police Chiefs Council. In the past the precept has led to growth and investment, but the reality is again this year the precept will be mitigating the number of cuts required and the potential severe impact on public service.
- 7.3. If a maximum precept of £14 was not agreed, it would need to be accepted that the budget deficit would be even greater than we are currently facing. In reality, that would mean a further and additional significant reduction to staff which would reduce the Force's ability to deliver core functions linked with call handling, Criminal Justice case work, scenes of crime, digital forensics and other core requirements such as IT and Fleet, essential to deliver frontline policing across Leicester, Leicestershire and Rutland. As highlighted previously the force already has one of the leanest back offices in the country.
- 7.4. Using precept, the Force will be able to protect the investment in those service areas we know are important to local communities and those outlined in the Police and Crime Plan. For example, it would enable us to maintain our focus on community policing, rural crime and high harm crime whilst maintaining the current operating model but with less people. The recently implemented operating model is already providing better and stronger local leadership addressing neighbourhood local issues, continues to focus on the delivery of the Police and Crime Plan, and aims to drive up public confidence, and deliver the Leicestershire Police pledge.
- 7.5. The precept will enable the force to continue to maintain the improved call handling performance for emergency 999 calls. It will also in partnership with the OPCC continue to develop and maximise the benefits of the new Prevention Directorate, in particular with external partners develop and optimise new diversionary programmes to prevent crime, provide tailored and targeted support and intervention, to both those victims and offenders who display additional risk of becoming a victim again, or of further offending.
- 7.6. Precept will also allow us to continue to move forward at pace to deliver the next phase of transformation linked with IT and digital restructuring to enable greater use of AI and automation to create both cashable and non-cashable efficiencies,
- 7.7. Without the £14 precept, it is the Force's view that the transformation and service to the public will need to be significantly reduced or withdrawn. The investments we have and continue to make in our people, in local policing, technology and prevention are designed to improve service, reduce extraneous demand, and find savings and efficiencies in the medium-term. All contribute directly to the Force's effectiveness, efficiency, and legitimacy. The precept is essential to maintaining and mitigating the impact of reduced levels of service to enable the Force to keep pace with

the ever-developing criminal landscape. Without it the providing a good level of policing service for the people of LLR would be virtually impossible.

**8. Principles used in the planning process.**

- 8.1 The precept is one key component to the budget build for 2025/26 and beyond. Working within the budget setting principles, the force will seek to close the budget deficit in 2025/26, ensure budget management plans are in place through the period of the MTFP, whilst being cognisant of the potential changes through the national spending review.
- 8.2 Operational need continues to be at the forefront of the budget-setting process, and despite a budget shortfall, the force remains committed to delivering the Police and Crime Plan through our 'Policing Pledge' and the providing the best possible service and high standards to the people of Leicester, Leicestershire, and Rutland.
- 8.3 It is fundamental in any budget decisions that Leicestershire Police can remain operationally viable, address threat and risks, continue to fulfil its statutory required functions, and have the necessary specialist support to deliver policing services.
- 8.4 Whilst we would want to ensure all plans are as sustainable as possible over the entire period of the MTFP due to the lack of central funding for centrally imposed pay inflation and events outside of our control, we cannot make this assurance with absolute confidence. It is accepted that the strategic use of reserves through the period of the MTFP will support mitigate the operational and public service impact.
- 8.5 It is acknowledged that the force strategic approach has built up the reserves to enable the force to transition and see through the period of the forthcoming national spending review. We will however ensure that we meet the legal requirement to deliver a balanced budget for 2025/2026 and set out our approach for closing the gap and, where possible, outline the implications of doing so.
- 8.6 In considering and learning from previous change programmes there is a need to apply a balanced approach to efficiencies. For example, as the size of the force contracts to meet budgetary requirements, so does the size of infrastructure and equipment aligned to it.
- 8.7 It is also important to recognise the focus should also be on non-cashable efficiencies that are needed to support the transformation and address the impact of the reduced workforce size required to meet the budget deficit. This will build upon the 194,000 hours non cashable efficiencies delivered so far in 2024/25.
- 8.8 It is recognised and acknowledged policing needs a mixed workforce of Officer, PCSO and staff and that any closure of the budget deficit will



require efficiencies and reductions to be managed across the whole workforce.

- 8.9 It is acknowledged that the non-pay budget has had real focus and reductions delivered in 2024/25 and previous years. Significant efficiencies will not be materialised, but the force will continue to seek opportunities in-year and through the MTFP to reduce costs.
- 8.10 It is accepted that investment, continuous improvement, transformation, and new technology is required to retain the force at the forefront of policing nationally, to address the strategic threats and risks and be fit for the future of 2030 and beyond.

## 9. The budget Deficit Plan 2025/26

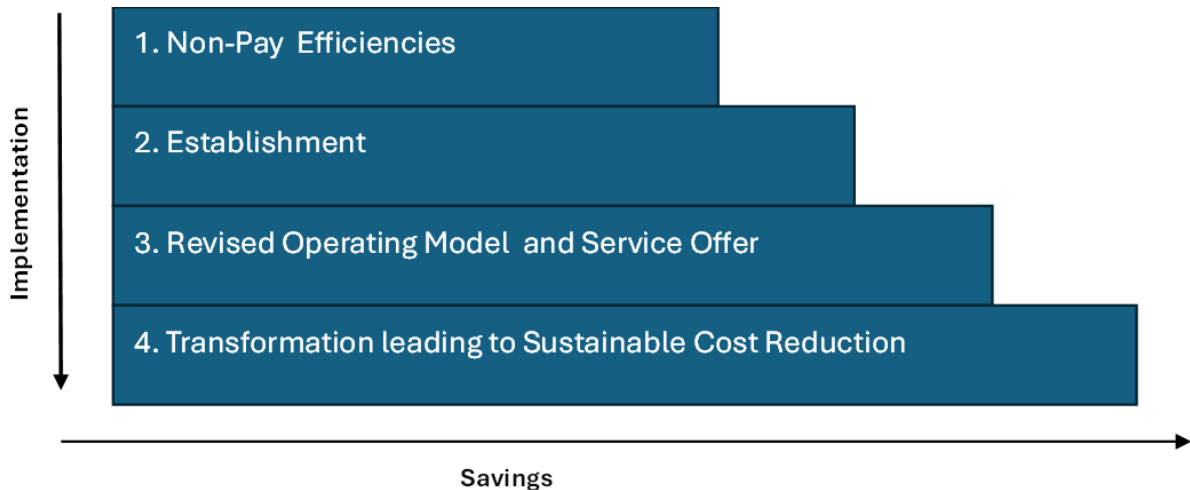
- 9.1 The following financial planning details were agreed in principle by the Police and Crime Commissioner and the Chief Constable, and are used to inform the budget build for 2024/25:

- *Plan for total budget.*
- *Maintain Police officers at 2298 headcount to meet nationally imposed PUP uplift requirements and prevent financial penalties and reduce FTE to 2220.*
- *Budget built on 150 PCSOs, with 129 based in Neighbourhoods*
- *Budget build on 1174 Police Staff.*
- *Full year effect of September 2024 pay award at 4.75%.*
- *Provision for 2% pay award from 1 September 2025 for Officers, PCSOs and Staff*
- *Targeted non-pay inflation increases ranging from 0 to 10+% where known;*
- *EMSOU & other regional collaborations increase of £0.2m*
- *Police overtime to remain at reduced level managed in 2024/25*
- *Sustainable Savings of £5.4m identified during 2024/25.*
- *Retention of investment in CMD at £1m funded through 2024/25 additional underspend,*
- *Continuation of Prevention Directorate.*
- *Inclusion of the revenue consequences of the Capital Programme expenditure for 2024/25 impacting on 2025/26.*
- *OPCC pay and non-pay inflation included.*
- *Home Office Neighbourhood Grant of £1.5m not currently included within the budget as awaiting grant conditions.*
- *Band D precept increase of £14.*
- *Tax base increase of 1.75%*
- *Collection Fund surplus of £0.2m (until confirmed);*
- *General Reserve at £5.6m.*
- *Use of Budget Equalisation Reserve (BER) and in year 2024/25 underspend.*
- *Ensure the budget plan can achieve an in-year balanced budget in 2025/26.*

- 9.2 To achieve the savings required and balance this with remaining operationally viable and in accordance with the agreed principles it is

necessary to set out a structured approach of which there are four concurrent phases:

- Non – Pay efficiencies (including non-cashable)
- Pay budget efficiencies – Establishment reduction and redeployment
- Impact and adjustment to the operating model and service offer based on necessary changes to the establishment (stabilisation)
- Transformation to achieve sustainable cost reduction



### **Non Pay efficiencies**

- 9.3 There will be a continued focus on developing the understanding of demand and targeting productivity, continuous improvement, and efficiency to mitigate the impact of a reducing workforce.
- 9.4 There will be a focus on the non-pay budget to identify areas of focus and utilise the effective method of identifying a clear lead to review opportunities to reduce cost.
- 9.5 The force will aim to maintain the reductions across the 2024/25 non pay budget, including overtime, alarms, operational equipment and specifically focussed areas.
- 9.6 The Office of the Police and Crime Commissioner (OPCC) will also identify efficiency savings to support close the budget deficit.

### **Pay Budget Efficiencies**

- 9.7 The strategic vacancy control mechanism will continue with a refreshed review and reduction of existing and future police staff vacancies. The approach recognises that this will have less of a direct impact on serving staff and is a more cost-effective option than redundancy. A review will then

be undertaken to understand the impact of the removal to ensure appropriate targeted mitigation is implemented.

- 9.8 The force has opened and continues to hold open a voluntary redundancy programme. A further review of the voluntary redundancy applications will be undertaken and a workstream implemented to develop a potential voluntary severance option to support reduce the workforce size.
- 9.9 The force continually reviews potential areas for targeted redundancy, but this is balanced with the knowledge that this process can lead to loss of skills and experience and in fact take many years to achieve an actual efficiency saving due to the costs engaged through targeted compulsory redundancy processes.
- 9.10 The force recognises that police staff hold many specialist skills that officers do not have and the reality is that due to the 'on costs' of pensions, police officers cost more than police staff. Therefore, there is a balance to achieve the right efficient workforce mix, retain skills and consider necessity of roles against legal obligations, direct impact on service delivery and suitability for modernisation, specifically where best use of officer's skills can be made. It is anticipated with the government restrictions in place police officers will have to undertake roles currently undertaken by police staff.
- 9.11 The force will continue to review and identify opportunities to reduce the level of supervision across the whole workforce.
- 9.12 The force has trialled achieving the police officer headcount uplift requirement of 2298 officers with a reduced FTE. There is risk in the approach and a real balance to be achieved in regard affordability and level of risk appetite when the penalties could be severe. The force officer FTE will move from 2242 to 2220 and the operating model will reflect the new police officer establishment. The force will retain the 2298 headcount.
- 9.13 The force has set clear principles to manage the reduction in the police officer establishment of "reduction in capacity but not capability" with cognisance of Force Management Statement (FMS), Police and crime plan (PCP) and Government Neighbourhood policing priority. Adherence to the principles of our demand workflow and Layer model (resolving demand at the earliest opportunity) and ensuring best use of officer's skills and powers as part of modernisation.
- 9.14 The PCSO establishment will be maintained at 150 FTE. This maintains the headcount of those PCSO based within local neighbourhoods and a review of the safeguarding role deployments and remit of PCSO will be undertaken. The establishment will need careful management due to the unknown requirements of the neighbourhood policing grant within the overall budget provided and the recognition of the value of the role within communities held by the Chief Constable and Police and Crime Commissioner.

### **Revised Service Offer and Operating Model stabilisation.**

- 9.15 The assessment reduction in the establishment of Police staff, Police Officers and PCSO's requires the target operating model to be altered and then the force to manage a period of stabilisation.
- 9.16 The force will identify areas of potential service impact and look to mitigate this and change where appropriate the service offer. The transformation and areas of investment is integrated with the sustainability plans.

### **The intelligent use of the 2024/25 efficiency savings and use of Reserves**

- 9.17 The force recognised the potential budget outlook was poor and there was the likelihood of a budget deficit in 2025/26. As part of the strategic planning the approach in 2023/24 into 2024/25 ensured the force was well equipped and prepared to deliver a balanced budget at year end. The force has taken similar steps and implemented measures in 2024/25 to support the force transition into 2025/26.
- 9.18 As part of the planning processes the Police and Crime Commissioner agreed in the summer of 2024 to the use of the strategically generated and anticipated 2025/26 underspend, and that the use of reserves where the required conditions were achieved, could be utilised to support the transition, and mitigate the impact of the budget shortfall.
- 9.19 The force recognises the importance of the reserves, and it should be noted has actually added to the reserves in recent years despite the budget deficits. The intelligent use of reserves will support the force overcome the budget deficit and achieve the legal obligation to deliver a balanced budget in 2025/26.
- 9.20 The strategic approach to create an underspend in 2024/25 will be utilised to reduce capital debt charges and therefore reduce the revenue budget cost in-year 2025/26 and through the MTFP. It will also be invested to maintain the 999-emergency service call handling performance, whereby the investment has delivered a sustained level of improved public service.
- 9.21 The force will review and refresh the current sustainability plan and ensure that it is aligned with the transformation plan "Blue Print 2030" providing a clear road map of the integrated activity to be undertaken.
- 9.22 The following table provides the budgetary details of the plans outlined above.

