

AGENDA

Meeting: **WILTSHIRE POLICE AND CRIME PANEL**
Place: Committee Room VI, Civic Office, Euclid St, Swindon SN1 2JH
Date: Wednesday 15 January 2014
Time: **10.00 am**

Please direct any enquiries on this Agenda to Kirsty Butcher, of Democratic Services, County Hall, Bythesea Road, Trowbridge, direct line 01225 713948 or email kirsty.butcher@wiltshire.gov.uk

Membership:

Cllr Abdul Amin, Swindon Borough Council
Cllr Glenis Ansell, Wiltshire Council
Cllr Andrew Bennett, Swindon Borough Council
Cllr Richard Britton, Wiltshire Council
Cllr Brian Ford, Swindon Borough Council
Malcolm Grubb, Co-Opted Independent Member
Cllr Russell Hawker, Wiltshire Council
Cllr Charles Howard, Wiltshire Council
Cllr Peter Hutton, Wiltshire Council
Cllr Julian Johnson, Wiltshire Council
Amanda Newbery, Co-Opted Independent Member
Cllr Linda Packard, Wiltshire Council
Cllr Teresa Page, Swindon Borough Council

Substitutes:

Cllr Chuck Berry, Wiltshire Council
Cllr Trevor Carbin, Wiltshire Council
Cllr Chris Caswill, Wiltshire Council
Cllr Oliver Donachie
Cllr Dennis Drewett, Wiltshire Council
Cllr Peter Edge, Wiltshire Council



CLlr Sue Evans, Wiltshire Council
CLlr Nick Fogg, Wiltshire Council
CLlr Jeff Osborn, Wiltshire Council
CLlr Maureen Penny, Swindon Borough Council
CLlr Ian Thorn, Wiltshire Council
CLlr Anthony Trotman, Wiltshire Council

AGENDA

Part I

Items to be considered when the meeting is open to the public

1 **Apologies for Absence**

2 **Minutes and matters arising** (*Pages 1 - 6*)

To confirm the minutes of the meeting held on 26 November 2013.

3 **Declarations of interest**

To receive any declarations of disclosable interests or dispensations granted by the Standards Committee.

4 **Chairman's Announcements**

5 **Public Participation**

The Panel welcomes contributions from members of the public.

Statements

If you wish to make a statement at this meeting on any item on this agenda, please register to do so at least 10 minutes prior to the meeting. Speakers are permitted to speak for up to 3 minutes on any agenda item. Please contact the officer named on the first page of the agenda for any further clarification.

Questions

Members of the public are able to ask questions in relation to the responsibilities and functions of the Panel at each meeting. Those wishing to ask questions are required to give notice of any such questions in writing to the Head of Democratic Services at Wiltshire Council no later than **5.00 pm on Thursday 9 January 2014**. Please contact the officer named on the first page of the agenda for further advice. Questions may be asked without notice if the Chairman decides that the matter is urgent.

6 **PCC Diary report** (*Pages 7 - 12*)

7 **Draft Budget Settlement** (*Pages 13 - 50*)

Report by Angus Macpherson, Police and Crime Commissioner

To receive a paper on the medium term financial strategy and budget information.

8 **Victims Commissioning** (*Pages 51 - 56*)

Report by Kieran Kilgallen, Chief Executive - OPCC

9 **Restorative Justice** (*Pages 57 - 60*)

Report by Simon Evans, Programme Manager, Centre for Justice Innovation.

10 **Innovation Fund - 2nd Tranche update**

To receive an update on the 2nd tranche Innovation Fund decisions. (report to follow)

11 **Forward Work Plan** (*Pages 61 - 62*)

To note the forward work plan.

12 **Future meeting dates**

To note the future meeting dates below:

6 February 2014, 10am at Kennet Room - County Hall, Trowbridge BA14 8JN

6 March 2014, 2pm at Council Chamber - Council Offices, Monkton Park, Chippenham, SN15 1ER

11 June 2014, 2pm at Wessex Room, Corn Exchange, Market Place, Devizes SN10 1HS

4 September 2014, 2pm at Alamein Suite - City Hall, Malthouse Lane, Salisbury, SP2 7TU

19 November 2014, 10am at Committee Room VI, Civic Office Swindon.

Part II

Item(s) during whose consideration it is recommended that the public should be excluded because of the likelihood that exempt information would be disclosed

None

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WILTSHIRE POLICE AND CRIME PANEL

DRAFT MINUTES OF THE WILTSHIRE POLICE AND CRIME PANEL MEETING HELD ON 26 NOVEMBER 2013 AT ALAMEIN SUITE - CITY HALL, MALTHOUSE LANE, SALISBURY, SP2 7TU.

Present:

Cllr Abdul Amin, Cllr Andrew Bennett, Cllr Richard Britton (Chairman), Cllr Brian Ford (Vice Chairman), Malcolm Grubb, Cllr Peter Hutton, Cllr Julian Johnson, Amanda Newbery, Cllr Linda Packard and Cllr Teresa Page

Also Present:

Carlton Brand (Corporate Director), Kieran Kilgallen and Angus Macpherson (Police and Crime Commissioner) and Chris McMullin (OPCC)

21 Apologies for Absence

Apologies were received from Cllrs Ansell, Hawker and Howard.

22 Minutes and matters arising

Decision:

The minutes of the meeting held on 16 September 2013 and 5 November 2013 were agreed as a correct record and signed by the Chairman.

23 Declarations of interest

Amanda Newbery declared an interest in item no. 6 being a city centre licensee

24 Chairman's Announcements

There were no chairman's announcements.

25 Public Participation

There were no questions asked or statements given.

26 **Quarterly Data**

Risk

The Commissioner presented his Risk Register.

He drew attention to the following points:

Volunteers:

The score had dropped from 48 to 36.

Assets:

This relates to mainly force assets, e.g. mobiles, laptops. Currently there were 170 assets unaccounted for, and the risk would remain until the Commissioner was happy with the procedure in place for logging of assets.

Complaints / Integrity

There were issues around reputational risk. The likelihood had increased due to the environmental scanning of national, rather than internal issues. A new whistle-blowing policy was in place and an effort was being made to encourage this culture. As the document was a living document, the Commissioner was not concerned by red risks as long as they did not remain red.

In response to questions the Commissioner explained that the Speedwatch protocol which both councils had signed up to had not been used by Swindon Borough Council officers as agreed. This had now been resolved and training was ongoing.

It was suggested that the Commissioner should have a fixed programme of engagement with schools and colleges with volunteers being a vital part of his plan. He confirmed there was no programme for visiting schools at present, however he was engaging with Heads looking at what they were doing and what he could buy in to ensure that years 9-11 were exposed to appropriate messages.

The Commissioner confirmed the new team in Trowbridge would be able to process information from the speedwatch teams. There would be a report in the New Year providing detail on visits from Neighbourhood Policing Teams.

Performance

The Commissioner presented his performance report.

He noted that the report was for the first six months and performance overall was good. In real terms the reduction of crime was 7.2% compares to the same period in 2012/13.

It was noted that the number of recorded hours by Specials was not accurate, as they were transferring from using one system to another. He had asked for accurate data to be in place by the end of the financial review and for a specific budgetary line in the next financial year. After the next round of recruitment the number of specials would be up to 249.

He recognised the need to review his objective of having a minimum of 300 active specials across Wiltshire and Swindon, each attached to communities and contributing an average of at least 16 hours per month. The strategic needs would be discussed with the Chief Constable, defined and recruited to; which would also lead to a major re-write of the objective. The number of volunteers would also be revisited and it was hoped that the Panel's scrutiny review would assist in this.

Although Neighbourhood Watch was an independent charity not owned or run by the police, a working group had been set up supported by OPCC officers to look at back office functions and Neighbourhood Alert. This would report back to the Commissioner to submit a business case for the re-launch of Neighbourhood Watch across the county. It was hoped that this would form a platform for other watch schemes.

He highlighted a 37.1% reduction in the harm caused by dangerous drug networks. Work was ongoing to develop more accurate measures around the Swindon and Wiltshire Integrated Targets for Change programme. The measure 'Tackle irresponsible licensed premises' would be changed to 'licensed premises check'; he had asked for further work in this area and would update the Panel in his next report. The Panel noted that more preventative work was needed in this area, and heard that Wiltshire Council had set up a task group to focus on licensed premises which would look at trends.

He confirmed that the increase in complaints was not down to one contributory factor, and year to date was significantly below the threshold. The number of days referred to were working days.

When questioned on whether the historical 75% threshold for answering 101 calls within 30 seconds could be perceived as soft, he explained that at the start of the year it was seen as reasonable, however performance had been better than anticipated and it may need to be reviewed.

The second tranche of applications for the Innovation fund had been received and would be looked at with the Leaders. A report would be brought to the next Panel meeting. A reporting mechanism was in place to assess effectiveness and outcomes of successful schemes and this would be reported to the Panel in due course. He drew the Panel's attention to the Policing Minister's £20m innovation fund to enhance regional capability and interoperability, bids for which had to be in by 6 December 2013. Further collaboration with both Wiltshire council and Swindon Borough Council was continuing.

New money was being made available for victim commissioning in 2014/15, including the preparation of a victim's pathway which would mirror the national code. He had also requested a report on individual domestic violence assessors given the potential shortage. There would be future emphasis on Domestic Violence Police Officer's and Clare's Law as these had been rolled out nationally.

A panel of the Criminal Justice Board was being formed to look at all out-of-court solutions to ensure they were suitable and proportionate. Neighbourhood Justice Panels had been successfully trialled over a 12-month period in Swindon, and these would now be rolled out across the county using funding from the innovation fund.

Professor Allan Johns updated the panel on complaints, noting that the rise of allegations of incivility had no known cause. There had been 29 appeals, 19 of which were deemed valid. 14 of these had been settled and 3 had been upheld. In response to a query on whether any type of complaint was disproportionately high he confirmed they mostly involved disallowed appeals against decisions not to investigate or to discontinue investigating.

Finance

The Commissioner presented his budget monitoring statement.

He explained that he would be going to area boards and localities from December with his budget proposals, and he hadn't ruled out an increase to the precept. He noted the need to hold a referendum if the proposal was over 2%. He drew attention to the HMIC report which showed that the Wiltshire Police offer was the best value for money around the country.

27 PCC diary report

The PCC's diary report was noted.

28 Complaints against the Commissioner

The Monitoring Officer's report was noted.

The Panel took a 5 minute recess.

29 Public relations

The Panel discussed public relations, and how to promote the function and work of the Panel. The use of social media and radio was discussed, and Sean Chacksfield, Media Relations Officer at Wiltshire Council agreed to promote upcoming meetings in consultation with officers.

The Panel welcomed the idea of an annual report which could be circulated to members, Area Boards and Locality meetings.

The possibility of having a press release would be considered at the end of each meeting.

30 Forward Work Plan

The Panel noted the forward work plan.

31 Future meeting dates

The next meeting of the Police and Crime Panel will be on 15 January 2014 at Committee Room VI, Civic Office, Euclid Street, Swindon SN1 2JH.

Future meeting dates were:

6 February 2014
6 March 2014
11 June 2014
4 September 2014
19 November 2014

(Duration of meeting: 10.00 am - 12.40 pm)

The Officer who has produced these minutes is Kirsty Butcher, of Democratic Services, direct line 01225 713948, e-mail kirsty.butcher@wiltshire.gov.uk

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POLICE AND CRIME PANEL **15th January 2014**

Introduction

This report sets out a summary of the commitments I have undertaken since the last Police and Crime Panel meeting held on 26th November 2013. I write a weekly blog which provides a brief overview for the public of what I have been up to. This is published on my website (www.wiltshire-pcc.gov.uk) and the content of these blogs is copied below for the Panel's information.

ONE YEAR ON

Posted: Monday 18th November 2013

Monday 11 November

We have invited all the local media editors in today, which is an opportunity to have a rather informal chat. In the end it seemed to be me talking for an hour! It was very much a reflection on the first year, with an interview afterwards with ITV for their one year on coverage.

The two weekly monitoring boards seem to come around very quickly. I was pleased to be able to share a letter from Policing Minister Damian Green informing me that I would be getting extra money this year for Restorative Justice, £47k, and to prepare for commissioning victims' services next year. Helpfully they have also given me figures for next year, which will make planning easier. Exciting work to be done. We also received an estate review and an update on cadets. I have asked for some work to be done on a pan Wiltshire strategy for CCTV, which I think will help the town councils and two authorities have some clarity around my funding.

In the evening I attended the Swindon West Locality meeting at the Link. Major agenda item was a proposed skate park, so it was well attended.

Tuesday 12 November

Office based day, centered around a review of performance in the force.

Wednesday 13 November

For the second time BBC Wiltshire Radio have invited the Chief and I to a joint interview. A new presenter, Si, took us through both operational and planning matters, including the budget for next year. Interesting to hear the Chief ask that we increase by an amount that would force a referendum! I'm not sure Wiltshire would want that, or indeed needs it.

In the afternoon I attended the health and wellbeing board. When you consider the link between drinking, drugs and crime this board will be very important for our joint working around the prevention of crime. I will be asking for a report on mental health detentions in custody to share at that board in the coming months.

Thursday 14 November

Our association, the Association of Police and Crime Commissioners (APCCs) have put on a birthday event in London, with the Policing Minister as a key speaker. It was good to hear him announce £20m for the service to innovate, especially around collaboration. I hope we get our act together in the south west and get some of this money. In future it will be ours anyway, as future rounds will be top sliced from our grant.

Neighbourhood Justice Panels was mentioned by one of the speakers and I ended up inviting all my colleagues down to Wiltshire to see the Neighbourhood Justice Panels in action.

Apparently I was also on Wiltshire Radio all day, with 'the day in the life' feature, so hope that was appreciated.

Friday 15 November

The Her Majesty's Inspectorate of Constabulary (HMIC) Value for money profile 2013 for Wiltshire has been published. Although there are four or five areas to work on, we came out very well with a cost per head of population of £159 against the national figure of £184. Of similar forces in the country we are the lowest. We

spent a couple of hours pouring over the charts and figures, of what is one of the most useful things to be prepared by HMIC.

In the afternoon the Chief and I gave a presentation to the Deputy Lieutenants of the county about our respective roles and a reflection on one year. In the evening I was on a 'Question Time' panel for Swindon North Rotary. Interesting to see all the briefing notes that some of those on the panel had. Extremely useful on questions around the economy and Europe, but they didn't help with questions about what tattoo you would have!

Sunday 16 November

A real pleasure to attend the regional Special Constables event and the awarding of the Arthur Ellis awards. Wiltshire were the hosts this year and there were presentations all south west forces about the good work their Specials had done on specific operations or projects. Big cheer when the competition was one by Specials from Calne for their work with young people and support of Bluez 'n' Zuz, made even more sweet by being the second year in a row we have won. Well done team.

During the awards I was asked by my colleague from Dorset why Wiltshire Police had a Maltese cross in the logo. From a bit of research I think it mirrors the Wiltshire Regiment which adopted the eight point cross after service in the Mediterranean and Sicily in the period 1800 to 1813...unless any blog readers know better! Why the overall shape has been stretched from a circle to an egg shape I have no idea at all.

HEALTH AND WELLBEING AND CRIME

Posted: Friday 29th November 2013

Monday 18 November

Starting the week with my fortnightly meeting with the Head of Finance. We continue to be on track to make the current savings required, but not to fill the future funding gap in 2015/2016, so I need to prepare some material to present the case for an increase in the police and crime element of council tax. I've also just heard that the fire at the Blackrock Range (tri police force firearms training facility) has put back the opening by more than a year. The opening was supposed to be in the new year, so that is further savings that will be delayed.

I was invited by the Chief Constable to join his internal online chat with staff to mark the first year. Most of the questions were, rightly, for him, but it was a chance to emphasis the investment being made into IT.

Being a member of the health and wellbeing boards is very important to this role, so I was very pleased to join a planning workshop in Swindon around the direction for the boards. It was a good opportunity to feed in 'crime' to the agenda and we explored some useful areas around duplication.

Back last year I was 'sent on holiday' by the team here, and as a result we had to postpone my speech to the Keevil Society. This was rescheduled for this evening and I had a very warm reception. It is certainly a cohesive community and even choir practice was truncated so members could attend. Useful feedback around neighbourhoods as well.

Tuesday 19 November

In the morning I attended the Learning Disability Partnership Board in Swindon where I was invited to speak. Not directed connected, it reminded me to review the autism awareness card scheme, which was reported on at both health and wellbeing boards, but also that there is a need to establish or perhaps re-establish safe places in Swindon.

When the human trafficking awareness evening was held in Swindon I was keen to replicate it across the county, so I have made contact with the charity, Unchosen. They would like to link up with someone to run events next November, so thinking caps on!

There are a few big set piece events in the PCC calendar and the 'Meet the Commissioner' public performance meeting is one. This time held in Swindon, in the grandeur of the Council Chamber. We work very hard to publicise the meetings, so I was a tad disappointed by the attendance, but that said several had driven a long way to be there and all were engaged in the two way debate. It certainly works well having the Chief Constable there and there was a lively debate over the police and crime element of council tax level as well as the real/perceived benefit of more cops on the street.

Wednesday 20 November

We have decided that there would be benefit to meeting the Police and Crime Panel Chair in between meetings, so early morning coffee with Richard Britton. It was a useful hour to manage each others'

expectations of the meeting next week, then off to Swindon Women's Aid in Swindon. I was pleased to support a young person Independent Domestic Violence Adviser (IDVA) and we did a piece for the local paper about the job and appointment, which has been commissioned through my Innovation Fund. The bigger piece of work is a full review of the IDVA provision and funding across the county.

Back to the Council Chamber in Swindon to speak at a British Citizenship event. This is always a privilege and very enjoyable. This was followed by a viewing in Melksham of the plans for the campus there. The transformation of Melksham House and the surrounding area is very exciting, and whilst Melksham Custody Suite is not too far away it will be so much better to have the neighbourhood officers based in the town.

The day finished by a networking session at the Bradford-on-Avon Area Board. I had an idea that Shreddies were made in the county, but the baking smell was very apparent at the Staverton Factory where we met! No issues raised for me so back to Swindon for a relatively early 8.30pm.

Thursday 21 November

Wiltshire Council Health and Wellbeing Board in the afternoon, and a chance to see a bit more of the refurbished County Hall. One thing that came out of the Swindon workshop earlier in the week was always to think 'wellbeing' and well as 'health'. I suppose it is a little like my mantra around the '...and crime' part of my job, but for an outsider it could all get too clinical. No blog tomorrow as I have a leave day.

SOUTH WEST PCCS SIGN OFF FORENSICS COLLABORATION

Posted: Tuesday 3rd December 2013

Monday 25 November

Very pleased to have been asked to join the civic line up for the Prince of Wales's visit to the Sherston shop, post office and enterprise, all of which have been reborn in the old village school with the help of one of the Prince's schemes. Also today the Lord Stevens Report was published, which suggested the office of PCC is scrapped. Rather misleading entitled 'Report of the Independent Police Commission' it was commissioned by the Labour Party. It is certainly a document that harks back to a previous age, but in fairness with the odd good point.

Media interviews today as the Home Secretary is announcing the roll out of both Clare's Law and Domestic Violence Protection Orders (DVPOs). Wiltshire has been trialing both so the Home Secretary visited for the launch.

Commissioners Monitoring Board in the afternoon, where we looked in detail at the finances, ICT and collaboration which will be discussed on Wednesday at the regional meeting,

Tuesday 26 November

Another of the set piece meetings, with the Police and Crime Panel being held at City Hall, Salisbury. I thought it was a really enjoyable meeting and gave me the opportunity to update members on both performance and other aspects of the job.

In the afternoon I was joined by Wiltshire Council leader Jane Scott, Swindon Borough Council leader David Renard, Wiltshire Police Chief Constable Pat Geenty and Rosemary Macdonald from the Community Foundation to look at applications for the second round of the Innovation Fund. We had 47 applications totaling nearly £1.5 million for £330,000 so it was quite a job, but we got there and I think there are some really good projects. Equally there were some ideas that will be worthy of consideration as mainstream commissioning.

Wednesday 27 November

Up even earlier than usual for a briefing on Operation Harness before accompanying officers on a drugs raid. The theme of the day was the disruption of local drug suppliers, something I was keen to support. Not exactly a dawn raid as the first door was knocked at 8am, but the occupant was still in bed so all was well!

Then down to Avon and Somerset's HQ at Portishead for the regional meeting of Police and Crime Commissioners. I'm really pleased that we signed off our collaboration around forensics and agreed that we would apply to the new government fund for some funding in support of this and some other of our regional projects. That said, there is a long way to go on regional work and I don't think we have achieved as much as we should have done in the first year, after all Scotland have fully merged their forces in the same period, not that we want to do that.

Thursday 28 November

7am in the BBC for interview about tonight's meeting of the Federation of Small Businesses and then a drive to NHS England for a summit on Sexual Assault Reference Centres (SARCs). This was really interesting, and a good piece of regional work developing around the victims of sexual offences. I learnt a lot during the morning and it was a real help in formulating plans around the victim agenda and future commissioning.

Then across the county to the Haynes Motor Museum near Yeovil for a 4pm start of a conference being held by the Federation of Small Businesses. Our complex fraud team presented and Avon and Somerset PCC Sue Mountstevens and I gave a view on our roles. We were all promoting Fraud Alert, but one point I was pleased to make is that this service is provided by the National Crime Agency and not local forces. That said it is incumbent of PCCs to monitor and challenge the service, after all the majority of 'modern' crime will be reported through this. The conference finished around 9.30pm, so by the time I got home at 11pm it was another 16 hour day!

DO WE NEED TO RELAUNCH THE AUTISM ALERT CARD?

Posted: Monday 9th December 2013

Friday 29 November

This job is very broad and not just about crime. Thus today I was having a look at the autism alert card (developed by Wiltshire Police in partnership with autism charities in Wiltshire, including the National Autistic Society and the Swindon-based Discovering Autistic Spectrum Happiness (DASH)). The idea of the card is that it can be carried by anyone with an Autistic Spectrum Condition (ASC) and used in situations where people with ASC might find communication difficult, for example if they come to the attention of the police, the criminal justice system or other services. I have heard that getting a card is quite difficult and that the take-up is low. I think there is more to do here, and perhaps a relaunch is necessary. However the first thing will be to meet DASH in Swindon.

To Wharf Green in Swindon where Wiltshire Police, Swindon Community Safety Partnership (SCSP) and Wiltshire Fire and Rescue Service launched their Christmas campaign. The focus is on how to stay safe whilst out and about and how to help prevent crime during the festive season....

Following the High Sheriff's recent concert in aid of Youth Action Wiltshire, I invited the organisation to come in for a chat. They have 77 affiliated youth clubs in the county and are a useful resource for those wanting to start a club. I am pleased to have made contact with them.

Monday 2 December

The morning was taken up with the Wiltshire Assembly held at the very impressive new theatre at Tidworth. We were given a full briefing on the effect of the return from Germany of the Army, many of whose soldiers will be based in our county,

On the way back to Devizes I took a detour to Salisbury Custody suite to look at the new video link between the cells and the court. This will enable hearings to be held in a virtual court without having to move detainees around the county. It should work and be more convenient. There are issues that will have to be sorted, especially around the custody transfers, and the time that those who are remanded stay in police custody.

PCCs have been given new money this year to prepare for commissioning services for victims. Planning started today, but already I am keen that we try to increase resources around domestic violence and also look at our definition of victim. It should not just be confined to those who are in contact with the criminal justice system, but should include other victims in the wider society.

In the evening I visited Devizes Boxing Club, one of ten clubs in Wiltshire and Swindon that have signed up to the Outbox scheme that is supported by my Innovation Fund. It is a multi-agency scheme designed to refer young people to boxing clubs and to support, guide and mentor them. The aim is to give individuals a positive focus, reducing their risk of becoming involved with anti-social and/or criminal behaviour.

Tuesday 3 December

A brief hello to our partners who organise the Safe Drive Stay Alive roadshow. Today they are making a presentation at Dauntsey's School in West Lavington, Then off to a briefing on the fraud profile of Wiltshire. This is an area in which there is a lot of work to do, not least because of the non reporting of such crime. I'm keen that as PCC we seek a way to hold the National Crime Agency to account for its work around fraud and the operation of Action Fraud, the national reporting hub.

I invited the Chief Constable to accompany me on a visit to the force contact centre and the emergency contact centre at the Devizes HQ. The performance of staff dealing with calls now consistently exceeds the standard and I thought that it was time to say "thank you". It was also an opportunity to formally announce a £1.8m investment which will bring call centre teams together under one roof in a modern, efficient office.

The day finished with an update on the finances. I will be preparing a presentation to take out for consultation after Christmas, but I am more and more minded to seek a £3 per year increase in the police and crime element of the Council Tax, and that is before hearing what the Chancellor has to say in his autumn statement at the end of the week ...

Wednesday 4 December

At the regional meeting of PCCs earlier in the month I signed the draft code of ethics drawn up by the College of Policing. Internally the force have also developed a code and we will be looking to set up an independent strategic board to oversee its use. As we work so closely with both Wiltshire and Swindon councils it seems to me that we should seek to involve them so that our staff are all working to the same code.

Thursday 5 December

I had almost forgotten that I was on the Association of Police and Crime Commissioners (APCC) reference group as it seem ages since any referring was done. Anyway an hour-long telephone conference took place today as we went through the agenda for the January meeting, as well as discussing accommodation, external communications and whether the APCC should apply to the Home Office's Innovation Fund. The fund, which consists of £20m this year, is designed to encourage new ways of working, especially around partnerships. The force has put in one stand-alone bid and we have put in three from the South West, only one of which was fully supported by all the south west forces. We really do have some way to go with collaboration.