<b>Budget Deficit</b>	<b>9,341,828</b>
<b><u>Closing the Gap</u></b>	<b>£</b>
Savings identified a part of budget process e.g. officer recharges, utility savings, overtime savings	-2,185,578

<b>Establishment Review</b>	
Realignment of Police Officer Authorised Establishment to National Government Levels.	-1,000,000
Reorganisation of Police Staff Roles	-1,400,000
Reduction in EMSOU /FSS capability	-104,615
OPCC/Commissioning Savings	-284,000
Reduction in Debt Charges due to a Revenue Contribution to Capital for 2024/25	-502,552
Increase in Council Tax Base above estimated 1.5%	-152,016
Increase in Firearms Licensing Income under the Firearms (Variation of Fees) Order 2025	-268,980
Review of Assumptions (underwritten from reserve)	-669,171
<b>Funded from Reserves:</b>	
<u>Carry forward Reserve</u>	
X-Plan required for accreditation (this is one-off expenditure)	-35,000
Additional airwave Costs (subject to HO negotiations, may not be realised)	-250,000
Payroll - one off contractual charges on renewal	-83,345
Op Olympos (Post Office Investigation)	-116,932
Maintaining CMD capacity until 2026-27	-1,000,000
<u>Budget Equalisation Reserve</u>	
Contribution to Prevention Activity	-214,000
<b>Residual funding gap</b>	<b>-1,075,639</b>

### **Areas requiring investment.**

- 10.1 Leicestershire Police and the environment we operate in does not stand still and investments are continually required to be made to ensure the force can remain operationally viable and have the infrastructure to remain viable for 2030 and beyond.
- 10.2 It was highlighted earlier but the decisions on investments previously have supported the force overcome the challenges of today. Therefore despite the budget deficit challenges we must invest to ensure we can support policing in the future.
- 10.3 As with most agencies and businesses the pace of technology, data demands and the integral integration of digital capability with transformation, improved service, efficiency, and effectiveness require continual investment.
- 10.4 Having considered operational and organisational needs, along with the continued delivery of the Police and Crime Plan, below are areas which will require continued or additional investment during 2025/2026.

- Digital forensics and achieving accreditation status across a multitude of forensics processes. This is to address the year on year and ever increasing demand from digital evidence retrieval and receive and examine electronic devices at increased volumes to a service-level standard, achieve ISO accreditation for the Digital hub, Sexual Referral Centre, Forensic Collision Unit, CCTV recovery and traditional forensics.
- Delivery of the estate's strategy, in particular the Contact Centre now and for the future.
- Maintaining the enhancement of resources in the Contact Centre as we have evidenced the positive impact on service and call handling times from the investment.
- In developing our use of digital resolution technology to provide a better and more efficient service to the public.
- In developing our use of AI and robotics to support transformation, efficiency, and effectiveness in regard our services and to manage demand and support address complexity.
- Maintain and develop our focus on Prevention to help reduce future demand, in particular around repeat offending.
- The workforce churn continues, and the loss of experience and specialist skills requires additional investment in training and leadership to ensure the force can remain compliant with Authorised Professional Practice, Health and Safety and other legislation.
- With £47 million of efficiencies delivered in recent years further reductions in the workforce, despite the careful approach to minimise this and retain our investment in our people's skills it may engage further redundancy processes.

10.5 In summary, our investments now will continue to meet the current demands and address the threats of the future and help maintain the levels of service we aspire to achieve for the public across Leicester, Leicestershire and Rutland.

## 10. **Support from the Police and Crime and Commissioner**

13.1 The Police and Crime Panel's support for a maximum precept rise is essential for the force to prevent significant reductions and to try and sustain its level of service and to deliver against the plan outlined in this report. In my opinion, the Commissioner's influence and full support for this outcome is vital. It should be noted that policing requested £20 nationally but the announcement has said £14.

- 13.2 The force acknowledges that for 2025/26 the OPCC will contribute to support close the budget deficit through identifying efficiencies, and the force is given confidence by the initial joint approach to prevention. I encourage the Police and Crime Commissioner to align with the force approach to continually identify further efficiencies to close the budget deficit to enable frontline services to be maintained.
- 13.3 I would request that the Commissioner consider further lobbying efforts to address the pay award funding shortfalls for 2022/23, 2023/24 and 2024/25 by re-engaging with the Home Office to have this unfunded award addressed which is at the root of the current financial issues. Leicestershire is one of 18 of 43 forces adversely impacted upon year-on year, which is exacerbated when inflated by the pay scales applied to police officers for years of service (see para.4.3).
- 13.4 I would request the Police and Crime Commissioner continues to support the Home Office cover pension shortfalls and request a multiyear budget settlement that enables a better approach to financial management.

## 11. In Summary

- 11.1. The budget deficit in 2025/26 is again challenging and adds increased pressure on the force when demand and expectation is rising and our resources are reducing, within a context of £47 million of efficiencies already realised in the past.
- 11.2. The national funding formula for policing has still not been updated. The Force believes this has negatively impacted on Leicestershire year-after-year and urgently needs changing.
- 11.3. A maximum £14 precept will support mitigate the impact of the further budget deficit.
- 11.4. The Force would re-emphasise that Policing in 2024 requires a broad range of skills to be effective. It would be irresponsible to remove or reduce the force's capabilities in specific areas without understanding the disproportional impacts it would have on operational capability.
- 11.5. The force has effectively integrated the approach to sustainability with the ambitious transformation programme. Despite the significant budget cuts leading to a reduced workforce the force has remained a leading force nationally and has maintained levels of service, but with a further significant budget deficit and further resource reductions it will require further transformation, investment in digital and AI technology and reviews of levels of service.
- 11.6. The force has a proven track record in managing the complexity and balancing the public service impact and will continue to develop its plans

and approaches to overcome the budget deficit, whilst delivering the public pledge, increasing trust and confidence, and remaining operationally viable.

### **Implications**

Financial : Included in report but please see full CGB Budget papers.

Legal : Employment rights, Health and Safety, Budget Management, Policing Protocol

Equality Impact Assessment : To be considered on implementation of plans

Risks and Impact : Included

Link to Police and Crime Plan : Included

Communications : To be completed post agreement

### **List of Appendices**

None

### **Person to Contact:**

Deputy Chief Constable David Sandall at Leicestershire Police

Assistant Chief Officer Paul Dawkins at Leicestershire Police



## CAPITAL STRATEGY 2025/26

### Introduction

This capital strategy provides a high-level overview of how capital expenditure, capital financing and treasury management activity contribute to the provision of policing services along with an overview of how associated risk is managed and the implications for future financial sustainability.

Decisions made this year on capital and treasury management will have financial consequences for the Policing Body for many years into the future. They are therefore subject to both a national regulatory framework and to local policy framework, summarised in this report.

### Capital Expenditure and Financing

Capital expenditure is where the Police and Crime Commissioner (PCC) spends money on assets, such as property, IT or vehicles that will be used for more than one year.

In 2025/26, the Force is proposing capital expenditure of £5.6m as summarised below:

*Table 1: Prudential Indicator: Estimates of Capital Expenditure in £ millions*

	<b>2023/24 actual</b>	<b>2024/25 forecast</b>	<b>2025/26 budget</b>	<b>2026/27 budget</b>	<b>2027/28 budget</b>
Estates	1.1	1.4	0.7	2.5	0.2
IT	6.4	2.3	3.4	2.0	1.8
Fleet	1.4	1.4	1.0	1.3	1.3
Operational Equipment		0.1	0.1		
Corporate Projects	0.1	1.5	0.4		
<b>TOTAL</b>	<b>9.0</b>	<b>6.7</b>	<b>5.6</b>	<b>5.8</b>	<b>3.3</b>

The capital projects included in the expenditure above are detailed later in this report on page 6.

**Governance:** The Estates, IT and Transport Departmental Heads in conjunction with the business, bid annually during October for projects to be included in the Force's capital programme. Bids are collated by Corporate Finance who calculate the financing cost (which can be nil if the project is fully funded from other resources). The proposed capital programme has been reviewed by Chief Officers and the PCC's office. The final capital programme is then presented to the Corporate Governance Board in December for approval.

All capital expenditure must be financed, either from external sources (government grants and other contributions), the PCC's own resources (revenue, reserves and capital receipts)

or debt (borrowing, leasing and Private Finance Initiative). The planned financing of the above expenditure is as follows:

*Table 2: Capital financing in £ millions*

	<b>2023/24 actual</b>	<b>2024/25 forecast</b>	<b>2025/26 budget</b>	<b>2026/27 budget</b>	<b>2027/28 budget</b>
External sources	0.7	0.6	0.2	-	-
Own resources	1.1	2.2	0.1	0.1	0.1
Debt	7.2	3.9	5.3	5.7	3.2
<b>TOTAL</b>	<b>9.0</b>	<b>6.7</b>	<b>5.6</b>	<b>5.8</b>	<b>3.3</b>

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). Planned MRP is as follows:

*Table 3: Replacement of debt finance in £ millions*

	<b>2023/24 actual</b>	<b>2024/25 forecast</b>	<b>2025/26 budget</b>	<b>2026/27 budget</b>	<b>2027/28 budget</b>
Minimum Revenue Provision (MRP)	3.5	5.0	5.3	5.4	5.4

The Statutory Guidance issued by the DCLG sets out the 4 options for calculating the MRP. The recommended MRP policy is:

- For capital expenditure incurred before the 1<sup>st</sup> April 2008 (which was supported capital expenditure) the policy will be based on 4% of the Capital Financing requirement.
- From the 1<sup>st</sup> 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. However, these funds are now limited and borrowing is being utilised to fund Land and Buildings with an expected life of 25 years, IT projects with an expected life of between 3 – 10 years and the purchase of vehicles.

The PCC's cumulative outstanding 'debt finance' is measured by the capital financing requirement (CFR). This increases with new debt-financed capital expenditure and reduces with MRP repayments and capital receipts used to replace debt. The CFR is expected to remain at a similar level during 2025/26. Based on the figures above for expenditure and financing, the PCC's estimated CFR is as follows:

Table 4: Prudential Indicator: Estimates of Capital Financing Requirement in £ millions

	31.3.2024 actual	31.3.2025 forecast	31.3.2026 budget	31.3.2027 budget	31.3.2028 budget
<b>TOTAL CFR</b>	<b>37.3</b>	<b>36.2</b>	<b>36.2</b>	<b>36.5</b>	<b>34.3</b>

**Asset disposals:** When a capital asset is no longer needed, it may be sold so that the proceeds, known as capital receipts, can be spent on new assets or to repay debt. No capital receipts are expected to be received during 2025/26.

### Treasury Management

Treasury management is concerned with keeping sufficient but not excessive cash available to meet the PCC's / Force's spending needs, while managing the risks involved. Surplus cash is invested until required, while a shortage of cash will be met by borrowing, to avoid excessive credit balances or overdrafts in the bank current account. The PCC is typically cash rich in the short-term as revenue income is received before it is spent, but cash poor in the long-term as capital expenditure is incurred before being financed. The revenue cash surpluses are offset against capital cash shortfalls to reduce overall borrowing.

Due to decisions taken in the past, the PCC currently has £14.57m borrowing at an average interest rate of 4.46% and £17.2m treasury investments at an average rate of 4.32% (as at 31<sup>st</sup> December 2024)

**Borrowing strategy:** The PCC's main objectives when borrowing are to achieve a low but certain cost of finance while retaining flexibility should plans change in future. These objectives are often conflicting, and the PCC therefore seeks to strike a balance between cheap short-term loans and long-term fixed rate loans where the future cost is known but higher.

The PCC does not borrow to invest for the primary purpose of financial return and therefore retains full access to the Public Works Loan Board.

Projected levels of the PCC's total outstanding debt (which comprises borrowing, PFI liabilities and leases) are shown below, compared with the capital financing requirement (see above).

Table 5: Prudential Indicator: Gross Debt and the Capital Financing Requirement in £ millions

	31.3.2024 actual	31.3.2025 forecast	31.3.2026 budget	31.3.2027 budget	31.3.2028 budget
Debt (incl. PFI & leases)	14.6	18.5	22.7	24.0	23.7
Capital Financing Requirement	37.3	36.2	36.2	36.5	34.3

Statutory guidance is that debt should remain below the capital financing requirement, except in the short-term. As can be seen from table 6, the PCC expects to comply with this in the medium term.

**Liability benchmark:** To compare the PCC's actual borrowing against an alternative strategy, a liability benchmark has been calculated showing the lowest risk level of borrowing. This assumes that cash and investment balances are kept to a minimum level of £10m at each year-end. This benchmark is currently £17.3m and is forecast to fall to £14.4m over the next four years.

*Table 6: Borrowing and the Liability Benchmark in £ millions*

	<b>31.3.2024 actual</b>	<b>31.3.2025 forecast</b>	<b>31.3.2026 budget</b>	<b>31.3.2027 budget</b>	<b>31.3.2028 budget</b>
Forecast borrowing	14.6	18.5	22.7	24.0	23.7
Liability benchmark	17.3	16.2	16.2	16.5	14.4

The table shows that there is an underlying need to borrow over the coming years.

**Affordable borrowing limit:** The PCC is legally obliged to set an affordable borrowing limit (also termed the authorised limit for external debt) each year. In line with statutory guidance, a lower "operational boundary" is also set as a warning level should debt approach the limit.