On to a monthly update with Wiltshire Council leader Jane Scott and officers at County Hall before a Safeguarding Improvement Board, where I was held to account for the service and activity of the Constabulary. I seem to be drawn south for Wiltshire area boards at present ... an evening in Downton where I received a very friendly reception.

DOWN ON THE FARM, A GOOD IDEA TAKES ROOT

Posted: Monday 16th December 2013

Friday 6 December

Of all the projects supported by the PCC's Fund, which is run by The Community Foundation for Wiltshire and Swindon, the Caen Hill Countryside Centre farm project was the one I most wanted to visit. Today was the day. Situated at the bottom of Caen Hill just outside Devizes, the farm is a Wiltshire Council tenancy, but the land has not been farmed for many years. There is about 70 acres and the idea is that it will be a centre for learning rural skills in a hands-on way. A group was planting a hedge when I visited, but the wider vision is to provide a diversion for young people, especially those who are - or have been - in trouble. There is a long way to go yet, but it is a good project.

Saturday 7 December/Sunday 8 December

A weekend off, so away to London.

Monday 9 December

A morning looking at the performance figures, followed by a meeting of the Commissioner's Monitoring Board in the afternoon. The agenda included the interim Treasury Management Report, and an update of the progress regarding our estate at Salisbury and Corsham, plus a paper about the number of officers we can recruit and pay, given the reduction in funding that has already been announced. Protecting neighbourhood police teams is at the centre of all we do, but that does require better regional working on other police activities and a change in pace in our alliance with Wiltshire Council.

Tuesday 10 December

At the Home Office with the Chief Constable to hear about their Innovation Fund. Interesting timing given that the application had to be in on Friday. The Crime Prevention Minister came and read a speech, but I'm not sure it added anything to the event. It is interesting that ministers seem never to take the opportunity to listen to those who are at the coal face. This was a room of PCCs and Chief Constables, all of whom have the reduction of crime as their main reason for getting up in the morning, and yet no interaction. Overall it was an "interesting" day, but - given the time and costs - not that worthwhile. Returning to Wiltshire I got

stuck in a traffic jam caused by a collision so missed the public carol service in Malmesbury. I heard later that the Police Band performed well.

Wednesday 11 December

A meeting about our estate with colleagues from the force and Wiltshire Council, followed by a briefing on where Neighbourhood Watch is progressing in advance of a formal meeting. After a couple of private meetings I headed south for the area board in Bishopstone near Salisbury.

Thursday 12 December

An early start in Chiseldon, but only just up the road from my house. I met the Community Speed Watch volunteers who were joined by Inspector Steve Cox and Sergeant Barrie Card from the Roads Policing Unit. It was all part of the latest Operation Harness day of action. Sgt Card was there to breathalyse any speeding motorists. Quite a number were stopped, but it was pleasing that none were over the limit.

I also attended the launch of The Honest Truth, a campaign to enlist the support of driving instructors to explain to young people the terrible consequences of anti-social driving. The instructors are asked to talk about the dangers of distractions, not wearing seatbelts, speed, drink, drugs, mobiles, showing off and the impact of not having insurance.

At lunchtime I visited Outset in Swindon who are jointly funded by Swindon Borough Council and the European Community to offer help to those wanting to start out in self employment. Given the difficulty of getting a job when you have a "record", this is a useful service for ex-offenders.

Following that I went to Semington to visit Wiltshire People First. Situated in what was once a workhouse, they are advocates for those with learning difficulties, rather like Swindon Advocacy Movement. It was good to meet them and understand their work.

In the afternoon we had a reception in Devizes for those who were successful in gaining grants in the second round of my Innovation Fund.

Eleven projects were commissioned and a total of nearly £327,000 was awarded from my capital reserves.

Tonight it was my turn to be the driver for the Filling Station, a Swindon charity with which I am closely involved. It provides food for those in need. It was a welcome return to the streets and the real world, even if I was tracked down by a photographer from the Swindon Advertiser. I have to say her attention was drawn to the homeless person with two white rats up his jumper ...

Angus Macpherson
**Police and Crime Commissioner
For Wiltshire and Swindon**



POLICE AND CRIME PANEL
15 January 2014

AGENDA ITEM NO: 7

DRAFT BUDGET SETTLEMENT

Purpose

1. This paper provides the panel with information on the draft budget and precept being considered.

Background

2. In October 2013 the initial Medium Term Financial Strategy (MTFS) was produced and reviewed at my monitoring board. The MTFS looks at the estimated financial position of the PCC over the next 3 years and the impact this has on my ability to commission services. It acknowledges the fact that decisions I make today will impact my finances over the medium and long term.
3. The MTFS is included as an appendix to this report however it should be noted that the assumptions included are superseded by actual information as it is received.

The Settlement

4. The following Police relevant information was announced in the December settlement;
 - a 3.3% cash reduction in Police Revenue funding for 2014-15
 - Top slicing of PCC Funding for the Innovation Fund (£50m), IPCC (£18m), HMIC (£9m) and other areas (£7m)
 - The protection of Police funding in 2014-15 surrounding the 1.1% reduction announced in the Autumn Statement. Any impact on 2015-16 is deferred.
 - the provision of additional council tax freeze grants in 2014-15 and 2015-16 equivalent to a 1% tax rise for those precepting bodies which decide not to increase council tax.
 - the setting of the council tax referendum threshold level would be delayed until the new year.
5. The impact of the top slicing has a significant effect on PCC funding. Using the information provided for Wiltshire a 4.3% cash reduction in central funding is proposed.

Council Tax Options

6. I am currently considering 2 options surrounding the council tax;

- Option A – To increase council tax by 2% (on the assumption that this will be the maximum allowable before a referendum is called)
- Option B – To maintain council tax at the 2013-14 level

7. The table below shows the estimated funds I will have available under each option;

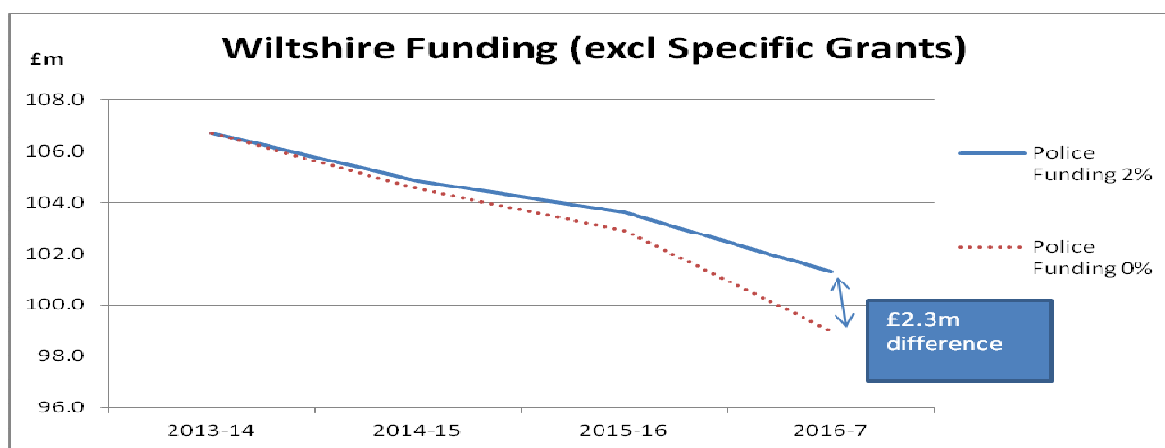
	2013-14 Budget	2014-15 0% C Tax Inc	2014-15 2% C Tax Inc
Standard Funding available to commission services (including investment income)	£106.965m	£104.765m	£105.101m
Swindon PFI Specific Grant	£2.067m	£2.067m	£2.067m
Special Policing Specific Grant	£1.145m	£1.145m	£1.145m
Victim Services Specific Grant		£0.222m	£0.222m
Total	£110.177m	£108.199m	£108.535m

8. My considerations surrounding the options focus on the long term funding position. To not increase council tax at this opportunity will have considerable impacts on my future ability to commission policing and crime services. The offer of freeze grants, whilst appreciated, reduces my future base budget. As the table shows my funding will reduce significantly under either option.

9. A 2% increase in Council Tax will result in Wiltshire's Band D council tax increasing from £157.77 to £160.92, a £3.15 increase. The table below shows that even with no increases in the rest of the region Wiltshire will remain the lowest.

	2013-14 Band D C Tax	Wiltshire 2% increase
Gloucestershire	£203.68	
Dorset	£183.51	
Avon & Somerset	£168.03	
Devon & Cornwall	£162.92	
Wiltshire	£157.77	£160.92

10. There is currently a great deal of discussion surrounding freeze grants and whether they will be included in future government settlements and if so in what way. The graph below shows a reduction in my funding to commission services by £2.3m in 2016-17 if no increases occur.



11. These considerations surrounding local funding levels cannot occur without taking into account the central funding position. 64% of my funding derives from central grants.
12. As the Home Secretary has not announced funding for 2015-16 or 2016-17 there is a significant risk of further large reductions (based on the Autumn Statement where a 1.1% reduction in Home Office funding). The figures used in this report are based on main funding (Police Grant and DCLG Funding) reducing by 3.5% in 2015-16 and 2016-17.

Impact on the Chief Constable's Budget

13. As the Chief Constable receives the largest allocation of the funding he will receive the largest cut in funding. Whilst funding is reducing he wishes me to invest in the Multi Agency Safeguarding Hub and SWITCH (a programme targeting frequent offenders). This has been discussed at my monitoring board and I have agreed to make the investment. In addition to this he has to fund a 1% pay increase and other inflationary pressures such as fuel. The table below shows his current budget requirement against funding levels which I may provide him in 2014-15;

	0% C Tax Inc	2% C Tax Inc
Budget Requirement	£107.049m	£107.049m
Funding Available	£102.313m	£102.641m
Shortfall (savings req.)	£4.736m	£4.408m

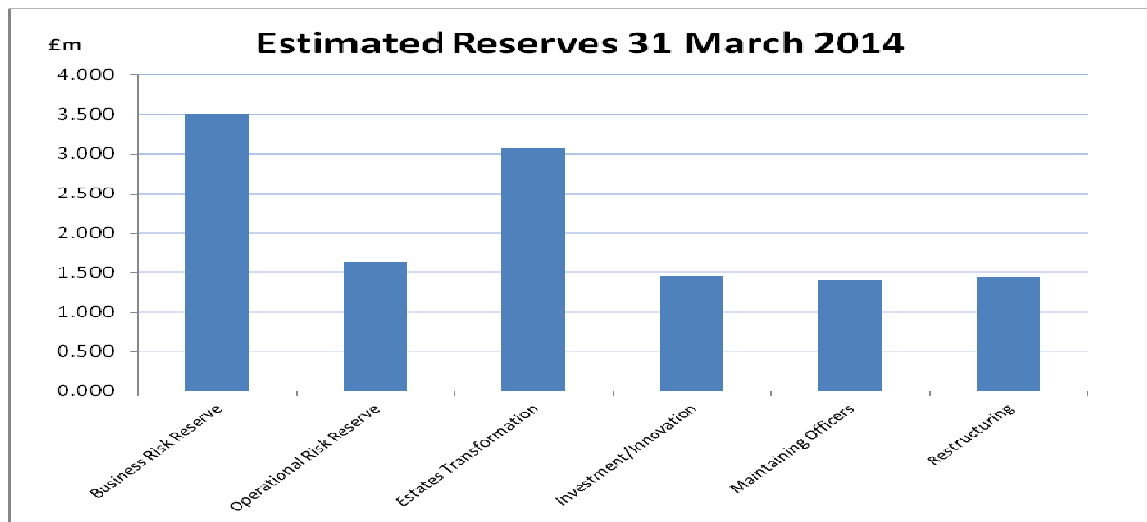
14. It should be noted that based on estimates the savings requirements in 2015-16 and 2016-17 are between a minimum of £3.5m and £6.1m per annum. Taking the 3 years together the total saving estimate is;
 - 0% Ctax Increase Strategy - £14.8m (£25.8m over 6 years from 2010-11)
 - 2% Ctax Increase Strategy - £12.5m (£23.5m over 6 years from 2010-11)

Closing the Shortfall

15. The MTFs suggested that in 2014-15 the savings requirement would be £4.214m (0% Council Tax Increase) or £3.890m (2% Council Tax increase). The requirement identified in paragraph 13 shows approximately a £0.500m increase in the target.
16. Work has been undertaken which identifies a draft savings plan of £4.315m. This is obtained by completing the final year of the Vision Change Management programme, entering into a number of collaboration agreements (local and regional) and reducing the command structure.

Reserves

17. The reserves held by the PCC have been reviewed. The value of the general reserve has been considered and I am advised that 3% (£3.2m) is appropriate. This is a reduction from the 4% set aside in March 2013. This frees up funds for specific purposes, such as maintaining police officer numbers for a longer period and financing the transformation of the estate and ICT. The graph below represents the estimated level of reserves allocated (£12.5m) for investment and risk.



Collaboration

18. Collaboration (local and regional) will play a large part in delivering the savings required. Examples include £1.195m for Tri-service Specialist Operations collaboration and £1.208m for the Wiltshire Council Strategic Alliance. Further collaboration savings include Forensics, Estates, Legal and Procurement.

Conclusion

19. This paper shows the panel my MTFs and gives them my current thinking surrounding the 2014-15 precept. I believe a £3.15 Band D increase per household per year is appropriate and I am now consulting the public on this via the area and locality boards.

Angus Macpherson
Police and Crime Commissioner



WILTSHIRE AND SWINDON

Medium Term Financial Strategy (MTFS) 2014-15 to 2016-17

Document Control	
Version 1	Amended CMB 15/10/13
Version 2	Amended CMB 28/10/13
Version 3	Final Version 29/10/13
Version 4	Reserves Review 9/12/13

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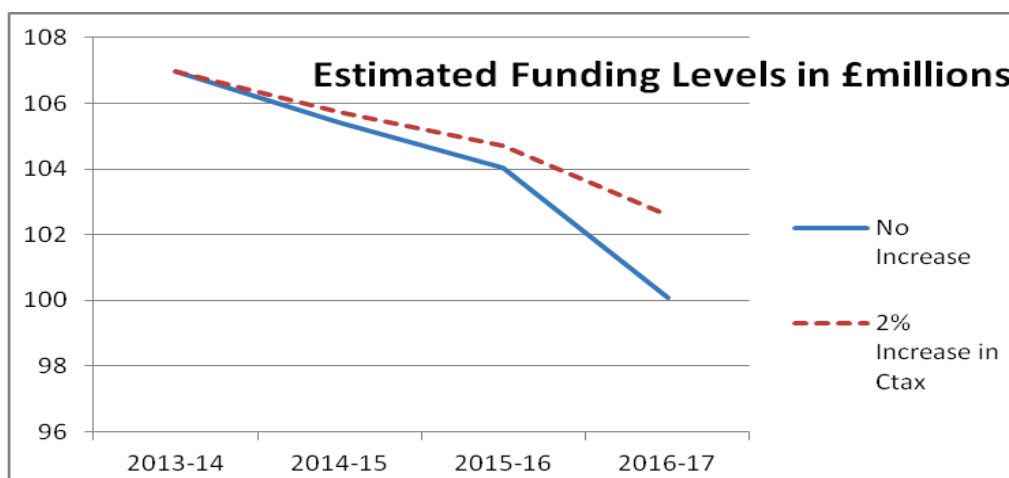
Appendix Ai	PCCs Medium Term Financial Plan (2% Council Tax Increase)
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Executive Summary

1. The 3 year MTFS has been produced in a climate of reduced funding. Central grant cuts and limited council tax increases are expected in this period. This will put significant pressures on the funds available to the PCC to fulfil his remit.
2. In producing the MTFS, statements made by Government in the 2013 Spending Round have been used to forecast funding for the first 2 years. For the 3rd year calculations have been based on a 3% grant reduction. Depending on the Council Tax Freeze Grant central funding reduces by between 2.3% and 3% in the first 2 years of the MTFS. In year 3 the reduction may be 6% as the freeze grants are removed.
3. It is estimated by the end of 2016-17 that central funding will have dropped in real terms by 31% since 2010-11.
4. During the next 3 years the Policing and Crime Commissioner (PCC) will have to make difficult decisions on the level of council tax increase. Considering the Chief Constable's initial plans the MTFS identifies the savings required to balance budgets under 2 different scenarios: no increase in Council Tax or a 2.0% increase.
5. The estimated funds available to the PCC under each strategy is shown below;

	No Council Tax Increase	2.0% Council Tax Increase	Variance
2014-15	£105.420m	£105.752m	£0.332m
2015-16	£104.034m	£104.728m	£0.694m
2016-17	£100.319m	£102.607m	£2.288m

6. An increase of 2.0% would result in a Band D Council Tax of £160.92, £3.15 p.a. more than the current precept. Even if all other South West Forces agreed not to increase their council tax we would still have the lowest Council Tax in the region.
7. The graph shows the impact council tax increases has on funding. The 'cliff edge' in 2016-17 relates to the removal of £2.2m of Council Tax Freeze grant in that year.



Impact on the Police and Crime Commissioner's Plans;

8. The reduction in finances reduces the PCC's capability to commission services. As the largest part of the PCC's budget is used to finance the CC the MTFs assumes they will take the largest reduction in budget. The reductions to the Office of the PCC and the external commissioning budget need to be considered and plans drawn up to ensure the office can function on these estimated budget levels.

Impact on the Chief Constable's Plans;

9. Expenditure plans have been estimated based on assumptions surrounding pay awards, inflation and limited growth. When compared to the different estimated income levels the following savings are required in each year to balance the budget;

	No Council Tax Increase	2.0% Council Tax Increase
2014-15	£4.214m	£3.890m
2015-16	£3.611m	£3.261m
2016-17	£5.975m	£4.424m
Total	£13.800m	£11.575m

10. Assuming a 2.0% Council Tax increase the cumulative savings requirement over the next three years is £11.575m (£22.408m if the savings since 2011-12 are included).
11. An agreement to a strategy of 2% Council Tax increases would enable the Force to continue with the Vision plan until the end of the CSR period with the projected savings from the Wiltshire Council Strategic Alliance closing any gap which may exist. The table below shows the planned savings against the estimated shortfalls under a 2% increase for the 2 years where funding announcements have been made;

	Shortfall with a 2% CT Increase	Planned Savings	Variance
2014-15	£3.890m	£3.907m	£0.017m
2015-16	£3.261m	£3.312m	£0.051m
Total	£7.151m	£7.219m	£0.068m

12. An analysis of the budget shows that 80% or £90m of the gross revenue budget is spent on staffing. To obtain savings, changes to staffing levels will be necessary. The figure of 1,062 Police Officer at the end of March 2015 is currently under review as part of the Operations Model.
13. To produce the necessary savings a corporate approach is required. The Vision change programme is providing this with £10.3m delivered to the end of September 2013. Partnership, collaboration and empowerment of staff will be the cornerstones of the next 3 years saving plan. Working with councils and other forces will help us deliver savings whilst protecting the front line and the service to the public. It should be noted that to deliver £7m of savings will be hard and slippage may occur.
14. In 2014-15 the CC has deemed that further investment in safeguarding is critical. The CC wishes to use a portion of the increase in council tax to invest 9 staff into the Multi Agency Safeguarding Hub.

15. The MTFS includes an updated Capital Plan. Estimated resources are adequate to fund current needs and allow a small amount for future funding. The plan does not identify a need to borrow during the MTFS period.
16. Reserves have been considered and are seen as a key instrument in managing risks. A level of reserves is seen as essential to manage both large incident risks and year on year revenue variations. Finances are available for one off investments, be this for capital, innovation or to fund one year shortfalls. This gives confidence when considering the risk surrounding savings targets and possible slippage.
17. The MTFS is based on assumptions which may or may not be realised but are currently considered as reasonable. Its purpose is to give to the PCC and the CC a financial framework to plan strategic direction over the next 3 years.

Introduction

18. This is the first MTFs produced since the introduction of the Police and Crime Commissioner (PCC). In this new environment the Commissioner has the option on how to spend the finances available to him to fulfil his wide ranging remit. This is different from the previous arrangements where once the cost of running the Authority was deducted the remaining funds were available to the Chief Constable (CC) to provide policing services.
19. In response to the change the MTFs has been structured differently. The main body of the MTFs deals with the finances available to the PCC under various scenarios. Appendix B will deal with the CC's budget requirement, this will then be referred to in the report when considering any shortfalls which may exist.

The Financial Environment

20. The MTFs for 2014/15 to 2017/18 has been produced against a backdrop of reducing funds. The first 2 years of the strategy use information provided in the June 2013 Spending Round. The 3rd year of the strategy (2017-18) assumes that central funding will continue to reduce. However there is no certainty of whether this will be the case and what the reduction will be.
21. The MTFs attempts to give an overall picture of the PCC's finances. The MTFs then considers the likely funds to be allocated to the CC by the PCC. It then considers this funding against the CC's budget requirement. The outcome provides both the PCC and the CC information which will assist them in decision making surrounding council tax levels, police officer numbers, etc. in the short to medium term.

Central Public Finances

22. In June 2013 the Chancellor of the Exchequer produced the 2013 Spending Round document. This outlined a plan to reduce public sector spending in 2015-16 by £11.5 billion. This reduction is in addition to savings required under the 2010 Comprehensive Spending Review.
23. Since the austerity measures were introduced police funding has significantly reduced. The table below for Wiltshire identifies an estimated real term reduction of 31% (these figures are included within the MTFs). The real terms reduction is reduced to 26% if the 2016-17 figures are removed. This reduction is a forecast based on previous figures – no central announcements have been received surrounding 2016-17.

Year	Real Terms Reduction	Inflation	Cash Reduction
2014-15	5.7%	2.4%	3.3%
2015-16	4.9%	1.7%	3.2%
2016-17	5.0%	2.0%	3.0%
Sub Total	15.6%		9.5%
2011-12	3.9%	2.1%	1.8%
2012-13	8.8%	2.1%	6.7%
2013-14	2.7%	1.1%	1.6%
Total	31.0%		19.6%

24. Owing to government capping of public sector pay increases the inflation impact has been reduced in recent years. This results in the 'real terms' reduction not being as severe as initially reported.
25. It should be noted that the figures announced for 2014-15 and 2015-16 are for the Police Service as a whole and do not go down to the detail for each PCC. Therefore the actual grants for those years are likely to be different from those estimated in this document. The 2016-17 figures are based on pure estimates as these will be dependent on the future CSR announcements.
26. It has been announced that the Community Safety Funding Grant will be mainstreamed into the central grant. It is assumed that this funding will be reduced in line with all central funding. For the purpose of the MTFs the grant has been kept as a separate line with the reduced funding levels.

Council Tax

27. In 2011-12 and 2012-13 Wiltshire Police Authority decided not to increase the Council Tax levy. The PCC continued this trend in 2013-14 therefore there has been no increase in Council Tax in Wiltshire for 3 years. In return the Authority and PCC received grants. The 2012-13 grant was for one year and is no longer payable. The PCC continues to receive grant for 2011-12 and 2013-14, the June 2013 spending review announced that these grants will be funded up to 2015-16.
28. The June 2013 spending review also announced that a grant equivalent of a 1% increase in council tax will be available for all PCC's who decide not to increase their Council Tax. This is on offer for both 2013-14 and 2014-15.
29. Whilst the acceptance of these grants reduces the impact on local tax payers it does reduce the overall funding available to the PCC. The biggest risk however is the impact in 2016-17 when it is anticipated that all the freeze grants will be removed. If no further grants are accepted the impact will be a reduction in income of £1.391m, if freeze grants are accepted in 2014-15 and 2015-16 the reduction in income will be £2.193m.
30. In 2012 the Secretary of State, under The Localism Bill, introduced new regulations surrounding Council Tax. If a major precepting body (which includes the PCC) proposes to raise taxes above a limit agreed by government then they will have to hold a referendum to obtain approval from local voters and the local voters may veto the rise. This means that major precepting bodies will need to convince local voters, rather than central government of the case for excessive rises in council taxes. For 2014-15 the Secretary of State announced that an increase of more than 2% would be considered excessive and be subject to a referendum. Taking this into consideration the MTFs has been produced using two different council tax levels:
- 0% - No increase (therefore attracting the freeze grant)
 - 2.0% - The maximum before referendum
31. A 1% increase in council tax in 2014-15 is estimated to be worth £0.367m. Any increase in council tax increases the base and secures future funding at a higher level.

32. The Council Tax receipt is dependent on the council tax base (the number of dwellings paying the tax). The Localism Bill also gave councils more freedom surrounding what council tax benefits could be given. In return for this freedom the funding of benefits was changed. From 2013-14 the centrally funded council tax benefit has been removed reducing the council tax base and in turn all precepting bodies income. In return each precepting body will receive grant income. In 2013-14 a grant of £3.830m has been received to cover the reduction in council tax receipts. Initial information suggests that funding will remain at this level in 2014-15 with no increase or reduction.
33. Prior to the revision in tax base a 1% increase has occurred regularly. Initial information from Wiltshire Council suggests that another 1% increase in tax base is likely in 2014-15. No information has been obtained from Swindon Borough Council. For the MTFS the estimate should be cautious but reasonable. Based on this a 1% increase has been included in each of the 3 years.
34. In order to estimate total funding, assumptions also have to be made on the collection fund surplus/deficit. In the last 2 years the surplus has remained at £488,000. Initial discussions suggest a drop in surplus in 2014-15 due to the change in council tax benefit legislation (as collection rates may fall when those previously receiving council tax benefits are asked to pay more) under the localisation bill and with that trend continuing into the mid term. Taking these factors into account the MTFS assumes the surplus in 2013-14 reducing by 50% in future years. The table below summarises the assumptions made in the MTFS.