*Table 7: Prudential Indicators: Authorised limit and operational boundary for external debt in £m*

	<b>2024/25 limit</b>	<b>2025/26 limit</b>	<b>2026/27 limit</b>	<b>2027/28 limit</b>
Authorised limit – borrowing	26.1	36.2	36.5	34.3
Authorised limit – Long Term Liabilities	2.5	2.5	2.5	2.5
Authorised limit – total external debt	28.6	38.7	39.0	36.8
Operational boundary – borrowing	23.6	33.2	33.5	31.3
Operational boundary – Long Term Liabilities	1.5	1.5	1.5	1.5
Operational boundary – total external debt	25.1	34.7	35.0	32.8

**Treasury Investment strategy:** Treasury investments arise from receiving cash before it is paid out again. Investments made for service reasons or for pure financial gain are not generally considered to be part of treasury management.

The PCC's policy on treasury investments is to prioritise security and liquidity over yield. That is to focus on minimising risk rather than maximising returns. Surplus cash is invested securely, for example with the government, other local authorities, selected high-quality banks and pooled funds, to minimise the risk of loss.

Table 8: Treasury management investments in £millions

	31.3.2024 actual	31.3.2025 forecast	31.3.2026 budget	31.3.2027 budget	31.3.2028 budget
Near-term investments	14.0	10.0	10.0	10.0	10.0
Longer-term investments	-	-	-	-	-
<b>TOTAL</b>	<b>14.0</b>	<b>10.0</b>	<b>10.0</b>	<b>10.0</b>	<b>10.0</b>

**Risk management:** The effective management and control of risk are prime objectives of the PCC's treasury management activities. The treasury management strategy therefore sets out various indicators and limits to constrain the risk of unexpected losses and details the extent to which financial derivatives may be used to manage treasury risks.

**Governance:** Decisions on treasury management investment and borrowing are made daily and are therefore delegated to the Force's ACO (Resources) and staff, who must act in line with the treasury management strategy approved by the PCC. Half yearly reports on treasury management activity are presented to the Strategic Assurance Board.

### **Investments for Service Purposes**

The PCC does not make any investments directly into local public services i.e buying shares or investing in local businesses to promote economic growth.

### **Commercial Activities**

The PCC does not invest in any commercial property / activities.

### **Other Liabilities**

In addition to current debt of £14.6m (*figure as at December 2024*), it has also set aside £1.1m to cover the risks of both the self insured public and employers liability claims where the PCC's claims handlers have advised there is a high probability of economic benefits being transferred.

The PCC has a Budget Equalisation Reserve of £13.6m (Balance as at 31/03/24) to support annual expenditure and manage the financial risks of major incidents (this is in addition to the General Fund Reserve of £5.6m).

**Governance:** The risk of liabilities crystallising and requiring payment is monitored by corporate finance and reported in the quarterly Budget Monitoring Report presented to the Corporate Governance Board (CGB), if appropriate.

- Further details on liabilities are on pages 46 to 48 of 2022/23 statement of accounts.

### **Revenue Budget Implications**

Although capital expenditure is not charged directly to the revenue budget, interest payable on loans and MRP are charged to revenue, offset by any investment income receivable. The net annual charge is known as financing costs; this is compared to the net revenue stream i.e. the amount funded from Council Tax and core government grants.

*Table 9: Prudential Indicator: Proportion of financing costs to net revenue stream*

	<b>2023/24 actual</b>	<b>2024/25 forecast</b>	<b>2025/26 budget</b>	<b>2026/27 budget</b>	<b>2027/28 budget</b>
Financing costs (£m)	4.2	5.9	6.3	6.6	6.6
Proportion of net revenue stream	1.82%	2.45%	2.47%	2.51%	2.45%

**Sustainability:** Due to the very long-term nature of capital expenditure and financing, the revenue budget implications of expenditure incurred in the next few years will extend for up to 25 years into the future.

### **Proposed Capital Programme**

A summary of the proposed Capital Programme for 2025/26 is shown in the table below.

<i>Proposed Capital Programme 2025/26</i>			
<b>Expenditure</b>	<b>£000</b>	<b>Funding</b>	<b>£000</b>
Property	743	Borrowing Requirement	5,325
Information Technology	3,378	Revenue Contributions	100
Vehicle Fleet	1,000	Government Grant	50
Operational Equipment	100	3 <sup>rd</sup> Party Contributions	136
Corporate Projects	390		
<b>Total</b>	<b>5,611</b>	<b>Total</b>	<b>5,611</b>

## Estates Programme

The 'Estates' programme is based on the approved Estates Strategy and includes:.

- Refurbish and expand the electrical infrastructure at FHQ. The funding requested for 2025/26 is for the design stage. A provisional sum of £2m has been included for 2026/27 to complete the project. However, the actual costs will not be known until the design phase is complete.
- Refurbishment of the canteen servery
- Replacement of the Lift Communications

A number of estates strategy projects which were approved in 2024/25 will now be completed in 2025/26 and include :

- Spinney Hill Replacement Heating
- Road Policing Unit - Store
- Loughborough – Boiler and Pump
- Hinckley Road – Replace Heat Pump

## IT programme

The 'IT' programme is based on the approved Digital, Data and Technology strategy which includes the following schemes :

- Investment in the data network to ensure network performance and support new services (an element of this expenditure will be rechargeable to other Forces' but the amount is not yet known as it is dependant on the size of the circuits etc).
- An upgrade to the Regional Digital Interview Recording (DIR) software. The cost of the upgrade will be split with Northants although the split between the 2 Forces has not yet been agreed. For the purposes of the initial capital programme a 50:50 split has been assumed.
- Replacement of Body Worn Video cameras.
- The continuation of investment in the personal computer estate to support agile working.
- Provision to enhance the resilience of the Open Scape Contact Centre and OpenScape 4000 telephony system operated by Contact Management and the development of artificial intelligence (AI) on the software. The sums included are professional estimates whilst the detailed specification is developed.
- Replacement / upgrade of the portable ICCS operator positions.
- Provision for the replacement of airwave terminals that are beyond economic repair.
- Completion of the upgrade to the SmartStorm command and control software.
- the replacement of the Dell Vmware virtual environment, this is a significant upgrade for the Force and the options for implementation are still under consideration.
- Enhancement of the DEMS software capability to include other media sources, including drone footage, dashcams and CCTV.
- Provision for work required on the telephony system as BT commence phasing out of copper circuits.
- Replacement of the 'Redbox' call recording system following the withdrawal of the supplier from the Emergency Services control room environment. This is a key risk for the Force.

## **Vehicle replacement**

The fleet replacement programme is based on the approved Transport Strategy. A sum of £1.0m is included for 2025/26 for 27 vehicle replacements. The cost of vehicle replacements below the insurance threshold as a result of accidents are also included.

## **Corporate Projects**

Corporate Projects include:

- Provision for the rolling programme of Automatic Number Plate Recognition (ANPR) Camera replacements and new back office software.
- Provision for any remaining elements of the Digital Forensics technical solution that are still required.
- Provision for the replacement of 7 intoxilizer machines in custody, which are now end of life.

## **Financing**

From 2022/23 the Home Office capital grant ceased. After the application of revenue contributions and other funding sources, the 2025/26 borrowing requirement is **£5.3m**.

The Capital Programme assumes that the 2025/26 borrowing requirement of £5.3m is financed through loans from the Public Works Loan Board (PWLB). Revenue resources are set a side over the life of the asset to repay the borrowing.

## **Knowledge and Skills**

The PCC / Force employs professionally qualified and experienced staff in senior positions with responsibility for making capital expenditure, borrowing and investment decisions.

Where staff do not have the knowledge and skills required, use is made of external advisers and consultants that are specialists in their field. The PCC currently employs Arlingclose Limited as treasury management advisers. This approach is more cost effective than employing such staff directly, and ensures that the PCC / Force has access to knowledge and skills commensurate with its risk appetite.

## **Background Papers**

Home Office Settlement Notification via the Home Office website.





## **TREASURY MANAGEMENT – INVESTMENT STRATEGY**

Revised January 2025.

### **1. Introduction**

- 1.1. Treasury Management is defined as the management of the Police and Crime Commissioner's (PCC) investments and cash flows, banking and financing of capital expenditure; the effective control of the risks associated with those activities, balanced against the relative performance.
- 1.2. A key activity of Treasury Management is to ensure that the cash flow is adequately planned, with cash being available when it is needed. Any surplus treasury management funds should be invested in low risk counterparties in line with the strategy of providing security of the capital and sufficient liquidity before investment return.
- 1.3. Capital financing decisions provide a guide to the borrowing need of the PCC. In essence, this involves longer term cash flow planning to ensure that capital spending obligations can be met. The management of the longer term cash balances may involve arranging long or short term loans, or using longer term cash flow surpluses. On occasions any current loans may be restructured to meet the PCC's risk or cost objectives.

### **2. Statutory Requirements**

- 2.1. 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").
- 2.2. In 2018 CIPFA revised the Code and the Prudential Code for Capital Finance, the key changes being:

- The definition of 'Investments' in the revised TM Code now covers all the financial assets of the organisation, as well as other non-financial assets which the PCC may hold primarily for financial returns, such as investment property portfolios. This may therefore include investments which are not managed as part of normal treasury management or under treasury management delegations.
  - A revised TM Code covers investments made for reasons other than treasury management with the requirement that these are proportional to the resources available and that the same robust procedures for the consideration of risk and return are applied to these investments.
  - The Prudential Code, which also applies to police and fire authorities, recommends that a Capital Strategy is produced giving a high-level overview of how capital expenditure, capital financing and treasury management activity contribute to the provision of services along with an overview of how associated risk is managed and the implications for future financial sustainability.
- 2.3. In addition, the Ministry of Housing, Communities and Local Government (MHCLG) issued revised guidance on Local Authority investments in February 2018 that requires the PCC to approve an investment strategy before the start of each financial year. Investments now include all the financial assets and those non-financial assets held primarily or partially to generate a profit, including investment property and loans to subsidiaries and third parties.
- 2.4. This report fulfils the OPCC's legal obligations under the Local Government Act 2003 to have regard to both the CIPFA Code and MHCLG guidance in relation to treasury activity.
- 2.5. The Treasury Management Strategy is approved annually to run from 1<sup>st</sup> April to the following 31<sup>st</sup> March but can be revised at any time during the year.
- 2.6. The Local Government Act 2003 included capital regulations that applied from 1<sup>st</sup> 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.

### **3. Treasury Management Strategy**

- 3.1. The OPCC has potentially large exposure to financial risks including the loss of invested funds and the effect of changing interest rates. The successful identification, monitoring and control of risk is therefore central to the OPCC's Treasury Management Strategy.
- 3.2. The core aim of the Treasury Management Strategy is to have an appropriate balance of borrowing and investments, in keeping with the principles of affordability and prudence and maintaining longer-term stability. The OPCC's objective when investing money is to strike an appropriate balance between risk and return, minimising the risk of incurring losses from defaults and the risk of receiving unsuitably low investment income.

- 3.3. The OPCC has appointed Arlingclose as treasury management advisers to provide specific borrowing and investment advice as well as capital financing, technical and accounting advice.
- 3.4. The impact on the UK from the government's Autumn Budget, slower expected interest rate cuts, a short-term boost to but modestly weaker economic growth over the medium term, together with the impact from President-elect Trump's second term in office and uncertainties around US domestic and foreign policy, will be major influences on the Authority's treasury management strategy for 2025/26.
- 3.5. The Bank of England's (BoE) Monetary Policy Committee (MPC) held Bank Rate at 4.75% at its December 2024 meeting, having reduced it to that level in November and following a previous 25bp cut from the 5.25% peak at the August MPC meeting. At the December meeting, six Committee members voted to maintain Bank Rate at 4.75% while three members preferred to reduce it to 4.50%.
- 3.6. The November quarterly Monetary Policy Report (MPR) expected Gross Domestic Product (GDP) growth to pick up to around 1.75% (four-quarter GDP) in the early period of the BoE's forecast horizon before falling back. The impact from the Budget pushes GDP higher in 2025 than was expected in the previous MPR, before becoming weaker. Current GDP growth was shown to be zero (0.0%) between July and September 2024 and 0.4% between April and June 2024, a further downward revision from the 0.5% rate previously reported by the Office for National Statistics (ONS).
- 3.7. ONS figures reported the annual Consumer Price Index (CPI) inflation rate at 2.6% in November 2024, up from 2.3% in the previous month and in line with expectations. Core CPI also rose, but by more than expected, to 3.6% against a forecast of 3.5% and 3.3% in the previous month. The outlook for CPI inflation in the November MPR showed it rising above the MPC's 2% target from 2024 into 2025 and reaching around 2.75% by the middle of calendar 2025. This represents a modest near-term increase due to the ongoing impacts from higher interest rates, the Autumn Budget, and a projected margin of economic slack. Over the medium-term, once these pressures ease, inflation is expected to stabilise around the 2% target.
- 3.8. The Authority's treasury management adviser Arlingclose expects the Bank of England's MPC will continue reducing Bank Rate through 2025, taking it to around 3.75% by the end of the 2025/26 financial year. The effect from the Autumn Budget on economic growth and inflation has reduced previous expectations in terms of the pace of rate cuts as well as pushing up the rate at the end of the loosening cycle.
- 3.9. Arlingclose expects long-term gilt yields to remain broadly at current levels on average (amid continued volatility), but to end the forecast period modestly lower compared to now. Yields will continue remain relatively higher than in the past, due to quantitative tightening and significant bond supply. As ever, there will be short-term volatility due to economic and (geo)political uncertainty and events.