	Additional Dwellings	Est total Dwellings	% Increase	Collection Fund Surplus
2014-15	2,300	232,296	1.0%	£300,000
2015-16	2,323	234,619	1.0%	£150,000
2016-17	2,347	236,966	1.0%	£75,000

Inflation

35. The consumer price index shows inflation reducing to 2.7% in August 2013. Based on this the MTFS allows for a 2.5% increase in all non-pay costs.
36. In the 2013 budget the Chancellor of the Exchequer announced that public sector pay increases would be capped at 1% until 2015-16. The MTFS allows for this low level of increase and assumes a 1% increase in 2016-17.
37. At September 2013 the bank base rate remained at the historical low of 0.5%. This has implications on investment income that all PCC's receive. In addition there is perceived to be an increased risk in investing in institutions offering high interest rates after the Icelandic Bank crisis. All these factors mean that investment income is expected to remain low in the short term.

National Insurance

38. At the start of 2013 the government announced a Draft Pensions Bill. One of the changes to legislation in the draft was the removal of the contracting out benefit for employers from April 2017. If this is confirmed it will increase the National Insurance bill for all employers. The impact on Wiltshire Police has been estimated at £2m

39. As this impact is so significant on all public bodies it is expected that the government will alter the Final Pensions Bill resolving the problem. This MTFS assumes this is the case. This position should be reconsidered in the 2015-16 MTFS.

Police and Crime Plan 2013-2017

40. As required under law the PCC published his Police and Crime Plan in March 2013. The plan reports 6 overarching priorities to be delivered during his time in office, these are shown below:

- Reducing Crime and anti-social behaviour
- Protecting the most vulnerable in society
- Putting victims and witnesses first
- Reducing offending and re-offending
- Driving up standards of customer service
- Ensuring unfailing and timely response to call for assistance

41. In delivering these objectives there is a requirement to unlock resources to deliver. What this means is a drive to eliminate waste and duplication, being more cost efficient and cost effective. This plan identifies that the police alone will not be able to deliver the priorities. It will mean working in partnership with other organisations, volunteers and communities. As such an Innovation reserve has been created to help pump prime initiatives which are in line with the priorities.

42. In the current financial environment there is a need to reduce costs whilst delivering more. Based on this the PCC has agreed that investment in technology is required and that the sharing of various services (front, middle and back) will be necessary to drive costs down as central funding reduces.

43. A part of the Police and Crime Plan included the commissioning of a minimum number of PCSO's (141) and Police Officers (1062). These staffing levels are based on work completed in response to the 2010 Comprehensive Spending Review (CSR). With the receipt in 2013 of the Spending Review we can see clearly that this period of austerity is going to extend beyond the 4 year period of the 2010 CSR, and that to maintain staffing levels will be financially difficult. In response to this the PCC has agreed with the CC that the focus must be on front line staffing who are delivering the priorities. Based on this the CC has commissioned an Operational Policing Review to provide an evidence based report to establish the front line requirement.

44. In setting the budget the PCC will be allocating a certain level of resources for the following purposes;

- Commissioning police services from the Chief Constable
- Commissioning services in line with the Police and Crime Plan for other organisations (i.e. other public bodies, charities, the private sector, etc.)
- Financing capital expenditure which support the plan
- Financing the running costs of the OPCC

Financial Health

45. It is good financial management to have a suite of health indicators which provide guidelines on the organisations financial standing. A set of indicators are reported under Appendix C.

46. A report on progress against Health Indicators will be presented to PCC and the Force's management on an annual basis

Income Forecasts

47. The 2013-14 budget relies on the following income to finance activity;

Central Funding	Police Grant	£41.714m	
	Council Tax freeze Grant 2011-12	£0.990m	
	Council Tax freeze Grant 2011-12	£0.363m	
	Council Tax Localisation Grant	£3.830m	
	Community Safety Fund Grant	£0.477m	
	DCLG Funding	£22.545m	£69.919m
Local Funding	Precept – Council Tax	£36.286m	
	Council Tax Surplus	£0.488m	£36.774m
MTFS Funding		£106.693m	£106.693m

48. In line with the comments made within the 'Financial Environment' section the MTFS includes the Police Grant and DCLG Funding reducing in cash terms by variable figures of 3.3%, 3.2% and 3% in each of the 3 years. The Council Tax Freeze Grants are expected to be removed in 2016-17.

49. In the last 3 yrs there has been no increase in Council Tax. The current council tax level of £157.77 is the 17th lowest in the country. In 2013-14 12 PCC's chose not to increase the council tax. The remaining 31 agreed increases in the region of 1.9% to 7%. The table below compares the PCCs Band D council tax against others in the South West. It also shows the impact of a 2.0% increase in council tax in 2014-15.

Authority	2013-14 Band D Council Tax	Wiltshire 2% increase 2014-15	Wiltshire 2% increase 2015-16	Wiltshire 2% increase 2016-17
Gloucestershire	£203.68			
Dorset	£183.51			
Avon & Somerset	£168.03			
Devon & Cornwall	£162.92			
Wiltshire	£157.77	£160.92	£164.14	£167.42

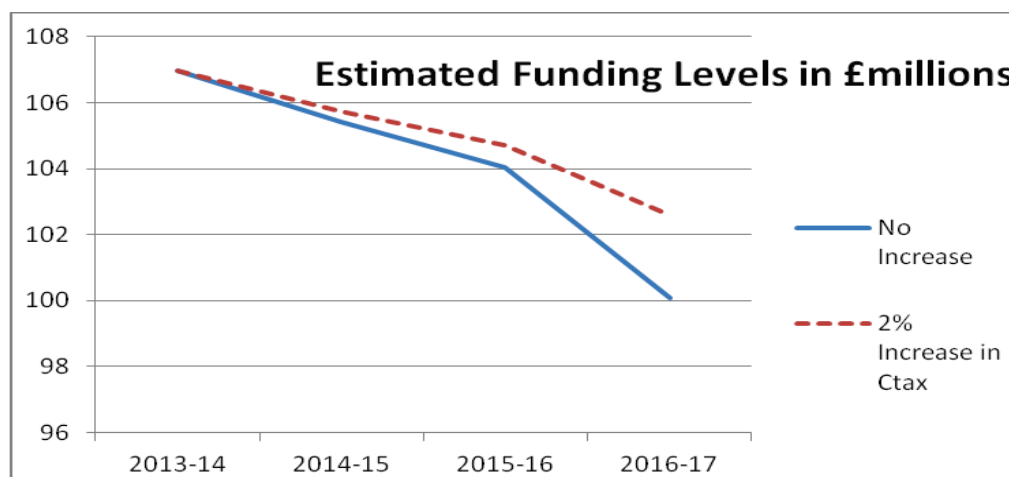
Additional cost per Band D Household with a 2% increase	£3.15 p.a.
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50. The table shows that even if Wiltshire increased its council tax in all 3 years by 2% and all the other PCC's in the region froze their council tax Wiltshire would still have the second lowest council tax in the region.
51. It should be noted that the financial benefit of council tax increases in future years is dependent on previous decisions made on the council tax. For instance if Wiltshire's Band D were the same as Avon and Somerset (the mid force) we would receive £38.646m, £2.364m more than the £36.282m actually received. So roughly a £10 increase in Council Tax is worth £2.4m in funding to Wiltshire Police.
52. Council tax is 34% of the Authority's funding; therefore to fund an expenditure increase of 1% (£1.066m) requires a 2.9% increase in council tax. This is known as the 'gearing effect'.
53. The assumptions made on occupied housing are reported earlier in the MTFs, this will increase the tax base. Initial information from the councils suggests that levels of council tax payment remain stable and that a council tax surplus is forecast however at a lower level than 2013-14.
54. The total income over the next 3 years based on the 2 levels of Council Tax increase is reported under Appendices Ai and Aii and is summarised below. These show that even with a 2.0% council tax increase cash funding reduces.

No Increase	2014-15	2015-16	2016-17
Central Funding	£68.221m	£66.619m	£62.608m
Local Funding	£36.949m	£37.166m	£37.461m
Investment Income	£0.250m	£0.250m	£0.250m
Total Funding	£105.420m	£104.034m	£100.319m
Total reduction/inc.	-1.4%	-1.3%	-3.6%

2% Increase	2014-15	2015-16	2016-17
Central Funding	£67.820m	£65.817m	£62.608m
Local Funding	£37.682m	£38.661m	£39.749m
Investment Income	£0.250m	£0.250m	£0.250m
Total Funding	£105.752m	£104.728	£102.607m
Total reduction/inc.	-1.1%	-1.0%	-2.0%

55. The impact on the funding levels is shown graphically below;



56. It is necessary to consider the impact of different scenarios. The impact on the 2014-14 finances is shown below;

Scenario	Impact on 2014-15 MTFS Figures
The Central funding cash cut is 4% rather than 3%	Funding reduces by £0.700m
The Central funding cash cut is 2% rather than 3%	Funding increases by £0.700m

Impact of Reduced Funding Allocations

57. The MTFS assumes that the reductions in finances tabled under paragraph 52 are split equally across current funding allocations. Appendices Ai and Aii report the funding splits over the 3 years. The table below shows the impact of the reduction forecast for 2014-15 of 1.1% or 1.4% under the two council tax options;

	2013-14 Allocation	2014-15 Allocation 2% Ctax	Reduced Allocation 2% Ctax	2014-15 Allocation 0% Ctax	Reduced Allocation 0% Ctax
OPCC Office cost	£0.957m	£0.946m	£0.011m	£0.943m	£0.014m
OPCC Capital cont (RCCO)	£0.750m	£0.742m	£0.008m	£0.739m	£0.011m
OPCC Ext. Commissioning	£0.797m	£0.788m	£0.009m	£0.785m	£0.012m
CC Allocation	£104.460m	£103.276m	£1.184m	£102.952m	£1.508m
Total	£106.964m	£105.752m	£1.212m	£105.420m	£1.545m

58. The cost of the PCC's office is currently under review. Since the election in November 2012 the PCC has been under spent due to vacancies. The PCC is now reviewing the structure of his office. The outcome of this will affect how the PCC allocates the finances available.

59. In 2013-14 the PCC has broadly commissioned services in line with how the Community Safety Grant was used in 2012-13. The PCC has informed the organisations that received these grants that he is intending to ensure all services commissioned are outcome based in 2014-15; this is expected to lead to a change in the allocations.

60. As 98% of the funds received by the OPCC are allocated to the CC it is inevitable that the reduction in central funding will impact the CC the hardest. Depending on the level of funding the table shows the CC allocation reducing by either £1.184m or £1.508m.

61. When considering inflationary pressures and other unavoidable costs the savings required by the CC will be considerably higher than these figures. Appendix B reports the budget requirement for the CC. Depending on the council tax levy it identifies a savings requirement for the CC of £3.890m or £4.214m in 2014-15,

62. Assuming the PCC decides to split the funding reduction equally the CC's savings requirement is forecast to be £11.575m or £13.800m over the 3 year period (paragraph 14 of Appendix B reports in more detail).
63. With both funding options the savings required to be delivered by the CC are significant. These savings requirements are in addition to the £11m saved in the 3 year period from 2010-11.
64. The PCC has agreed with the CC a strategy to reduce middle and back office costs by partnership with Wiltshire Council. This is expected to deliver £2m of savings within 3 years. The savings strategy also includes collaborating with other Police Forces and PCC's working together to provide improved services at lower cost. More detail on savings plans is included in the CCs Budget Requirement (Appendix B).

Capital

65. The Capital Plan is funded from capital balances brought forward, transfers from reserves, annual grant, capital receipts and revenue contributions to capital. The opportunity to borrow funds under the Prudential Code does exist. However to date this has not been necessary and this remains the case for the period of this MTFS.
66. If in the future the PCC does decide to enter into borrowing, the revenue consequences of paying back the borrowing along with associated interest should not be overlooked.
67. The base budget for 2013-14 allows the Authority to supplement the capital programme with a £0.750m revenue contribution to capital (RCCO). Paragraph 57 shows this reducing each year in line with the funding reduction.
68. Appendix D shows the Capital Plan for the next 3 years. This is the plan approved at the Commissioners Monitoring Board in August 2013 adjusted for the reduction in RCCO (assuming a 2% council tax increase). This plan shows capital grant of £0.939m in each financial year, this is in line with information provided by the Home Office in February 2013.
69. Based on this level of funding and the approved capital expenditure programme the plan identifies cumulative balances at the end of each year as below;

	2014-15	2015-16	2016-17
Balance available	£0.282m	£0.632m	£0.867m

70. It is expected that these funds will be needed to finance future development. However there is also an expectation that part of the current estate will become surplus to requirements as we follow our co-location strategy with council partners. This will provide funding to improve the estate. Salisbury is an illustration of this where the capital receipt from the expected sale will assist in financing replacement facilities.
71. There is also a requirement to invest in a number of our current main locations (Police HQ and Melksham specifically). Investment is needed to modernise the office environment enabling more efficient, mobile, working practices which will lead to reduced costs and better performance. £3m has been set aside in reserves to finance the necessary ICT and estates changes required.