### Managing daily cash balances and investing surpluses

- 3.10. 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 £15,000.
- 3.11. At any one time, the OPCC has between £10m and £59m (depending on the cash flow) available to invest. This represents income received in advance of expenditure plus balances and reserves.
- 3.12. Currently most of the PCC's surplus cash is invested in short term unsecured bank deposits and money market accounts.

### Credit Rating Agencies

- 3.13. There are three main credit rating agencies that provide a view on the credit worthiness and security of financial institutions.
- 3.14. The three credit rating agencies are:
- Fitch
  - Standard and Poor's
  - Moody's.

Their range of ratings for financial institutions are as follows:

<b>Credit Rating Agency</b>	<b>Highest long-term investment grade rating</b>	<b>Lowest long-term investment grade Rating</b>
Fitch	AAA	BBB-
Standard and Poor's	AAA	BBB-
Moody's	Aaa	Baa3

- 3.15. We have employed the services of Treasury Management Advisers Arlingclose who monitor, on a continual basis, the ratings provided to financial institutions and indeed countries where those institutions are based.
- 3.16. They provide this information on a regular basis and alert clients if there are changes to any of the ratings as well as tailoring their advice based on other information they have at their disposal and further checks that they carry out.
- 3.17. Before making investments the current ratings of the financial institution where the investment is to be made will be checked to ensure that they are within the limits set within this Treasury Management Strategy.

3.18. Security of investment remains the priority ahead of investment returns.

### Revised Credit Ratings

3.19. The OPCC defines “high credit quality” as those organisations and securities having a credit rating of:

- A- or higher that are domiciled in the UK
- A- or higher that are domiciled in a foreign country with a sovereign rating of AA+
- A- or higher for Money Market Funds

3.20. The limits set out above will ensure that investments can be made in more financial institutions but security of investment is not compromised.

3.21. This Treasury Management Strategy also seeks to broaden the investment instruments that can be used. The following investment instruments can be used when investments are made:

### Unsecured Bank Deposits

3.22. This includes investments in call and notice accounts, deposits, certificates of deposit and senior unsecured bonds with UK and non-UK banks and UK building societies with high credit quality as defined above.

3.23. These investments are nevertheless subject to the risk of credit loss via a “bail-in” should the regulator determine that the bank is failing or likely to fail. The counterparty list is determined by the treasury advisor based on various criteria including, but not limited to, credit ratings and other credit metrics, as well as research.

3.24. Investment limits will be set by reference to the lowest published long-term credit rating from the major rating agencies (Fitch, Moody’s or Standard & Poor’s). Investment decisions are never made solely based on credit ratings, and all other relevant factors including external advice will be considered. Information on all of the credit ratings is clearly summarised by Arlingclose which sets out the institutions that can be invested in according to the set criteria.

### Secured Bank Deposits

3.25. Investments are secured on the bank’s assets, which limits the potential losses in the unlikely event of insolvency, and means that they are exempt from bail-in.

3.26. These are ‘designated investments’ which can be transacted by Professional Clients under MiFID II. As at March 2019 we have been re-classified as a professional client and therefore these instruments have become available.

### Government

3.27. This will include loans to and bonds/bills issued by or guaranteed by national governments, regional and Local Authorities and multilateral development banks.

These investments are not subject to bail-in risk. Bonds and bills are also a designated investment tool and therefore can only be used if we are re-classified as a professional client.

- 3.28. Investments in non-UK national Governments will be subject to them having a minimum sovereign rating of AA+.
- 3.29. Investments with the UK Central Government may be made in unlimited amounts for up to 10 years. The UK's Debt Management Office currently takes loans for periods up to 6 months.
- 3.30. A very small number of Local Authorities are credit rated and their long-term ratings range from AA to A+.
- 3.31. The security for loans to UK Local Authorities stems from the local government finance framework, creditor protections and likelihood of central government support (or intervention for those facing particular budgetary challenges).
- 3.32. Loan principal along with any interest due is charged on the revenues of the borrowing authority. All loans rank equally including those from the PWLB, banks and other Local Authorities, without any priority.
- 3.33. No investments will be made to a Local Authority where a S114 Notice has been issued and is still in operation.

### **Pooled Funds**

- 3.34. Collective investment schemes, generally referred to as pooled funds, have the advantage of providing wide diversification of investment risks, coupled with the services of a professional fund manager in return for a fee.
- 3.35. Short-term Money Market Funds (MMFs) that offer same-day liquidity and very low or no volatility will be used as an alternative to instant access bank accounts.
- 3.36. Pooled funds whose values change with market prices and/or have a notice period will be used for longer investment periods for that element of the OPCC's funds which can be invested for periods in excess of 12 months. Bond, equity and property funds offer enhanced returns over the longer term, but are more volatile in the short term.
- 3.37. These allow diversification into asset classes other than cash without the need to own and manage the underlying investments. The risk and reward characteristics of these funds and their appropriateness for the OPCC's investment portfolio and time frames will be carefully considered in conjunction with advice from the treasury advisor.
- 3.38. The funds' performance and continued suitability in meeting the investment objectives will also be monitored regularly.
- 3.39. Pooled funds will only be utilised following specific advice from the OPCC's Treasury Advisers and after consultation with the OPCC's S151 officer and the Chief Constable's S151 officer.

3.40. Some of these funds can only be transacted by 'Professional' clients under MiFID II. As a professional client we would be able to use some of these funds.

3.41. In the event that cash balances are available for more than one year, the OPCC will seek to achieve a total return that is equal or higher than the prevailing rate of inflation, in order to maintain the spending power of the sum invested. Pooled funds can help towards achieving this aim.

### Risk Assessment and Credit Ratings

3.42. Credit ratings are obtained and monitored by the Commissioner's treasury advisers, who will notify the OPCC and the Force finance team of ratings and changes as they occur.

3.43. Where an entity has its credit rating downgraded so that it fails to meet the OPCC's approved investment criteria then:

- no new investments will be made in that entity
- any existing investments that can be recalled or sold at no cost will be
- full consideration will be given to the recall or sale of all other existing investments with the affected counterparty.

3.44. In these circumstances advice will be sought from the treasury advisers and the OPCC/Force's S151 officer will be consulted with regard to the next steps to be taken.

### Summary of Amounts and Durations of Investments

Credit rating	Banks/Building	Banks/Building	Government including LAs
	Societies unsecured	Societies secured	
UK Govt	n/a	n/a	£ Unlimited 10 years
AAA, AA+, AA, AA-	£3m 3 years	£3m 4 years	£3m 5 years
A+	£3m 2 years	£3m 3 years	£3m 3 years
A	£3m 13 months	£3m 2 years	£3m 2 years
A-	£3m 6 months	£3m 3 months	£3m 13 months
None	£1m 6 months <sup>1</sup>	n/a	£3m

<sup>1</sup> Some Building Societies do not apply for a credit rating. However, in the opinion of our Treasury Advisers they are as secure as the A- rated banks. Strictly speaking they are an unrated, nevertheless we may wish to consider investing some of our funds with them. These are the only investments in unrated financial institutions that will be authorised.

			13 months <sup>2</sup>
<b>Pooled funds</b>	£3m per fund		

Note: The durations highlighted in the table are maximum durations for investments. However, the recommended durations will vary on a regular basis depending on what is happening in the market. These recommended durations are contained within the regular credit rating updates provided by Arlingclose and will be used for the day to dealings.

### Other information on the security of investments

- 3.45. The OPCC understands that credit ratings are good, but not perfect, indicators of investment default. Full regard will therefore be given to other available information on the credit quality of the organisations in which it invests, including credit default swap prices, financial statements, information on potential government support and reports in the quality financial press. No investments will be made with an organisation if there are substantive doubts about its credit quality, even though it may meet the credit rating criteria.
- 3.46. The OPCC and Force finance team will rely upon the treasury management advisers to highlight and communicate emerging issues on counterparties as a matter of urgency.

### Investment Limits

- 3.47. The OPCC's General Fund revenue reserves available to cover investment losses were £5.59 million on 31st March 2024. In order that available reserves are not put at risk in the case of a single default and taking into account the in-year level of cash balances, the maximum that will be lent to any one organisation (other than the UK Government) will be £3 million.
- 3.48. A group of banks under the same ownership will be treated as a single organisation for limit purposes.
- 3.49. Investments in pooled funds and multilateral development banks do not count against the limit for any single foreign country, since the risk is diversified over many countries.

### Borrowing

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<sup>2</sup> Most Local Authorities are included in this category as they do not have an official rating but are seen as a secure investment option. Authorities subject to a S114 notice will not be invested in.



- 3.50. The OPCC currently holds a £14.6m loan with the Public Works Loans Board (PWLB).
- 3.51. Capital expenditure forecasts show that the PCC expects to borrow up to £3.9m over the remainder of 2024/25.
- 3.52. The main objective when borrowing funds is to strike a balance between securing low interest costs and achieving certainty of those costs over the period for which the funds are required.
- 3.53. The strategy continues to address the key issues of affordability. Short-term interest rates are currently higher than in the recent past, but are expected to fall in the coming year and it is therefore likely to be more cost effective over the medium-term to either use internal resources, or to borrow short-term loans instead.
- 3.54. By borrowing internally, the OPCC is able to reduce net borrowing costs (despite forgone investment income) and reduce overall treasury risk. The benefits of internal versus external borrowing will continue to be monitored.
- 3.55. In addition, the OPCC may borrow short term loans to cover unplanned cash flow shortages.
- 3.56. The recommended sources of long-term and short-term borrowing are:
- Public Works Loan Board (PWLB) and any successor body
  - UK Local Authorities
  - Any bank or building society authorised to operate in the UK.
- 3.57. Whilst the OPCC has previously raised all of its long term borrowing from the PWLB other options will be explored at the point of borrowing to ensure that the most favourable rates and terms are secured.
- 3.58. Short term and variable rate loans can leave the OPCC exposed to the risk of short term interest rate rises and are therefore subject to the limit on the net exposure to variable interest rates in the Treasury Management Indicators.
- 3.59. Arlingclose will assist the PCC with borrowing analysis. Its output may determine whether or not the PCC borrows additional sums at long-term fixed rates in 2025/26 with a view to keeping future interest costs low, even if this causes additional cost in the short-term.
- 3.60. The PWLB allows authorities to repay loans before maturity and either pay a premium or receive a discount according to a set formula based on current redemption rates determined by the PWLB. These often lead to high premium costs on premature redemption. The OPCC and its treasury advisers will nevertheless keep the loan portfolio under review during the remainder of 2024/25 and throughout 2025/26 to see whether a saving could be achieved on the overall interest costs.

- 3.61. The PCC will not borrow more than or in advance of its needs purely in order to profit from the investment of extra sums borrowed. Any decision to borrow in advance will be within the forward approved Capital Financing Requirement estimates and will be considered carefully to ensure value for money can be demonstrated and the PCC can ensure the security of such funds.

#### **4. Latest Position regarding Treasury Management**

- 4.1. The banking sector continues to show signs of instability alongside the wider economy. Exposure to individual institutions will be diversified by counterparty and also through the use of Money Market Funds (where appropriate) in which the underlying investments are very highly spread and also very liquid. This is in keeping with the OPCC's stated aim of protecting the principal (cash) amount.
- 4.2. 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.
- 4.3. Continued monitoring of institutions' credit ratings and other credit metrics takes place and is reported to the Corporate Governance Board throughout the year via the "Treasury Management Performance" report.
- 4.4. The Bank of England has decreased the bank rate to 4.75%, with our financial advisors forecasting that it will continue to reduce throughout 2025. Arlingclose forecast that rates will fall to 3.75% by the end of 2025/26. Future policy rates are not, however, guaranteed and a lot hinges on the economy's strength and the inflation outlook.
- 4.5. On this basis the investment income budget rate has been set at £1,235,000 for 2025/26.

<u>Financial Year</u>	<u>Interest Income</u>	<u>Comments</u>
2020/21	£0.01m	Actual
2021/22	£0.01m	Actual
2022/23	£0.25m	Actual
2023/24	£1.43m	Actual
2024/25	£1.40m	Forecast
2025/26	£1.24m	Budget

- 4.6. Given the continued uncertainty in the economy an ongoing review of the Treasury Management Strategy will be undertaken during 2025/26 to review whether there are other investment options available.

#### **5. Borrowing Limits**

- 5.1. In accordance with the Prudential Code it is a requirement that the OPCC set borrowing limits for the next three years and upper limits on fixed and variable interest rate exposures. These limits are intended to reduce risk. It is proposed that the limits should be as follows:

		2024/25 £m	2025/26 £m	2026/27 £m	2027/28 £m
(i)	Total authorised borrowing limit*	26.1	36.2	36.5	34.3
(ii)	Long term liabilities	2.5	2.5	2.5	2.5

\*includes headroom for short term borrowing - £1m for each year

- 5.2. The interest rate risk indicator is set to control the OPCC's exposure to interest rate risk. The upper limits on the one-year revenue impact of a 1% rise or fall in interest rate will be:

Interest rate risk indicator	Limit
Upper limit on one-year revenue impact of a 1% <u>rise</u> in interest rates	£19,589
Upper limit on one-year revenue impact of a 1% <u>fall</u> in interest rates	£(19,589)

The impact of change in interest rates calculated on the assumption that maturing loans and investments will be replaced at current rates.

- 5.3. The Prudential Code also recommends that the Police and Crime Commissioner sets upper and lower limits for all of its borrowing to control exposure to refinancing risk. The following limits are proposed:-

	Upper Limit	Lower Limit
Under 12 months	50%	0%
Between 12 months and 24 months	50%	0%
Between 24 months and 5 years	75%	0%
Between 5 years and 10 years	90%	0%
Between 10 years and 15 years	100%	0%
Over 15 years	100%	0%

- 5.4. The purpose of the upper and lower limit is to make sure that the debt portfolio is diversified appropriately over different durations to ensure that not too much borrowing is maturing at the same time and therefore subject to market conditions at the point of maturity.

## 6. Principal sums invested for long periods longer than 364 days

- 6.1. The purpose of this indicator is to control the exposure to the risk of incurring losses by seeking early repayment of its investments. The limits on the long-term principal sum invested to final maturities beyond the period end will be:

	2024/25	2025/26	2026/27
Limit on principal invested beyond year end	£2m	£2m	£2m

## 7. Changes to the Treasury Management Strategy

- 7.1. The Treasury Management Strategy can be amended in year by the S.151 officer of the OPCC who will have consulted with the Police and Crime Commissioner and the Force's ACO (Resources) prior to making any changes. Any changes will be the subject of a formal decision record.



**POLICE & CRIME  
COMMISSIONER**  
for Leicester,  
Leicestershire & Rutland

Your Communities - Your Commissioner

## Police and Crime Panel for Leicester, Leicestershire and Rutland

*5<sup>th</sup> February 2025*

### *Commissioner's Update Report*

<b>Report Date</b>	5 <sup>th</sup> February 2025
<b>Report Author</b>	Lizzie Starr, Director of Governance and Performance
<b>Security Classification</b>	Official

## **Purpose of Report**

1. In his role as the Police and Crime Commissioner (PCC) the Commissioner is required to establish a Police and Crime Plan and deliver such a plan and bring together community safety and criminal justice partners to make sure local priorities and joined up.
2. The PCC brings this report to outline for the Police and Crime Panel how he is fulfilling his duty through his work or the work of his deputy and office throughout December.

## **Request of the Panel**

3. In their role to scrutinise the actions and decisions of the PCC, the Commissioner requests that the panel examines the contents of this report. He would specifically like to ask the panel their opinion on the following questions;
  - a. Is the Panel supportive of the work update provided by the PCC?
  - b. Would the panel like to make any recommendations to the PCC in relation to any of the work outlined within the report?

## **Summary**

4. It is the continued opinion of the PCC that there is good progress being made against a key number of workstreams within the office. The PCC receives regular oversight of the workload through weekly meetings with the Chief Executive Officer, Bi-monthly briefings with the Senior Management Team and other briefings as appropriate. During this period the PCC has been concentrating his offices activity on engaging with the public and stakeholders and carrying out research to enable the formation of a new Police and Crime Plan.

## **Background, Relevant Data and Trends**

### **Community consultation and engagement (PCC)**

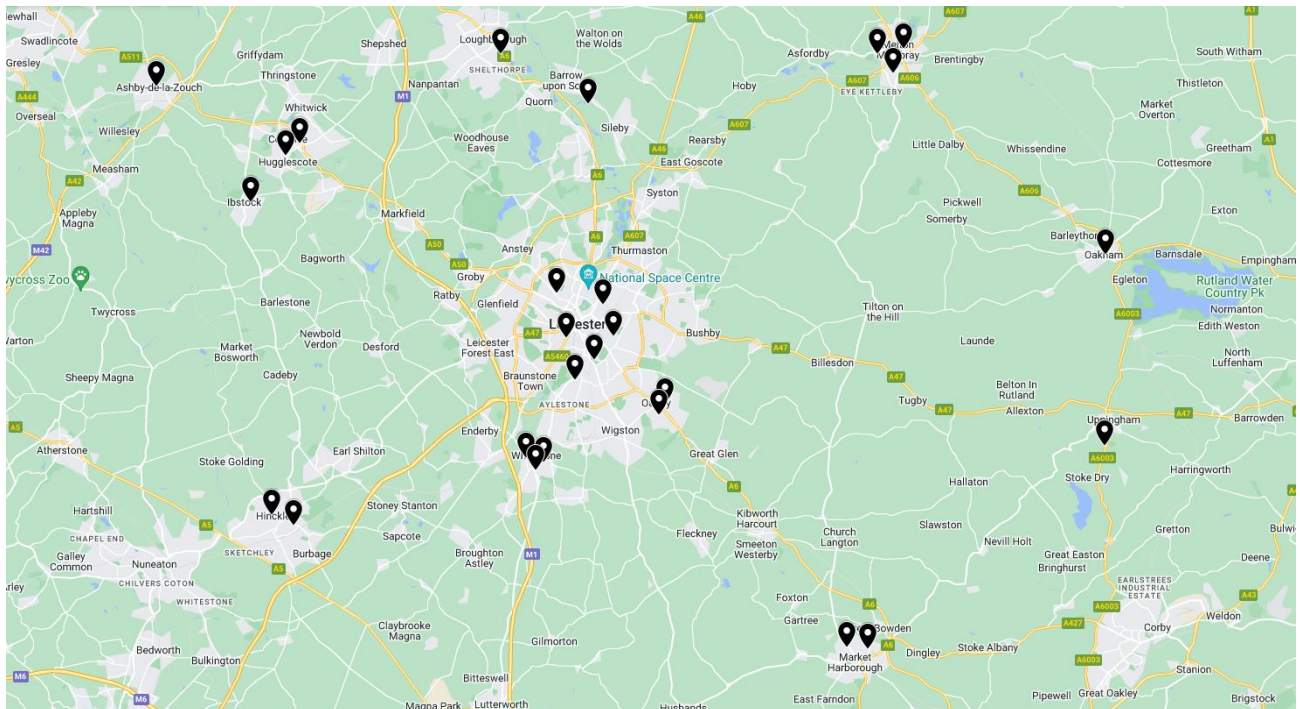
5. The Police Reform and Social Responsibility Act 2011 (PRSRA) places a statutory duty on the Police and Crime Commissioner to regularly engage and consult with the public. This has been a key priority for the Commissioner, and to that end he has created dedicated 'Community Days', enabling him listening to the views of local people.
6. This report covers engagement activity from 1<sup>st</sup> December 2024-31<sup>st</sup> December 2024.

### Community Engagements:

7. The Commissioner undertook 15 total engagements in December.
8. The total engagements since the start of the 2024-28 Term of Office to end of December 2024 is shown in the table below;

Local Authority	Total Engagements 2024	Community Day Engagements	Any Other Engagements
<b>Blaby</b>	11	7	4
<b>Charnwood</b>	7	2	5
<b>Harborough</b>	14	8	6
<b>Hinckley and Bosworth</b>	9	8	1
<b>Leicester City</b>	73	26	47
<b>Melton</b>	11	7	4
<b>North West Leicestershire</b>	15	13	2
<b>Oadby and Wigston</b>	13	8	5
<b>Rutland</b>	10	7	3
	<b>163</b>	<b>86</b>	<b>77</b>

9. The map below shows the coverage of the community days over the visits this financial year.



10. The themes that have come out of the PCCs Community Days during the time period of the report are:

- Speeding
- HGV Road Safety issues
- Burglaries
- ASB
- Business Crime
- Substance abuse
- Theft from Taxis
- Serious Violence

11. The PCC has passed on any local intelligence to the local Neighbourhood Area Commanders and has provided information on the community grants process to a community organisation and the neighbourhood policing team.

### Commissioning and Partnership Activity

#### Contracts:

12. The Victim First service commissioned by the OPCC through Catch 22 has had its first 6-month review, the service is operating well and meeting expectations, 8390 eligible referrals were made in the period, with positive contact made increasing by 20.3% in Q2 over Q1 with a 95.1% victim satisfaction rate. The service introduced a self-referral QR Code which increased self-referrals from 95 in Q1 to 143 in Q2. One of the new elements in the new delivery model was to provide a community response deployment to serious incidents, the service provided a open community response following the unrest in the summer and two specialist community response to the murders in Franklin Park, Braunstone and New Parks. There is still work to be completed on the automation of data transfer.

#### Community Based Commissioning:

13. The Commissioning Team have been working with CSPs on in-year spend, this has been achieved by two districts.

<b>CSP Area</b>	<b>Allocation</b>	<b>Spent</b> (as of 16/01/25)	<b>Remaining</b>
Leicester	£313,421.48	£213,827.80	£99,593.68
Charnwood	£103,233.23	£103,233.23	£0
SNWLP	£62,006.76	£61,184.07	£822.69
Blaby	£60,726.49	£26,687.50	£34,038.99
Hinckley and Bosworth	£59,056.62	£45,219.38	£13,837.24
Harborough	£43,216.19	£34,257.25	£8,958.94
Oadby and Wigston	£37,537.20	£26,575.00	£10,962.20
Melton Mowbray	£36,131.82	£36,131.82	£0
Rutland	£22,250.25	£17,703.46	£4,546.79



14. The allocations outlined above for each CSP area includes the underspend top-up that was granted to their overall budget from savings made in the 23/24 financial year and is accurate as of 16/01/2025.
15. Preparation for the new data problem profiles to support the CSPs are underway with a view for pilot profiles to be released around the end of January with the final and update profiles launched from Autumn.
16. Commissioners Safety Fund second round live December, closing 6th Jan. This is an open round with revised funding terms to ensure recipients are smaller, grassroots organisations e.g. Cap on FTE posts to 30

### Safer Streets:

17. Safer Streets 5 Oadby & Wigston and Melton on exit plan, all KPIS met or exceeded. Support from local councillors, the local authorities and the local force and PCSO Teams have made the projects deliverable.
18. For Melton Mowbray, the following interventions were delivered:

Proposed	Delivered
Buddhi By M Young Youth Intervention; a youth intervention run within schools to help young people with behavioural difficulties through improved self-control.	Completed and delivered during year 1 delivery in March 2024.
CCTV cameras x3 / x4 Fly tipping Cameras for environmental crime	Completed and installed during year 2 delivery in 2024.
Solar Vision Lighting x12: 12 solar lighting lamp posts to improve visibility within an area of concern (skate park)	Completed and installed during year 2 delivery in 2024.
WCCTV Help Point system x1 with dome camera	Completed and installed during year 2 delivery in 2024.
Target Hardening of x130 homes with CCTV equipment including video doorbells and CCTV cameras	Delivered during year 2 delivery in 2024 with 170 homes target hardened. Due to savings made with OPCC handling procurement and delivery, sufficient stock remains to potentially double this goal outside of the delivery window.
Streetvibe Youth Intervention: an outreach service that works in public spaces with young people to offer educational and diversionary activities	Delivery on schedule to complete by March 2024.
ASB Training for Practitioners x7 to upskill Council and Police staff to enable them to improve their	Completed October 2024 with 17 staff trained across Melton Mowbray Council and Police staff, above intended target of 7. 7 people completed ASB training.

ability and confidence in tackling  
ASB within Melton Mowbray

10 people completed mediation training.

19. The majority of the 170 residents given work Target Hardening were asked for their feedback on feelings of safety and trust and confidence in policing and responded positively.

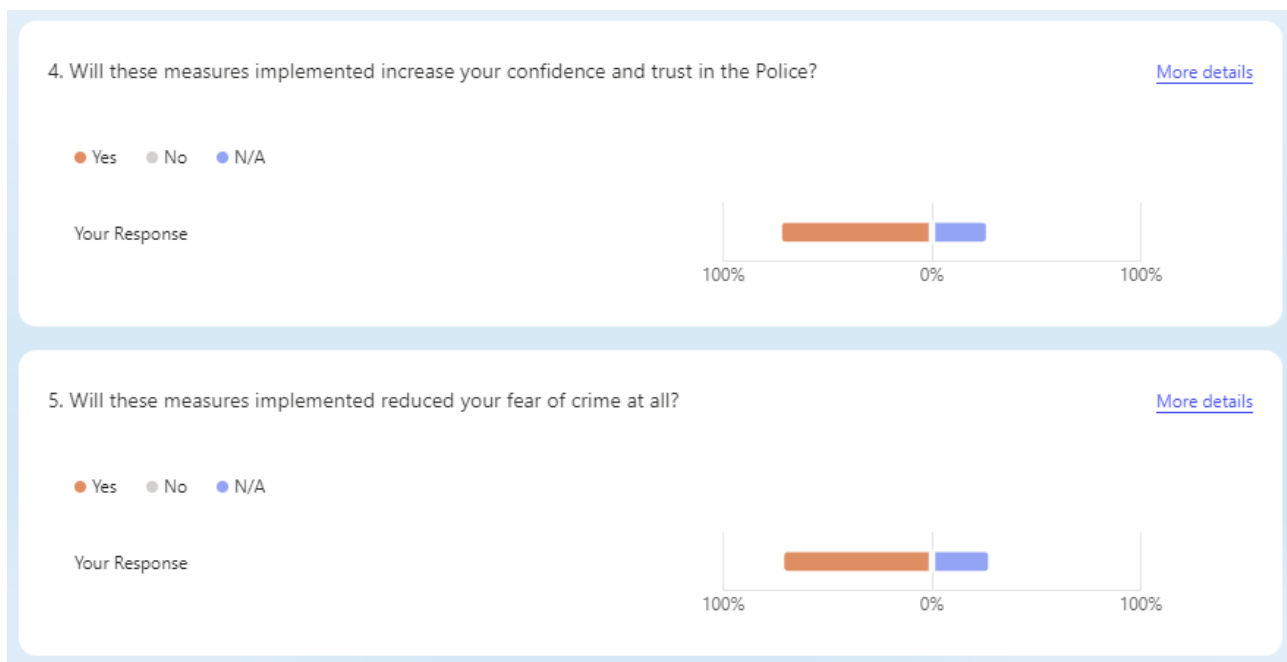
20. The two questions asked were:

- Will these measures implemented increase your confidence and trust in the Police?
- Will these measures implemented reduce your fear of crime at all?