72. Each year the PCC undertakes a number of planned maintenance programmes to increase the life of assets. This can be upgrading assets such as lifts or undertaking substantial works. It is proposed to fund substantial programmes (above £0.040m) via capital, programmes. Below this value will be funded by revenue. The plan allows £0.100m per year for these substantial programmes from 2014-15.
73. The refresh ICT programme is based on a need to significantly improve the ICT infrastructure. Working with Wiltshire Council we are benefiting from their experience in facilitating remote working and generally delivering fit for purpose ICT. Using their experience and by working alongside other forces in the procurement of police specific systems it is expected to lead to a reduction in revenue costs.
74. The Fleet strategy is based on the Policing Model. This has enabled a reduction in response vehicles. The strategy also includes the use of framework vehicles to reduce cost. This is now in place for our high volume vehicles. Further work on the remainder of the fleet remains on-going with the South West Police Procurement Department leading. This should reduce cost and lead to more standardisation across the region.
75. The Financial Health Indicators expect that across the plan the funding for replacement and maintenance programmes will be funded by annual grants and revenue contributions. The plan identifies that for the period 2014-15 to 2016-17 the income from grant and revenue will be £5.012m compared to estimated replacement costs of £5.809m (including part of the ICT refresh programme), a difference of £0.797m. This means that currently the indicator is not met

Risks and Reserves

76. The assessment of risks and the setting of appropriate levels of reserves is an essential element of medium term financial planning.
77. When setting budgets and future plans it is essential to ensure that they are both affordable and sustainable.
78. The risks may be categorised in three ways:
- Local small level risks, where they would be accommodated within devolved budgets
 - Significant risks which can be covered by insurance cover
 - Larger risks which, if they occurred, would need to be funded from reserves in the knowledge that they would have a significant impact upon the next year's budget setting process.
79. With Policing being an emergency service there is always the risk that one incident could result in costs of £1m or more. The Home Office do provide some cover for large incidents agreeing to provide special grant for cost over 1% of budget. This does alleviate some of the need for the PCC and CC to hold a high level of reserves.
80. A Reserves and Provisions Policy has been produced by the PCC in association with the CC. This policy states the purpose of reserves and the principles in how they are used. The policy is in line the CIPFA (Chartered Institute of Public Finance and Accountancy) best practice. This has been updated and is included under Appendix E.

81. To cover large scale risks the PCC's stated position, reported in the reserves policy, is to hold a minimum general reserve of 3% of budget (£3.2m). As at 1 April 2013 the general reserve was £4.268m (4% of budget). The review has identified other risk mitigation reserves in place, there enable the PCC to free up resources for investment to improve the service.
82. The PCC holds other specific earmarked reserves for specific risks e.g. Insurance. The estimated level of reserves at 31 March 2014 for these is reported in Appendix E.
83. The largest of the Investment Reserves included within the revised policy at Appendix E is the Estates Transformation Reserve. In line with paragraph 71 £3.0m has been set aside to finance the transformation of Melksham and Police HQ Devizes into modern offices with up to date ICT. Work is being undertaken in line with the Estates Strategy to cost these works identifying realistic timescales for development. The PCC is able to finance this reserve to this level by transferring funds from the generic Investment Reserve and by utilising the forecast 2013-14 underspend of £2.5m. This transfer is expected to be a one-off opportunity as no underspend is forecast in 2014-15. The continual reduction in staffing numbers to meet budget constraints reduces the likelihood of underspends. The approved Police Officer recruitment strategy is also expected to result in a continual stream of new recruits replacing retiring officers throughout the year. To enable a consistent level of recruitment, protecting the future of the service, funding has been set aside to finance the periods of time over the next 3 years when officer numbers exceed budget.
84. The PCC's investment reserves exist to provide funding for projects which will improve the service provided to the public or will lead to a reduction in revenue costs in the medium term, examples of these reserves and their purpose is shown below;
- The Community Safety Innovation Reserve – enables the PCC to commission services from organisations who believe that with a certain level of funding they can assist the PCC in delivering the 6 objectives within his plan.
 - The Restructure Reserve – finances costs incurred in delivering the savings required by the CC. Expenditure can finance redundancy costs, office changes, etc...
85. All reserves are 'one-off' funds and can only be used for investments which do not have on-going revenue consequences.
86. The Financial Health Indicators allow the PCC to monitor reserve levels, ensuring they are neither too high nor too low. Annually the appropriateness of reserves is considered by the PCC's Chief Finance Officer. His judgement is based on an assessment of the strategic, financial and operational risks facing the PCC.

PCC's Conclusion

87. The MTFs is a living document. It changes as information is received concerning costs, funding and service delivery requirements. The MTFs will be reviewed annually and is the cornerstone of the budget planning cycle.

PCC for Wiltshire Medium Term Financial Plan

Council Tax Increase	2.00%		
Financial Year >>>>>>	14/15 <i>£million</i>	15/16 <i>£million</i>	16/17 <i>£million</i>
Estimated Funding Available to the PCC			
Main Police Grant	40.337	39.047	37.875
Community Safety Fund Grant	0.461	0.446	0.433
DCLG Funding	21.800	21.102	20.469
Freeze Grant 11/12	0.990	0.990	0.000
Freeze Grant 13/14	0.401	0.401	0.000
Freeze Grant 14/15	0.000	0.000	0.000
Freeze Grant 15/16	0.000	0.000	0.000
Localisation Grant	3.830	3.830	3.830
Total Central Funding	67.820	65.817	62.608
CT Surplus	0.300	0.150	0.075
Precept	37.382	38.511	39.674
Contribution from reserve	0.000	0.000	0.000
Total Grant and Precept Funding	105.502	104.478	102.357
Investment Income	0.250	0.250	0.250
Total Income available to PCC	105.752	104.728	102.607
Reduction in Total Funds Available	-1.1%	-1.0%	-2.0%
<i>Central Funding Reduction</i>	<i>-3.0%</i>	<i>-3.0%</i>	<i>-4.9%</i>
Band D Council Tax	160.93	164.14	167.43
Increase per Band D household	3.16	3.22	3.28
Allocation of Funding			
Assuming that funding reduction is split equally across all current allocations			
OPCC - Office costs	0.946	0.937	0.918
OPCC - Capital Contribution	0.742	0.734	0.719
OPCC - External Funding allocations	0.788	0.780	0.765
OPCC - Chief Constable allocation	103.276	102.276	100.205
Total Allocation	105.752	104.728	102.607

PCC for Wiltshire Medium Term Financial Plan

Council Tax Increase	0.00%		
Financial Year >>>>>>	14/15 <i>£million</i>	15/16 <i>£million</i>	16/17 <i>£million</i>
Estimated Funding Available to the PCC			
Main Police Grant	40.337	39.047	37.875
Community Safety Fund Grant	0.461	0.446	0.433
DCLG Funding	21.800	21.102	20.469
Freeze Grant 11/12	0.990	0.990	0.000
Freeze Grant 13/14	0.401	0.401	0.000
Freeze Grant 14/15	0.401	0.401	0.000
Freeze Grant 15/16	0.000	0.401	0.000
Localisation Grant	3.830	3.830	3.830
Total Central Funding	68.221	66.619	62.608
CT Surplus	0.300	0.150	0.075
Precept	36.649	37.016	37.386
Contribution from reserve	0.000	0.000	0.000
Total Grant and Precept Funding	105.170	103.784	100.069
Investment Income	0.250	0.250	0.250
Total Income available to PCC	105.420	104.034	100.319
Reduction in Total Funds Available	-1.4%	-1.3%	-3.6%
<i>Central Funding Reduction</i>	<i>-2.4%</i>	<i>-2.3%</i>	<i>-6.0%</i>
Band D Council Tax	157.77	157.77	157.77
Increase per Band D household	0.00	0.00	0.00
Allocation of Funding			
Assuming that funding reduction is split equally across all current allocations			
OPCC - Office costs	0.943	0.931	0.898
OPCC - Capital Contribution	0.739	0.729	0.703
OPCC - External Funding allocations	0.785	0.775	0.747
OPCC - Chief Constable allocation	102.952	101.599	97.970
Total Allocation	105.420	104.034	100.319

The Chief Constable's Budget Requirement

Introduction

1. In 2013-14 the PCC allocated the CC £104.460m to police the county. This funded staffing of 1063 Police Officers, 139 Police Community Support Officers (PCSO's) and 863 Police Staff. Due to vacancies a current underspend of £2m is forecast for the year. Once these vacancies are filled no underspend is expected.
2. The current (CSR 2010) plan is to reduce staffing to 1062 Police Officers, 139 Police Community Support Officers (PCSO's) and 848 Police Staff by the end of March 2014. Whilst this plan is currently valid the Force are carrying out an operational review which will focus on the frontline requirements. This is expected to improve resilience and deliver part of the additional savings required from the 2013 Spending Round.

Funding

3. The CC's plans directly relate to the funding provided by the PCC. Whilst the PCC has yet to agree the exact funding allocated, the CC's MTFS will assume the funding available is that reported in the PCC's MTFS. This is reported in the table below;

	2014-15	2015-16	2016-17
CC Funding at 2% Council tax Increase	£103.276m	£102.276m	£100.205m
CC Funding at 0% Council tax Increase	£102.952m	£101.599m	£97.970m
Variance	£0.324m	£0.677m	£2.235m

The large variance in 2016-17 relates to the expected withdrawal of the freeze grants.

4. In 2014-15 the CC expects to benefit from 2 specific grants, Swindon PFI and the Security Grant. These grants total £3.1m per annum.

Expenditure

5. In 2013-14 the PCC set an overall budget of £106.694m. After removal of £1.018m of costs allocated to the PCC (under the national Police Objective Analysis (POA) guidelines) and £0.750m of capital financing the CC was left with £104.926m. For budgeting purposes the allocation was £104.780m – the difference of £0.146m relates to costs allocated to the PCC locally but when allocated under the POA is nationally determined as a cost of policing.
6. The table below shows how the CC allocated the £104.926m (POA);

	Officer FTE	Staff FTE	Total FTE	% of Staff	£m	% of Budget
Local Policing	493	171	664	32%	28.941	28%
Dealing with the Public	15	195	210	10%	6.998	7%
Criminal Justice	33	159	192	9%	8.057	8%
Road Policing	64	4	68	3%	3.724	4%
Ops Support	72	5	77	4%	4.614	4%
Intelligence	38	54	92	4%	4.583	4%
Investigations	290	130	420	20%	19.590	19%
Investigative Support	1	51	52	3%	3.050	3%
National Policing	25	13	38	2%	0.915	1%
Support Functions	43	223	266	13%	24.095	23%
Pensions	0	0	0	0	0.714	1%
	1074	1005	2079	100%	105.281	100%
Reserves used					-0.355	
					104.926	

7. Each year the Force reviews its spending levels against other forces using HMIC's Value for Money profiles. These profiles show our level of investment in policing and compares these against a national average and the average of similar forces. In 2013-14 the profiles show Wiltshire as low cost, this is mainly due to a low level of funding. The headlines from the draft profiles include:

- Wiltshire's spend per head of population is £162. The national average is £189 and £177 for similar forces. Wiltshire's spend is the 3rd lowest in the country.
- Wiltshire's central funding per head of population is £102. £139 is the national average, £111 for similar forces. Wiltshire's funding is the 6th lowest in the country.
- Wiltshire's Support Service spend per head of population is £35.80, £3.10 below the £38.90 for similar forces and £1.30 below the national average of £37.10.
- Wiltshire's percentage of frontline officers in visible roles is 58%, compared to a national average of 60% and 61% for similar forces.

8. Whilst the above POA table shows how the funding was allocated per area of policing the table below shows the breakdown of cost between salaries and other costs.

	£m	
Staff and Employee Costs	87.867	80%
Premises	6.497	6%
Transport	3.112	3%
ICT	4.206	4%
Surgeons and Forensics	2.119	2%
Other Costs	4.911	4%
Pensions	0.699	1%
Gross Cost	109.411	100%
Income	-4.631	
Net Cost	104.780	

9. Appendices Bi and Bii show the cost increases and cost reductions expected to be faced by the CC over the next 3 years. These financial plans are based on general inflation increases of 2.5% and pay inflation of 1%.
10. The CC Financial Plans identify the impact of partnerships on funding requirements. The financial impact of the new Firearms Tri-force arrangements, the removal of partner funding in the Emergency Contact Centre (£0.441m income loss), the change from a local to a national arrangement on Air Support all have financial impacts.
11. The plans also identify an on-going requirement to increase the funding requirement for police staff pensions. The 3 yearly review has identified that the Local Government Pension Fund for Wiltshire Police has dropped to 80% of liabilities. The overall Wiltshire Pension fund strategy identifies a stepped increase in funding when funding gaps start to appear, therefore a 1% increase in the contribution is recommended by the pension's administrators. This will increase base costs by £0.246m in each of the 3 years of the plan.
12. In line with previous plans £0.250m is allowed in each year to fund policing pressures. In 2014-15 there is a critical requirement to increase staffing in the Multi Agency Safeguarding Hub (MASH). The Senior Command Team have received and approved a business case which sees the requirement to increase resources by 8 FTE to provide an effective pan Wiltshire and Swindon service. With this estimated to cost £0.195m only £0.100m has been left available for other policing pressures.
13. Cost reductions have been identified. These include the removal of the £0.200m ACC contingency budget. Any unexpected costs will now be funded by the CC's Operational Reserve. National concerns exist surrounding the possible top slicing of grants to fund a larger IPCC (Independent Police Complaints Commission). As no information on the value is available the MTFs does not consider this. Depending on the value and timing of any announcement it may be necessary to use the Smoothing reserve to assist in managing the impact.