21. 73% responded Yes to the first question on increased confidence and trust with the Police while 27% were logged as N/A.

22. For the second question on reduced fear of crime, 71.9% of respondents answered Yes while 28.1% were recorded as N/A.

23. The response of N/A is due to the delivery team not asking the question. What is positive to note is none of the responses were marked as No suggesting the intervention has been well received.



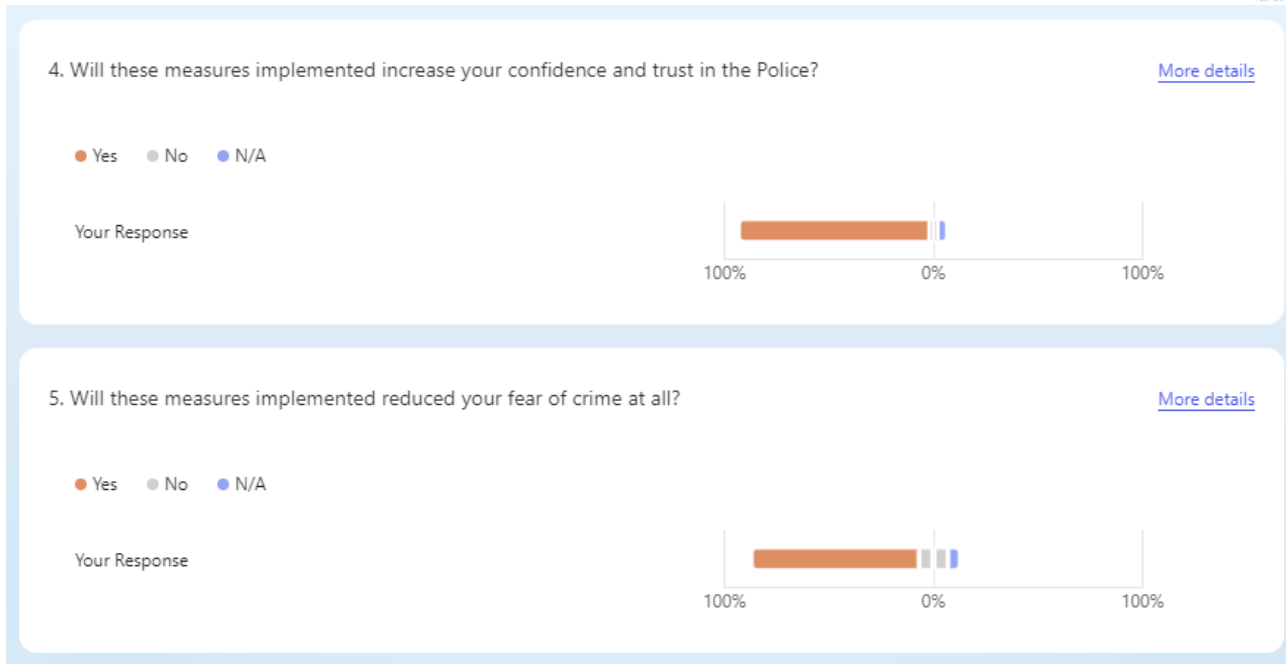
24. For Oadby and Wigston, the Safer Street 5 grant focused on Neighbourhood Crime and delivered the following:

Proposed	Delivered
Crimestoppers Neighbourhood Crime Campaign: to education and raise awareness of crime in the area	Completed during year 1 by March 2024. Attached report from provider Crimestoppers with metrics on reach (see appendix).
Target Hardening of 400 homes with CCTV cameras, video doorbells, window/door alarms and faraday pouches for keyless vehicles	Completed November 2024 with 746 homes target hardened with items including CCTV cameras, video doorbells, window/door alarms and more.
Re-deployable CCTV upgrades including up to 60 lamp post conversions for mobile CCTV movement, assessments and structural testing and x10 mobile CCTV camera installations.	Completed November 2024 with all cameras up and functional with up to 60 lamp posts now available for mobile camera movements across the district.
Fixed CCTV Columns x2; to allow for the use of mobile cameras within areas of concern that does not currently have coverage.	Completed October 2024.
Anti-burglary cocooning items x 1300 homes	Due to complete imminently with 1210 homes cocooned to date (16/01/25) with 90 homes remaining. Expected completion is February 2025 ahead of March 2025 deadline.

25. Residents in Oadby and Wigston receiving Target Hardening and cocooning items were asked two questions on feelings of safety and trust and confidence in the Police as follows:

- Will these measures implemented increase your confidence and trust in the Police?
- Will these measures implemented reduce your fear of crime at all?

26. The results were as follows:



27. For the first question on increased confidence and trust, 91.6% of respondents stated that the measures implemented increased their trust and confidence in the Police. 3.6% of respondents stated No and they did not, 4.8% of respondents were logged as N/A.

28. For the second question on whether the measures implemented reduced their fear of crime, 80.3% of respondents stated the measures did reduce their fear of crime, 13.8% responded No and 5.9% responded N/A.

29. As some of the interventions include infrastructure upgrades, exit strategies with the respective Councils have been agreed with them taking on maintenance responsibilities outside of the Home Office grant to ensure CSP funding is not utilised in this way over the long-term.

30. Cllr Kevin Loydall, CSP Chair for Oadby and Wigston Council has offered the following feedback in relation to the Safer Street 5 project delivery in his area:

*“As Chair of the Community Safety Partnership for Oadby & Wigston BC, it’s been a privilege working with our partners ‘OPCC Office, Leicestershire Police & OWBC CSP.*

*The project was led by Sajan Devshi OPCC office, the first thing was to bring all our partners together. The idea was to share data to establish trends of crime within OWBC areas, it was very quickly identified that our burglary rates were high in an area of Oadby. The evidence provided was conclusive and we needed to establish a way forward. A working team was set up with partner participation, ideas came very quickly, several were debated with the outcome being target Harding was the way forward. For example, CCTV, Door cameras, window locks etc. Flexible CCTV mounted on lamp post. Logistically we had to put a plan in place to enable this equipment to be distributed to the areas of priority.*

*This was done professionally, with great care, communication was key to ensure the recipients were kept informed. The team organised a day at the Local Council Office, an invitation via networking, media, leaflets went out to resident in the target area. The data gave details of the event with an invitation to attend and collect the equipment of their choice. The event went like clockwork, with partner involvement ensuring a smooth transaction. The outcome was very positive, residence feeling safe & confident within their communities. A job well done.*

*As chair of CSP OWBC I can only say "the input by our partners in achieving what they did in providing a service to our community is testament to their dedication & professional conduct throughout." - Cllr. Kevin Loydall, Oadby and Wigston Council CSP Chair.*

31. David Walker, Strategic lead for Safer Communities at Melton District Council has offered the following feedback:

*"We were also fortunate enough to have the opportunity to access the Safer Streets 5 fund through the OPCC nominating us as one of the LA. Throughout this process we have worked closely with the OPCC who have supported us with funding ideas and delivery of the project. Saj has also been attending our CSP's, providing regular updates to members and holding partners to account on project delivery. I can confidently say that the relationship between the OPCC and Melton Borough Council remains strong, and I look forward to the continued support." - David Walker, Melton District Council.*

<b>Number of Neighbourhood Crime Reports (Burglary, Robbery of Personal Property, Theft From the Person &amp; Vehicle Crime)</b>	<b>2022 Monthly Average (Jan-Dec 22)</b>	<b>2024 Monthly Average (Jan-Dec 24)</b>	<b>Average Monthly Volume Difference</b>
<i>Burglary - Residential</i>	<b>8.4</b>	<b>7.9</b>	<b>-6.0%</b>
<i>Theft From the Person</i>	<b>0.75</b>	<b>0.6</b>	<b>-20.0%</b>
<i>Vehicle Crime</i>	<b>5.6</b>	<b>6</b>	<b>7.1%</b>
<i>Robbery of Personal Property</i>	<b>0.4</b>	<b>0.25</b>	<b>-37.5%</b>

<b>Volume Of Offences - Melton</b>	<b>Jan-Dec 2022</b>	<b>Jan-Dec 2024</b>	<b>% Difference</b>
<i>Criminal Damage</i>	<b>475</b>	<b>380</b>	<b>-20.0%</b>
<i>Public Disorder</i>	<b>466</b>	<b>355</b>	<b>-23.8%</b>
<i>Drug Offences</i>	<b>126</b>	<b>90</b>	<b>-28.5%</b>
<i>Arson Offences</i>	<b>36</b>	<b>12</b>	<b>-66.6%</b>

32. VAWG Educational Packages first 15 cohort training delivered, second round of funding to go live January 2025. Behaviour Change campaign tender successful in procuring providers for campaign development and for campaign marketing.

People Zones:

33. Round Two of the PZ grant funding closed and just over £38k was awarded to six new projects across all three zones.
34. On top of the new projects within the PZs for round two, there is still 21 ongoing projects within the PZ areas that the team receive regular monitoring reports for.
35. For the First Phone – 360 Virtual Reality Project. The team has arranged for up to 120 members of staff from schools across LLR to attend training on how to use the equipment and to receive training for the programme curriculum over 8 events in the New Year. The First Phone project is being used as a mandatory requirement for schools to undertake and gain the ‘Online Safety Award’ - this has been implemented by the Safeguarding and Compliance Lead from Leicestershire Country Council.
36. The People Zones Team have implemented the problem-solving approach in line with Force processes to work in partnership with the Problem Management Team in the Prevention Directorate.
37. Phase Two evaluation for Crimestoppers campaigns implemented within the PZ areas received the end of campaign report and are also awaiting data from stage three which focussed on Domestic Abuse and Violence Against Women and Girls.
38. The team are working in partnership with the Community Payback team in Probation to undertake two projects in Thringstone & Whitwick: Community Orchard and Forest Rock Wood - these projects have potential to deliver education and training to local people, volunteers and people on Probation on topics such as coppicing and woodland management.
39. The Community Orchard project has the potential for a new allotment expansion and creating a community group allotment association, upgrading existing composting areas and installation of community planters. Community Payback will also look to install community footpaths to divert people through existing woodland, whilst also managing the existing trees and woodland area.
40. The project at Forest Rock Wood is aimed at reclaiming a natural beauty spot, with views out across NWL & the Charnwood Forest, increasing accessibility & community usage by uncovering & maintaining forgotten paths, and managing woodland.

#### Violence Reduction Network:

41. The Home Office have confirmed that there will be funding for VRUs for 2025/26. The value of the grant and the requirements will be shared early in the New Year but they have already indicated that VRUs will be expected to support the mobilisation of the new Prevention Partnerships.
42. The annual Strategic Needs Assessment has been completed and is currently with core members for sign-off.

43. The independent evaluation of the Violence Intervention Project (VIP) is underway. The final report will be available by end January 2025.
44. The VRN's annual Community Partnership Event has been scheduled for Thursday 27th February.
45. Following attendance at the first national Joined Up Summit for youth work, Grace has been asked to join the Advisory Board. This will be important in the forthcoming year in relation to the development of the Young Futures Programme and Prevention Partnerships and Youth Hubs.
46. The Phoenix Programme was highlighted as an example of good practice in the recent PEEL Inspection Report on Leicestershire Police.

### Scrutiny and Governance Activity

#### Democratic Services:

#### Independent Scrutiny

47. The PCC has set a locally agreed target of a minimum of one custody visit per week per operational custody suite. The Independent Custody Visitor's (ICV's) continue to achieve this and have completed 100% of scheduled ICV Visits, equating to twenty-six visits between October and December 2024. The ICV's spoke to 98 detainees. No serious issues have been observed within these visits.
48. The team also held an end of year celebration for all volunteers to thank them for their commitment throughout the year, 27 of the Independent Custody Visitors and Hate Crime Volunteers turned up to the event on the 11<sup>th</sup> December 2024. The PCC opened the event and presented long service awards to volunteers with over ten years service.
49. The Ethics and Transparency Panel was held on 12th December 2024. Topics of discussion included the EDI Training Feedback, and the ETP Annual Report. The main focus of the meeting was the Hate Crime Scrutiny Panel - Insp Will Prince who leads the hate crime team was in attendance to take questions and provide further info to the panel which was well received by panel members. The ethical dilemma for discussion was around non-crime hate incidents (NCHIs) and subsequently some follow up questions were presented to the Force which have been since resolved. The session ended with BWV review.
50. Fifteen complaint reviews were received by the OPCC in December with 11 being closed within the same period, all of which were not upheld. This is a significant increase in demand and is believed to be driven by an increase in complaints recorded by the Force rather than an increase in the proportion of complainants requesting a review. This increasing trend has also been observed by other OPCCs in the country.

51. The team have been preparing for commencement of a new area of work that the Office of the Police and Crime Commissioner (OPCC) will be undertaking from the New Year. In January 2024, the Minister for State for Crime, Policing and Fire wrote to all Chief Constable and Police and Crime Commissioners (PCC) to emphasise the government's intention to improve standards in Policing.
52. As part of this drive to improve public confidence the government introduced a series of reforms to the police disciplinary system to remove officer who were unfit to serve. Where those officers and staff were convicted of a serious criminal offence committed in connection with their service, it was deemed damaging to public confidence that they still retained their full public pension.
53. The Home Office identified that nationally the number of applications for pension forfeiture did not reflect the number of police personnel who had been convicted with a criminal offence linked to their service. As such the government took steps to raise awareness of the pension forfeiture process with a call to both the PCC and the Chief Constables to increase the number of applications submitted to the Home Office. The team have been preparing all the necessary documentation and systems to enable these processes to take place from January 2025.

----- **End of Report** -----



# CrimeStoppers.

End of campaign report

## Safer Streets 5 – Oadby and Wigston

19<sup>th</sup> December 2023 – 27<sup>th</sup> February 2024



Report compiled on 20<sup>th</sup> March 2024

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## Report summary

The key objectives of the campaign activity were to raise awareness to the community of Crimestoppers' alternative and anonymous reporting line and to highlight crimes such as Burglary and Theft in order to empower the local community to report information about crime and those who are involved in criminal activity.

The campaign ran from 19<sup>th</sup> December 2023 to 26<sup>th</sup> February 2024 on a two-week on and two week off basis and had great success in achieving the directive and desired impact

Oadby and Wigston's combined population is around 57,000 people and the campaign reached at least every adult at least once during each two week period, with over 1.3 million impressions made over the life of the campaign.

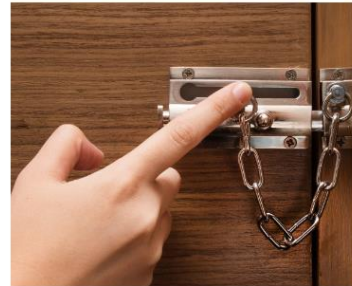
There has been a great increase of information for the area, demonstrating that the community want to share what they know, but wanted an alternative way to do so.

A dedicated landing page was created, which also highlighted the Target Hardening activity that has taken place in Oadby and Wigston. The landing page received over 1,600 page views.

A press release was disseminated to the relevant media outlets for Oadby and Wigston and 3 articles were published online and in print. These articles reached over 4 million people and equated to a value of £3,476.

### KEEPER CAMPAIGN

## Keeping homes safe in Leicestershire



We're supporting the people of Leicester by encouraging everyone to cut the chance of becoming a victim of so-called acquisitive crime.

As an independent charity, we want to raise awareness of the issue of burglary in Leicester, and we want to encourage people to take some simple steps to help protect themselves, their homes and their property from theft, robbery, and burglary.

### Campaign results (during campaign compared to prior):

**28%** increase in information for Oadby and Wigston during the campaign, compared to the same time period before.

**66.66%** increase in information for Oadby and Wigston in the two weeks after the first part of the campaign.

**Drug trafficking** and supply were the most reported crimes, however, we also saw reports about County Lines, drug manufacturing, immigration, domestic abuse, drink driving and vulnerability and safeguarding.

**57,752** people were reached during the first 2 week campaign period, this was followed with reaches of 53,256 and 50,328 – a total of 161,336 across all 3 campaign periods.

**1,346,965** impressions were made in total across the campaign Crimestoppers social media activity.

**1,682** landing page views.

**4,345,151** people were reached by the press release, equating to £3,476 of advertisement.

One of the businesses that the immigrants are working at is (business name and address supplied)

Some of the reports received were:

1. The shop on the corner of (road names supplied) in Wigston is being used to deal drugs. There are youths going in and out buying drugs.

Cars are always pulling up and people are going in and out. There are also people smoking outside of the shop.

The drugs are stored in the car and in the shop. They come from the shopkeeper who sells children's sweets.

The property has no dogs, and it is unsure if the CCTV is working. The landlord (name supplied) is involved.

2. MK of (address supplied) is providing false documentation for illegal immigrants to live and work in the UK.

They create new identities for immigrants, including names and passports. They provide them with housing and jobs in shops owned by family, charging £45,000 for each immigrant.

Each immigrant that they brings to the UK is given their surname, and claims they are all family members coming to live in the UK.

One of the addresses currently inhabited by illegal immigrants is (address supplied - Oadby). PK lives here, a female approx. 27yrs. Also living at this address is OS, PK's niece.

### Why we ran the campaign:

Crimestoppers contacted Leicestershire Office of the Police and Crime Commissioner in relation to the Safer Streets 5 initiative, with a proposal to support the activity that is being undertaken in the force area.

Oadby and Wigston were identified as having had issues with burglaries, having seen an increase of 18% up to June 2023.

Crimestoppers proposed to deliver social media activity, raising awareness of Crimestoppers as an alternative reporting line as well as highlighting the differences between and the issues of robbery, theft and burglary.

The campaign also proposed to raise awareness of home security tips as well as information to protect yourself from theft and robbery.

### We wanted to:

- Educate members of the community about Crimestoppers and the unique service we offer.
- Empower people to report any information they have on crime or on any suspicious activity they may have seen or know about anonymously to Crimestoppers or to the Police.
- Educate the community on the differences between theft, robbery and burglary and what they can do to protect themselves.



## Creative

Social media assets focussing Crimestoppers and the anonymity guarantee.

Social media assets detailing theft, robbery and burglary.

Detailed and specific landing page for the campaign and Oadby and Wigston.

## Advertising

In order to ensure the right messages were distributed to the right audience, social media posts were sent out from Crimestoppers across Instagram and Facebook targeting people aged over 18 in the Oadby and Wigston area.

These posts focussed on:

- Crimestoppers anonymity
- How to report information anonymously online and by phone
- Robbery
- Theft
- Burglary

Crimestoppers social media reached 161,336 people in total, which is an average of 53,779 people during each social media activity period. These posts

made 1,346,965 impressions, meaning that the population of Oadby and Wigston saw the messages more than once.

The Crimestoppers landing page was accessed 1,682 times, with the majority of views between January 16th and 26th. There was a peak of activity of 225 views on Sunday January 21st.

6 users went from the page to the information reporting form.

## Crimestoppers campaign deliverables

Crimestoppers paid Social Media strategy and plan.

Press release.

Dedicated landing page.

# CrimeStoppers.

We believe everyone has the right to feel safe from crime, wherever they live, wherever they work, for ourselves and all those we care about.

But sometimes people might be worried about a crime, or something that's wrong, and want to pass on information. Which is why it's good to know they can always trust Crimestoppers.

We're an independent charity that gives people the power to speak up and stop crime, 100% anonymously. By phone and online, 24/7, 365 days a year. No police contact. No witness statements. No courts.

Every year we help stop thousands of crimes. So, let's make communities safer together.

Find out more about our work.

Contact us at [hello@crimestoppers-uk.org](mailto:hello@crimestoppers-uk.org).



**POLICE & CRIME  
COMMISSIONER**  
for Leicester,  
Leicestershire & Rutland  
Your Communities - Your Commissioner

**Police and Crime Panel for Leicester,  
Leicestershire and Rutland**  
**5<sup>th</sup> February 2025**  
**Corporate Governance Board Update**

<b>Report Date</b>	5 <sup>th</sup> February 2025
<b>Report Author</b>	Clare Hornbuckle, Evaluation and Scrutiny Officer Lizzie Starr, Director of Governance and Performance
<b>Security Classification</b>	Official

### **Purpose of Report**

1. In his role as the Police and Crime Commissioner (PCC) the Commissioner is required to secure efficient and effective policing for Leicester, Leicestershire and Rutland, appoint a Chief Constable and hold them to account.
2. The PCC brings this report to outline for the Police and Crime Panel how he is fulfilling his duty by holding the Chief Constable to account for the performance of the force.

### **Request of the Panel**

3. In their role to scrutinise the actions and decisions of the PCC, the Commissioner requests that the panel examines the contents of this report. He would specifically like to ask the panel their opinion on the following questions;
  - a. Is the Panel content in the way that the PCC has held the Chief Constable to account through the Corporate Governance Board?
  - b. Would the panel like to make any recommendations to the PCC in relation to this matter?

### **Summary**

4. It is the opinion of the PCC that there is a robust system in place to challenge the Chief Constable on performance with the use of new standardised metrics and regular monitoring and discussion between the performance team.

### **Background**

5. In advance of the Corporate Governance board meeting and in support of setting the agenda, the performance team reviewed the standard KPIs for Force performance and presented problem areas identified to the PCC.
6. In preparing the report the team consider the data available to them and review force dashboards and performance reports, performance across other boards for example the Local criminal justice boards is also considered. The team look at national performance and forces similar in size/make up to determine outliers and also take into consideration feedback from the PCC and the communications team to include community perceptions of crime and the impact they are having.
7. The full report of the board meeting in which these performance exceptions are discussed is attached as Appendix One.

## **Summary of scrutiny and impact from the September CGB**

### **8. Rape Performance**

#### **Request from the Commissioner**

The PCC requested a paper be brought for discussion in the Corporate Governance board to understand and hold the force to account for the current performance in relation to rape offences.

#### **Response from the Force**

The Chief Constable presented performance information that showed the current levels and trends in recorded rape offences and outlined what the Force's approach was to tackling these rising numbers. The paper also outlined the significant work already undertaken by the Force in relation to Op Soteria and the lightening review.

#### **Outcome of Scrutiny**

The board was provided assurance that Rape offences continues to be a priority area for the Force. Both the PCC and the Force agreed that all efforts needed to be continued to ensure better outcomes for victims. This paper will be brought back at regular intervals to maintain focus. It was agreed that OPCC would link in with the Force to see where the PCC and OPCC can support with prevention activity through commissioned services to reduce the likelihood of rape offences.

### **9. Finance**

#### **Request from the Commissioner.**

The Commissioner is responsible for deciding the budget, allocating assets and funds to the Chief Constable; and setting the precept for the force area. The final budget settlement is due to be announced in December 2024, in line with the new timeline regarding the budget setting process implemented by the PCC in July 2024. It was requested that both the OPCC and Force develop papers working on the budget assumptions made within the previous meeting to provide strategic context as to what budget is required.

#### **Response from the Force.**

The Force and OPCC Chief Finance Officers both presented detailed papers on their budget build processes and the figures were provided in line with assumptions agreed in the September meeting.

#### **Outcome of Scrutiny**

The Commissioner requested that in his role as Police and Crime Commissioner he had a duty to the public to ensure that there was clear and comprehensive rationale for what services the public would be paying for. It was agreed by the board that further rationale would be included in the form of an in-depth strategic narrative that would be

produced alongside the budget which would include narrative around the budgetary trends to aid the public's understanding on what services they are paying for.

## **10. Future Planning**

### **Request from the Commissioner.**

The PCC requested an update on the Force's strategic planning in relation to how the Force needed to adapt, change and respond to in the face of rising demand, challenging finances and increased complexity of crime, whilst taking into consideration the strategic priorities of the Police and Crime Plan.

### **Response from the Force.**

The Chief Constable presented a detailed presentation on the transition journey currently being undertaken by the Force. The presentation also outlined a 'blueprint' of a journey that could take place up to 2030, detailing priority focuses and solutions.

### **Outcome of Scrutiny**

There PCC welcomed the long term planning approach and the dovetail of the Forces plans with the Police and Crime Plan. He requested further detail and clarity over the biggest key challenges and the Chief Constables thoughts on meeting those. A paper would come back in due course.

11. The actions captured and discussed within the Corporate Governance board are tracked by the OPCC for completion and the performance reviewed.

----- **End of Report** -----





**POLICE & CRIME  
COMMISSIONER**  
for Leicester,  
Leicestershire & Rutland

Your Communities - Your Commissioner

# **CORPORATE GOVERNANCE BOARD**

21<sup>st</sup> November 2024

## **Contents**

- 1. Overview, attendance and purpose**
- 2. Urgent Business**
- 3. Operational Summary**
- 4. Emerging Issues – East Leicester Review (Redacted)**
- 5. Operational Performance – Rape Update Performance**
- 6. Finance**
  - 6a. Provisional Budget**
  - 6b. Future Planning**
  - 6c. Draft Capital Programme 25/26**
  - 6d. Half Year TM Report**
- 7. Transformation and Change**
  - 7a. ASB Hotspot Policing**
- 8. Corporate Risk**
  - 8a. Annual JARAP Report**
  - 8b. Annual ETP Report**
- 9. HMICFRS**
  - 9a. Stalking – Suzy Lamplugh Super Complaint**
  - 9b. PEEL Inspection**
- 10. AOB**
  - 10a. Pension Forfeiture**
  - 10b. SOC**

Please note that Emerging Issues has been redacted as not suitable for public domain. Due to time constraints in the board meeting, some papers were noted without comment.

# 1. Overview, attendance & purpose

## Overview

Chaired by the Police and Crime Commissioner, the Corporate Governance Board is attended by both the OPCC and the Chief Officer Team who meet roughly every 8 weeks to discuss and highlight the performance of Leicestershire Police force, allowing the PCC to challenge, scrutinise and discuss potential support from the OPCC. Below is a report detailing the discussions of the meeting held on the 21<sup>st</sup> November 2024.