Funding Shortfalls

14. When comparing these estimated budget requirements against the finances expected to be available from the PCC a savings requirement is identified, the tables below show the level of savings required;

No Increase	2014-15	2015-16	2016-17	Total
Estimated Expenditure	£107.166m	£105.210m	£103.945m	
Estimated Funding	£102.952m	£101.599m	£97.970m	
Estimated Shortfall	£4.214m	£3.611m	£5.975m	£13.800m

2% C.Tax Increase	2014-15	2015-16	2016-17	Total
Estimated Expenditure	£107.166m	£105.537m	£104.629m	
Estimated Funding	£103.276m	£102.276m	£100.205m	
Estimated Shortfall	£3.890m	£3.261m	£4.424m	£11.575m

15. The estimated savings requirement of £13.800m or £11.575m is on top of the savings of £12m delivered in the last 3 years. These savings have been produced by the 2010 Vision Plan and Management Structure review. They have broadly required all middle

and back off services to reduce by 15%-20%. Whilst the force can continue to reduce in this manner it is not considered that this level of savings can be achieved whilst delivering a fit for purpose service.

Efficiency Strategy

16. Appendix Biii shows the current position on the savings delivered under the Vision Wiltshire Programme. The table below summarises the position and the savings required during the CSR 2010 period;

Vision	Savings Delivered	Savings Outstanding/Planned	Total Savings
2011-12	£4.186m		£4.186m
2012-13	£3.706m		£3.706m
2013-14	£2.428m	£0.514m	£2.942m
2014-15		£3.253m	£3.253m
Total	£10.320m	£3.767m	£14.087m

17. A high level review of the savings target has taken place. This has identified a risk of £0.512m savings slippage. This has been considered in 2014-15 planning. A more detailed review of the savings outstanding will take place in October/November 2014 to ensure that the allocated responsible officers remain confident that the savings can be delivered. The main themes of the 2014-15 plan include;

- Tri-Service Operations Support (£1.000m)
- General Expenditure reduction (£0.500m)
- Regional Procurement (£0.450m)
- Estates collaboration (£0.290m)

18. It has been acknowledged that the government's austerity plans will require further savings to be made. Based on this the Senior Command Team (SCT) have been working with partners to deliver further savings (as detailed in the table below).

19. In addition to the Vision savings a further £1.145m savings was required for 2013-14 to balance the budget. The CC requested that SCT review their portfolios with the intent to reduce management structures to deliver the saving. Savings of £1.410m were identified across 2013-14 and 2014-15, the excess of £0.265m will assist in financing the savings requirement in 2014-15

20. The current savings plan for 2014-15 and 2015-16 is reported below

No Increase	2014-15	2015-16
Vision savings to deliver (para. 16 and 17)	£2.742m	£0.512m
Management Savings (balance)	£0.265m	
Strategic Alliance	£0.500m	£1.500m
Police Specific Collaboration (forensics etc.)	£0.150m	£0.250m
Campus Model		£0.250m
ICT 3 rd Party Efficiencies	£0.250m	£0.050m
Procurement Collaboration		£0.250m
Ops Model/Structure Review		£0.500m
	£3.907m	£3.312m

21. When compared to the savings required table below it can be seen that if delivered they will cover the entire shortfall forecast if a 2% council tax increase is agreed.

	2014-15	2015-16
Estimated Shortfall – 2% Increase in C.Tax	£3.890m	£3.261m
Estimated Shortfall – No Increase in C.Tax	£4.214m	£3.611m

22. Plans for 2016-17 are in their infancy. It is expected that the theme of partnership and remodelling the management structure empowering those staff lower in the chain of command will continue.

23. Whilst further savings are required and some of these savings may come from a reduced number of police officers (collaboration and structure efficiencies) it is important to agree a recruitment strategy. Each year over 40 police officers leave the force (retirements and resignations), therefore to agree to a strategy of 2 in-takes per year seems appropriate. Each in-take can be flexed to between 15 and 20 with transfers in used as a way of topping up numbers when necessary.

24. There is a risk that we will end up with more officers than we can afford. However this is a small risk with the continuing outflow of retirements mitigates the possibility of a large overspend. Any small overspends in year can be managed by use of reserves.

25. A regular in-flow of new recruits is seen as a positive way of managing officer numbers. The switching on and off of recruitment has left us in the past with gaps in officers which have taken over 18 months to close. A large influx of probationers at one time also results in training and mentoring problems.

26. Police Staff numbers continue to vary depending on leavers and the Vision Plan. With recruitment being adhoc no specific strategy is proposed or required.

CC's Conclusion

27. The CC's MTFs identifies a strategy to close the funding gaps expected over the next two years if a 2% Council Tax increase strategy is agreed. There are risks that the £7m of savings will not be achieved. The biggest risk to this is partnership failure as working with councils and other police forces is expected to help deliver large savings.

28. If the PCC's preference is for a 0% Council Tax strategy it will increase the savings target for the 2 years which is a concern. The largest risk however with this strategy surrounds 2016-17 when the freeze grants are expected to be removed. This would result in reduced funding of circa £2.5m in that year.

29. To deliver sustained, improving, performance over the next 3 years requires a level of certainty. By agreeing an allocation method for this period will enable the CC to make plans in the knowledge of stable funding.

Chief Constables Financial Plan

Based on Council Tax Increase 2.00%				
		<i>14/15</i>	<i>15/16</i>	<i>16/17</i>
		£million	£million	£million
Expenditure BFWD		104.780	103.276	102.276
Local partnership funding to OPCC		-0.320	0.000	0.000
Revised Expenditure Carried Forward		<u>104.460</u>	<u>103.276</u>	<u>102.276</u>
<u>Cost Increases</u>				
Inflation estimate		1.283	1.286	1.278
Fixing of specific grants		0.080	0.080	0.080
Spinal Point Increases		0.700	0.700	0.700
Increase in Bank Holidays		0.081	0.162	0.000
Carbon Commitment Increases		0.025	0.025	0.025
5% Reduction in Security Grant		0.057	0.052	0.052
Regional Firearms Range		0.126	0.000	0.000
End of Helicopter PFI Grant		0.304	0.000	0.000
Loss of Partner Contributions to ECC		0.441	0.000	0.000
1% Local Gov Pension Increase		0.246	0.246	0.246
Multi Agency Safeguarding Hub		0.195	0.000	0.000
Unidentified Policing Pressures		0.100	0.250	0.250
Total increases in Expenditure		<u>3.639</u>	<u>2.801</u>	<u>2.631</u>
<u>Cost Reduction</u>				
Reduced Rent Allow & Comp Grant		-0.140	-0.128	-0.116
Helicopter Tfr to NPAS from 1/1/2015		-0.140	-0.412	0.000
Winsor Review Impact		-0.330	0.000	0.000
Contingency Reduction		-0.200	0.000	0.000
Reduction in Bank Holidays		0.000	0.000	-0.162
External Fees Reduction		-0.123	0.000	0.000
Total reductions in Expenditure		<u>-0.933</u>	<u>-0.540</u>	<u>-0.278</u>
Contributions to or from Reserves		0.000	0.000	0.000
Savings Required = '-' / Growth Available		-3.890	-3.261	-4.424
New Requirement		<u>103.276</u>	<u>102.276</u>	<u>100.205</u>
<u>Inflation Assumptions</u>				
Employees		1.00%	1.00%	1.00%
Other		2.50%	2.50%	2.50%

Chief Constables Financial Plan

Based on Council Tax Increase		0.00%		
Financial Year >>>>>>		14/15	15/16	16/17
		£million	£million	£million
Expenditure BFWD		104.780	102.952	101.599
Local partnership funding to OPCC		-0.320	0.000	0.000
Revised Expenditure Carried Forward		<u>104.460</u>	<u>102.952</u>	<u>101.599</u>
<u>Cost Increases</u>				
Inflation estimate		1.283	1.283	1.272
Fixing of specific grants		0.080	0.080	0.080
Spinal Point Increases		0.700	0.700	0.700
Increase in Bank Holidays		0.081	0.162	0.000
Carbon Commitment Increases		0.025	0.025	0.025
5% Reduction in Security Grant		0.057	0.052	0.052
Regional Firearms Range		0.126	0.000	0.000
End of Helicopter PFI Grant		0.304	0.000	0.000
Loss of Partner Contributions to ECC		0.441	0.000	0.000
1% Local Gov Pension Increase		0.246	0.246	0.246
Multi Agency Safeguarding Hub		0.195	0.000	0.000
Unidentified Policing Pressures		0.100	0.250	0.250
Total increases in Expenditure		<u>3.639</u>	<u>2.798</u>	<u>2.625</u>
<u>Cost Reduction</u>				
Reduced Rent Allow & Comp Grant		-0.140	-0.128	-0.116
Helicopter Tfr to NPAS from 1/1/2015		-0.140	-0.412	0.000
Winsor Review Impact		-0.330	0.000	0.000
Contingency Reduction		-0.200	0.000	0.000
Reduction in Bank Holidays		0.000	0.000	-0.162
External Fees Reduction		-0.123	0.000	0.000
Total reductions in Expenditure		<u>-0.933</u>	<u>-0.540</u>	<u>-0.278</u>
Contributions to or from Reserves		0.000	0.000	0.000
Savings Required = '-' / Growth Available		-4.214	-3.611	-5.975
New Requirement		<u>102.952</u>	<u>101.599</u>	<u>97.970</u>
<u>Inflation Assumptions</u>				
Employees		1.00%	1.00%	1.00%
Other		2.50%	2.50%	2.50%

Financial Health Indicators

Area	Indicator
Revenue	
The budget should be built on a solid base for future years limiting the use of one off funds to finance areas of continual cost.	The budget should not be funded via one off funds in excess of a 2% increase in precept
The budget and spend should be managed efficiently limiting the possibility of over or under spends	The over or underspend should not be more than 2% of budget.
The need to incur cost and the manner in which cost is occurred should be constantly reviewed. There is an expectation that efficiency savings are required to fund investment/balance the budget.	Efficiency savings of at least 3% of the budget should be achieved.
Reserves	
The general reserve should be sufficient to finance large scale problems which may be encountered by the Force.	The general reserve should be at least 3% of budget
The other revenue reserves held by the Authority should be at a reasonable level and should not be excessive.	The other revenue reserves should not exceed 3% of budget.
Capital	
The capital maintenance and replacement programme is an annual requirement and as such should be aligned with the funding available from grants and revenue contributions.	The revenue contribution from capital and annual capital grant should finance the maintenance programme in the capital plan period.
Capital plans should be realistic, achievable and timely. Development and Improvement projects must be backed by a business case with accurate timescales for expenditure.	Capital slippage should not exceed 25% of the capital budget.
The financing of capital should reflect the type of asset being purchased, i.e. long term assets can be financed by long term borrowing, short term assets are funded by annual funding or reserves.	Borrowing is only used for long term assets

Wiltshire Police and Crime Commissioner - Financial Plan

Capital Expenditure Plans (reduced RCCO based on 2% C.Tax Increase)