## Attendance

### Office of Police and Crime Commissioner

Mr Rupert Matthews (Police and Crime Commissioner)  
Mrs Rani Mahal (Deputy Police and Crime Commissioner)  
Claire Trewartha (CEO)  
Mrs Kira Knott (Chief Finance Officer)  
Mrs Lizzie Starr (Director of Governance and Performance)  
Mrs Clare Hornbuckle (Evaluation and Scrutiny Officer, minute taker)

### Office of Chief Constable

Mr Rob Nixon (Chief Constable)  
Mr David Sandall (Deputy Chief Constable)  
Mr Adam Streets (Assistant Chief Constable)  
Mrs Michaela Kerr (Assistant Chief Constable)  
Mr Chris Kealey (Head of Communications and Engagement)  
Mr Alistair Kelly (ACO HR)  
Mr Paul Dawkins (ACO FR)

## Purpose

The purpose of the Corporate Governance Board is to allow the PCC to carry out their statutory duty of holding the Chief Constable to account on behalf of the public. The board consists of both reports, presentations and verbal discussions guided by the Chair on key areas such as performance, corporate risk, recruitment, HMICFRS, among other measures. This report is to highlight the main points covered in the latest CBG, in the following format:

- i. Overview of issue (with the exception of repeat financial items)
- ii. Force update/overview
- iii. Police and Crime Commissioner response (where appropriate)

## 2. Urgent Business

The Chief Constable passed on thanks to those involved in the promotions process for Chief Superintendent and Chief Inspector promotion boards. Chief Constable Rob Nixon informed the board that several recommendations for promotions had been made as a result of this process and the CC will formally write to the PCC to notify him of role changes in Force.

## 3. Operational Summary

Overview: The Chief Officer Team bring an operational summary paper to each Corporate Governance Board, detailing key operational activity from the previous two months. The summary contains operationally sensitive information and details are therefore redacted from public facing reports. Where comments are made by the PCC in relation to this document, they will be included within the PCC response section.

Force update: Report taken as read.

PCC response: No comments.

## 4. Emerging Issues

### 4a) East Leicester Review Update

A full and accurate record of this section of discussion has been taken by the OPCC. The record contains operationally sensitive information and details are therefore redacted from public facing reports.

## 5. Operational Performance

### a) Rape Performance Update

Overview: Rape performance has been closely monitored in the Corporate Governance Board by the PCCs office due to high reporting figures locally that have been seen for some time now. While some high levels may be explained by confidence in reporting and good crime data integrity, the PCC feels it is important to return to this item to understand if there are any underlying issues and understand what the Force is doing to manage and prevent this and understand also how the OPCC can support the Force.

A paper was requested by the PCC with the following brief:

*'The PCC would like a paper outlining the current performance in relation to Rape offences including;*

- *Trends in recorded volumes over time (5years)*
- *An assessment from the Force on confidence in reporting*
- *Positive outcomes over time*
- *Differing outcomes*
- *Details around changes in practice to improve performance (lightening review)*
- *Update on Op Soteria'.*

Force update: Rape continues to be a force priority, with a dedicated team of detectives progressing all Rape and Serious Sexual Offence investigations, complemented by the recent introduction of a Rape Response Investigators cadre. This month (November 2024) has seen the refresh of the Force Rape Delivery Plan, with areas of enhanced focus and greatest opportunities within the 4 areas of Preventing Victims from being harmed, better Protecting the Public, ensuring the force and our staff are fully Prepared to identify and respond to Rape and increasing the number of offenders being Pursued and brought to justice being identified.

PCC response: The PCC scrutinised the performance of the Force in relation to rape offences and has tasked the OPCC with linking in with the Force to see where the PCC and OPCC can support with prevention activity through commissioned services to reduce the likelihood of rape offences.

## 6. Finance

### a) Provisional Budget

Overview: The final budget is set to be announced and sent to PCCs and Force's on the third week of December 2024, and only then will a full picture be acquirable for upcoming years. A report came to the CGB in July 2024 on the approach to the budget; this paper will set out the strategic context around the results of the Autumn budget statement. The uncertainty of the budget is a key factor to all discussions, and it is understood by the board that much of this discussion is based on assumptions made in the September CGB.

Force update: A verbal update was provided by Mrs Knott and Mr Dawkins. The following points were made among the discussion:

- The potential forecast deficit of £5.9m is more of a range than a set figure at £5.9m, and could in fact be anywhere between £2m and £12m based on ongoing reviews and announcements.
- Uncertainty at the time of this meeting only allowed for 25/26 to be discussed.
- The general reserve is set at 2.3%, noting that a further contribution would be required to maintain this percentage and that this would be reviewed with the reserve strategy in the coming weeks.
- Anticipated announcement of +13,000 neighbourhood policing officers.

PCC response: The PCC noted that in his role he is here as a representative for the people and the taxpayer, stating that the central government grant is in-part formed using tax-payer money. The PCC stated that he would like a clearer rationale as to the value for money this proposal provides for tax-payers funding. The PCC went on to say that he needs reassurance that any spending done is necessary and within a certain remit, emphasising that money is spent in an effective and efficient way.

Referring to an internal briefing note dated 11<sup>th</sup> November the PCC noted his thanks for level of detail and rationale included within, but continued his previous point, stating that what is missing in this briefing note is some rationale as to why this provides good value for money for the taxpayer. The PCC continued that in future briefing notes it would be useful to have data from previous three-four years

included for comparison purposes and to identify trend direction. CFO Dawkins noted that the Force has been restructured several times within that period and caveats would need to be included to capture the significant strategic context that would be missing on surface level. CC Nixon noted the importance of including a strategic commentary as there is a risk of comparing things that are contextually completely different, further noting that comparisons would also need to incorporate what would be considered normal growth for analysis purposes, looking for exceptional shift or swing over the course of inflation. Mrs Knott agreed with this observation further citing factors such as pay awards which would need to be considered in the strategic context too.

Referring to paragraph 30 on voluntary redundancy (VR), the PCC queried a quote from the report which stated that voluntary redundancy can have a £1m saving. The PCC responded that from experience, VR tends to have high initial cost and it is typically in years 2,3,4+where savings are made. DCC Sandall noted that this was one of many options included within the Force's presentation but explains that it is not a suggestion to utilise and there have since been many more money saving options presented to the PCC.

The PCC asked at what point would he know how much saving reducing contact demand would provide. ACC Streets clarified that reduced 101 services was discussed a worst-case scenario proposition and never proposed as an ideal choice. ACC Streets explained that he consulted with the NPCC lead for Contact Management to see if there were any contractual obligations for 24-hour contact management service, to which the response was no, however the Home Office fund 101 nationally and the Force have been strongly advised against moving away from a 24-hour contact service, mentioning this would also incur some political risk. Referring to service risk, ACC Streets cited that the Force handled around 300,000 101 calls in 24-hour period throughout the year, and that reducing this service would risk either losing these reports altogether, or potentially resulting in a dramatic increase of 999 emergency calls. If contact was to be affected, ACC Streets stated that it would make more sense to review service officer (answer times) before looking at reducing size, emphasising that he certainly would not bring this as recommendation generally and this would always be a last resort.

The PCC noted that if something is included in a list for PCC consideration it needs to have a ballpark figure included, stating that 'unknown' leaves it impossible to make a decision. ACC Streets responded that in order to cost accurately they would need to really understand service offer. CC Nixon continued that the Force is not looking to present any options that are politically difficult for both the

PCC and CC to justify and that the Force are categorically not suggesting any change to contact as they are currently 4<sup>th</sup> nationally for CMD service standards and have been positively reflected on by HMICFRS.

The PCC summarised by emphasising the point that he cannot take a view on a proposal or offer advice without detail and that having 'unknown' in a report is not helpful. The PCC said that where a figure cannot be added for whatever reason, that a range could be useful, which was agreed by the board.

## **b) Future Planning**

Overview: The board received a presentation from the Chief Constable on the Force's sustainability plan.

Force update: The presentation touched on the period of transition currently being experienced by the Force, mentioning the Police and Crime Plan and the ongoing process of budget setting. The CC informed the board that this presentation brings this work together. The presentation touched on strategic context and challenges, including fiscal limitations and decline of public confidence. CC Nixon then presented the Force's process for monitoring challenges and proposed solutions and how these are prioritised and aligned with the Police and Crime Plan. The presentation went on to outline the sustainable blueprint up to 2030, detailing priority focuses and solutions, financial resources and budgeting principles and providing scenario options to close the Force budget shortfall.

CC Nixon stated that he was looking for an endorsement to do further scope as to what this would look like as an approach, and what the implications would be for the budget.

PCC response: The PCC questioned scenario two, to 'reduce 50 police staff targeted to areas where policing areas can be used', asking if posts will be kept but replaced by Police Officers. This was confirmed by CC.

The PCC continued that he is now into his new Police and Crime Plan and new term in office. In an environment where that is so fiscally challenging all options must be looked at to ensure that the organisation was effective and efficient as possible, including all agreements on staffing and officer numbers previously made. The CC responded that this was a useful steer.



Continuing, the PCC emphasised why he is keen to build budgets bottom up, explaining that when looking from top down there is a stronger sense of urgency which can skew tactical and considered decision making. Building up on the other hand can allow for early identification of savings which may otherwise be missed. Closing, the PCC finally noted that he understands the importance of this process and informed Claire Trewartha that he is happy for some meetings to be cancelled to allow his attendance at budget meetings in December.

## 7. Transformation and Change

### ASB Hotspot Policing

Overview: A grant agreement to the value of £1.57m between the OPCC and the Home Office has been signed for the period of 1st April 2024 and 31st March 2025 (Appendix A). This includes an additional fund specifically to commission community perception research (£99,561). The purpose of the core grant is to:

- Define and identify ASB and SV incidents across Leicester, Leicestershire and Rutland (LLR).
- Identify ASB and SV hotspots across LLR.
- Complete an analysis of the individual hotspots in order to understand the current activity within each hotspot.
- Effectively treat the identified hotspots through partnership working, patrols, engagement and SARA led problem solving plans.
- Conduct end analysis and community perception research in order to highlight the impact of the project.

The PCC requested a highlight report on the ASB hotspot policing project and the outcomes to date.

Force update: The board received a report from Prevention Directorate lead by Grace Strong. The paper provided several updates including the recruitment of six x PCs and one x Sgt to the hotspots team, with a further two PCs joining later in 2024. The paper also outlined the dedicated patrols carried out by the team funded by £200,000 set aside specifically for this purpose, citing a total of 6871

combined hours of tracked and targeted patrols by police and partners. The paper also cited an 8.4% reduction of serious violence within the ASB hotspot areas, and stated that ASB has fallen by 15.2% in the areas of focus.

PCC response: The PCC noted that there were two models to consider for this hotspot policing, one for the City and one for the County. The PCC stated within the paper provided that he could not see the difference between the dedicated teams. ACC Kerr responded that the Force cannot yet carry out a proper evaluation which is why it is not included in this paper. ACC Kerr continued that the Force would need to fund a full-scale evaluation and that with no agreed model in place at the current stage, this could be costly. ACC Kerr instead offered a professional judgement based on what works, triangulating these judgements with impact. This was agreed by the PCC for review outside of the meeting.

## 8. Corporate Risk

### a) Annual JARAP report

The PCC and Chief Constable welcomed the report and time taken over the year by the panel members to provide a high level of assurance on a variety of topics. It was agreed that both the Chief Officer Team and OPCC would take the reports away and provide feedback to the OPCC to enable formal responses to the panel to be drafted.

### b) Annual ETP report

The PCC and Chief Constable welcomed the report and time taken over the year by the panel members to provide a high level of assurance on a variety of topics. It was agreed that both the Chief Officer Team and OPCC would take the reports away and provide feedback to the OPCC to enable formal responses to the panel to be drafted.

## 9. HMICFRS

### a) Stalking – Suzy Lamplugh Super Complaint recommendations

Overview: In November 2022, His Majesty’s Chief Inspector of Constabulary and senior representatives from the Independent Office of Police Conduct (IOPC), and the College of Policing received a super-complaint submitted by the Suzy Lamplugh Trust (SLT), on behalf of the National Stalking Consortium. The super-complaint is about the police response to stalking. On 27<sup>th</sup> September 2024, HMICFRS, the College of Policing, and the IOPC published a report in response to this super-complaint. In response, the PCC requested a paper outlining the Force’s position against each of the recommendations made to Force’s within the publication.

Force update: The board received a report authored by ACC Kerr. The paper includes the Force delivery plan for the PCCs information, stating that assessment will be overseen by the Force’s dedicated stalking lead, and tracked via the Chief Officer Layer Three Vulnerability Board.

PCC response: No comments raised, PCC thanked and report noted.

### b) PEEL inspection

Final publication not released before the CGB. Board agreed to await final report publication before discussing formally.

The HMICFRS PEEL report was published formally on the 5<sup>th</sup> December 2024.

## 10. AOB

### a) Pension Forfeiture

A brief discussion was held around pension forfeiture, with main comments being that there is an emphasis on following the process clearly on all eligible cases of pension forfeiture. CFO Dawkins noted that there was a wider conversation to be had around who benefits from pension forfeiture.

**b) SOC - Deferred**

**Meeting closed 12:00**

Date of next meeting: 18<sup>th</sup> December 2025 (Budget)