Financial Year >>>>>>>	<i>bfwd</i> <i>£million</i>	<i>13/14</i> <i>£million</i>	<i>14/15</i> <i>£million</i>	<i>15/16</i> <i>£million</i>	<i>16/17</i> <i>£million</i>	<i>Cum</i>
Capital Financing						
Government Grant	0.000	0.939	0.939	0.939	0.939	3.756
Capital Reserve	8.035					8.035
Contribution from Earmarked Reserves	0.000	1.815				1.815
Capital Receipts	0.000	0.225	1.500			1.725
Revenue Cont. to Capital **	0.000	0.750	0.742	0.734	0.719	2.945
	8.035	3.729	3.181	1.673	1.658	18.276
Capital Expenditure (on a cashflow basis)						
Part A - Maintenance and Replacement Programme						
Vehicle Fleet	0.000	0.913	0.913	0.913	0.913	3.652
Programmed Maintenance - Buildings	0.040	0.100	0.100	0.100	0.100	0.440
Airwave Handsets	0.029	0.035	0.750	0.035	0.035	0.884
Hi-tech crime unit computers	0.053	0.000	0.050	0.000	0.050	0.153
Emergency Contact Centre - Police Share		0.050	0.050	0.050	0.050	0.200
Operational Equipment (Taser)	0.040	0.112	0.050	0.000	0.050	0.252
Total Maintenance and Replacement	0.162	1.210	1.913	1.098	1.198	5.581
Part B - Development and Improvement Projects						
Minor Works - Building Improvements		0.075	0.075	0.075	0.075	0.300
Phase 2-3 Contact Management	0.063					0.063
Video Conferencing	0.064					0.064
CCTV Melk/Sals/HQ	0.016					0.016
CCTV Gablecross	0.316					0.316
ECC/FCC Meridian Replacement	0.279					0.279
Finance System	0.100					0.100
Performance System		0.148				0.148
Blackrock Firearms Training Facility	0.068					0.068
FIM	0.049					0.049
ECC Refurbishment Programme		0.815	1.000			1.815
Airwaves Related systems	0.018					0.018
Total Development and Improvement	0.973	1.038	1.075	0.075	0.075	3.236
Part C - ICT Refresh Programme						
ICT Professional Services		0.900	0.900	0.000	0.000	1.800
Computer Desktops		0.750	0.750	0.000	0.000	1.500
Broadband		0.400	0.400	0.000	0.000	0.800
Mobile Working	0.200	0.550	0.550	0.000	0.000	1.300
Servers and Infrastructure		0.675	0.675	0.150	0.150	1.650
Storage Networks and Arrays	0.292	0.000	0.250	0.000	0.000	0.542
Telephony	0.063	0.437	0.500	0.000	0.000	1.000
Total ICT Refresh	0.555	3.712	4.025	0.150	0.150	8.592
Total for Parts A, B and C	1.690	5.960	7.013	1.323	1.423	17.409
Surplus / Deficit (-) for Year	6.345	-2.231	-3.832	0.350	0.235	0.867
Cumulative Surplus / Deficit	6.345	4.114	0.282	0.632	0.867	0.867



RESERVES AND PROVISIONS POLICY (December 2013)

Purpose

1. This policy sets out how the Police and Crime Commissioner (PCC), in association with the Chief Constable (CC), will determine and review the level of usable and unusable Reserves and Provisions.
2. The PCC is required to maintain adequate financial reserves to meet the needs of the organisation. The PCC's Chief Financial Officer (here on known as PCC's CFO) has a legal duty to local taxpayers and must be satisfied that the decisions taken on balances and reserves represent proper stewardship of public funds.
3. The optimisation of reserves is an important part of medium term planning. Reserves are a potential source of funding for pump priming initiatives and also can cover the consequences of risks which may materialise. The PCC's CFO has to take account of the strategic, operational and financial risks facing Wiltshire Police in assessing the adequacy of reserves when setting the budget.
4. Reserves may either be earmarked for particular purposes or held as a general sum as a matter of prudence to cover unforeseen expenditure. Reserves are defined by CIPFA as:

“Amounts set aside for purposes falling outside the definition of provisions should be considered as reserves, and transfers to and from them should be distinguished from service expenditure disclosed in the Statement of Accounts. Expenditure should not be charged direct to any reserve. For each reserve established, the purpose, usage and the basis of transactions should be clearly identified. Reserves include earmarked reserves set aside for specific policy purposes and balances which represent resources set aside for purposes such as general contingencies and cash flow management.”

5. This policy will take into account the latest guidance and regulation on the use and management of reserves and balances. CIPFA's Code of Practice on Local Authority Accounting in the United Kingdom known as 'The Code', states that, for each reserve established, the purpose, nature and basis of transactions should be identified.
6. CIPFA's Prudential Code requires Chief Financial Officers in PCC's to have full regard to affordability when making recommendations about the local authority's future capital programme. The requirement for three year revenue forecasts across local authorities, coupled with three year grant settlements ensures there is a focus on the levels and application of local balances and reserves.

Managing Reserves – Principles

7. Reserves held are either usable or unusable.
8. When reviewing their medium term financial plans and preparing their annual budgets PCC's should consider the establishment and maintenance of the General Reserve, this assists in providing;
 - ❖ a working balance to help cushion the impact of uneven cash flows and avoid unnecessary temporary borrowing;
 - ❖ a contingency to cushion the impact of unexpected events or emergencies;
9. Other reserves classified as 'usable' exist for specific 'earmarked' purposes.
10. Unusable reserves may also be held. These arise out of the interaction of legislation and proper accounting practice. These 'unusable' reserves are not resource-backed and cannot be used for any other purpose.
11. Transfers to and from reserves will be made in accordance with financial regulations.
12. The PCC's CFO will comment on the adequacy and use of Reserves as part of the annual budget setting process.

Types of Reserves

13. In addition to the **General Reserve** the PCC will hold usable reserves for the following purposes:
 - **Investment** - reserves held to fund future time limited capital or revenue expenditure requirements in line with the Local Policing Plan and Priorities
 - **Partnership** - specific reserves held for partnership purposes which may include funding provided by partners to help achieve a specific purpose
 - **Contingency and Risk** - reserves held to provide a level of cover for unexpected or one off events or emergencies or predictable liabilities or costs.
14. The PCC will hold a **Capital Development Reserve**. This reserve is critical in the funding of the on-going capital plan.
15. Unusable reserves, which are not resource-backed and cannot be used for any other purpose, are described below:
 - **Asset Adjustment** - reserves to account for the losses or gains on assets through revaluation or timing differences
 - **Pensions** - carries the future liability for post employment benefits in accordance with statutory provisions.

- **Statutory adjustments** - reserves to adjust between costs recognised in the general fund balance and statutory arrangements.

16. For each reserve there should be a clear protocol setting out the reason for/purpose of the reserve. When establishing reserves PCC's need to ensure that they are complying with the CIPFA's Code of Practice on Local Authority Accounting in the United Kingdom known as 'The Code' and in particular the need to distinguish between reserves and provisions.

Building Reserves

17. The General Reserve will change each year with the transfer of year end surpluses or deficits to this reserve. This reserve will be set in line with the PCC CFO's view which will take into account issues such as the current and future financial climate. The PCC CFO's current view is that the target for this reserve should equate to 3% of the budget. It is expected that variations in year will be dealt with by a transfer to or from an investment reserve. This transfer will be recommended at year end as part of the closure of accounts process and will need to be approved by the PCC.

18. Earmarked reserves and other specific reserves will be established or removed on a 'needs basis', in line with planned or anticipated requirements set out in the Police and Crime Plan, Medium Term Financial Strategy and Financial Regulations.

19. The current financial landscape demands that significant savings need to be made in order to deliver a sustainable budget. It is prudent to have reserve levels to provide a buffer or a safeguard during uncertain times. It is also important to maintain sufficient reserves to provide additional capacity for discretionary use to smooth the introduction of savings. For redundancy and other small change costs the 'Restructuring Reserve' will be used by the CC. The 'Budget Smoothing Reserve' enables the PPC and CC to cover time delays in efficiency savings. Funds have been allocated to the 'Estates Transformation Reserve'. This will part fund the estates redevelopment programme with the intention to change the culture bringing in hot desking and increased mobility. This is expected to lead to more efficient staff, improved performance and lower overhead costs.

20. The 'Policing Investment Reserve' is available to the PCC to invest in specific projects which have an aim of improving performance, improve resilience or reducing cost. In line with the PCC's Police and Crime Plan a Community Safety Investment Reserve exists. Use of this fund will be determined by the PCC.

Quantifying the Reserves Requirement

21. The requirement for financial reserves is acknowledged in statute. Sections 32 and 43 of the Local Government Finance Act 1992 require billing and precepting authorities in England and Wales to have regard to the level of reserves needed for meeting estimated future expenditure when calculating the budget requirement.

22. This means that the minimum prudent level of reserves is a matter of judgement rather than prescription. Neither CIPFA nor statute sets a minimum level of reserves. In determining the level and type of reserves, the PCC has to take into account relevant local circumstances and the advice of the CC and CC's Chief

Financial Officer to make a reasoned judgement on the appropriate level of its reserves.

23. The PCC's CFO, with input from the CC's Chief Financial Officer, will adopt a risk based approach in determining the appropriate level of reserves and balances in order to support strategic priorities over the short, medium and long term and the need to maintain financial sustainability.
24. The Local Government Act 2003 requires the PCC's CFO to report on the robustness of the estimates included in the budget and the adequacy of the reserves for which the budget provides as part of the annual budget setting process.
25. For the purposes of this Policy, it is the responsibility of the PCC's CFO, to advise the PCC on the type and level of Reserves to be held.
26. The PCC's CFO should consider most if not all of the factors shown in the table below when determining the level of Reserves as part of budget setting.

Budget assumptions	Financial standing and Management
The outlook for inflation and interest rates.	The overall financial standing of the PCC and CC (level of borrowing, debt, etc.)
The availability of other funds to deal with major contingencies and the adequacy of provisions.	The PCC's and CC's track record in budget and financial management including the robustness of its medium-term plans
Estimates of the level and timing of capital receipts.	The PCC's and CC's capacity to manage in-year or temporary budget pressures.
The potential range of costs of demand-led services.	The strength of the financial information and reporting arrangements.
Planned efficiency savings/ productivity gains.	The PCC's and CC's end of year procedures in relation to budget under/overspends.
The financial risks inherent in any significant new funding partnerships, major outsourcing arrangements or major capital developments.	The adequacy of the PCC's and CC's insurance arrangements to cover major unforeseen risks.

27. The proposed use of reserves and balances to deliver a sustainable budget will form part of the budget process.

Application of Reserves

28. Use of the General Reserve is limited to the following purposes:
 - ❖ to protect the PCC and CC from financial risks and
 - ❖ provide a working balance to help cushion the impact of uneven cash flows e.g. Precepts;
 - ❖ planned non-recurrent funding to ensure a balanced budget is set, with the expectation that a plan will be produced to resolve the deficit and build the reserve up to its recommended level.

29. **Earmarked Reserves** should be available to meet or support a range of specific requirements, including:

- ❖ capital or asset purchases
- ❖ major change management initiatives
- ❖ fixed term projects and other one-off spend
- ❖ exceptional operational expenditure
- ❖ 'Spend to save' and 'pump priming' initiatives
- ❖ managing cross-financial year flexibility

Monitoring and reporting Reserves

30. The forecast level and usage of reserves will be formally approved by the PCC, as part of the Financial Strategy, advised by the CFO's and Chief Constable.

31. The proposed use of reserves and balances to deliver a sustainable budget must be included as part of the budget process to the PCC.

32. Unusable reserves are managed as part of accounting policies, specified in the Statement of Accounts which is approved by the PCC.

33. The PCC is the owner of all reserves. As part of the stage 2 transfer he may formally approve an allocation to the CC however until that occurs all reserves will sit on the PCC's Balance Sheet.

Provisions

34. A provision is recognised in the accounts when a liability has been identified that is of uncertain timing or amount which is to be settled by the transfer of economic benefits.

35. Accounting arrangements for provisions are included in IAS 37 – Provisions, Contingent liabilities and Contingent assets. Further guidance is included in IPAS 19 - Provisions, Contingent liabilities and Contingent assets.

36. A provision should be created when there is a present obligation (legal or constructive) as a result of a past event. Or it is probable that a transfer of economic benefits will be required to settle an obligation and a reliable estimate can be made of the amount of the obligation. Unless these conditions are met, no provision shall be recognised.

37. Provisions may be required for some civil and motor claims. There is a need to split the claims between a provision on the balance sheet for the cost of claims received and outstanding; and funds held in the reserve to cover claims incurred but not received or quantified. Costs surrounding claims that have been reported and assessed will be carried as a financial provision whilst incidents where no claim has yet been made, would be covered by the insurance reserve. The level of the provision will be determined annually at year end with assistance from solicitors on the valuation of claims.

Wiltshire Police Reserves, their Purpose, owner and Target Level

Usable Reserves

User	Reserve	Justification	Target
	Specific		
PCC	General Reserve	Funding set aside to cover the major risks involved with running a £100m Policing business	3% of Budget Requirement
PCC	Capital Development Reserve	Funding set aside to assist in the funding of capital to reduce the organisations need to borrow.	As identified in the 3 year Capital Plan
	Contingency and Risk		
PCC/CC	Operational Reserve	In line with the financial code of practice CC should have a contingency available for operational activities without the need for additional approvals	1.0% of Budget Requirement
PCC	Insurance Reserve	Provides cover for a one-off increase in claims in the knowledge that significant excess levels exist with current insurances	Maintain at £400,000 in line with current claims history
PCC	Seized Asset Reserve	The budget requires £160,000 of income per year to finance financial investigators undertaking this work. This reserve 'smooths' out variances across years on returns.	Excess returns above budget to a maximum of 1 yrs budget (currently £160,000)
PCC	Ill Health Reserve	For each Ill Health retirement agreed a payment of approximately £70,000 has to be made to the Home Office. The annual budget allows for 3 per year, this reserve 'smooths' out variances across years	To allow for an additional 3 officers, above, budget, to leave under Ill Health (£210,000)
PCC	Fleet Managers Trading Reserve	Wiltshire Police facilitate the national Fleet Managers Conference each year. In carrying this out Wiltshire undertake the risk of loss from the conference. This fund covers this risk and has been built up via surpluses in previous years	Surpluses received in previous years to a maximum of £100,000.
	Investment		
PCC	Community Safety Innovation Reserve	In line with the PCC's Policing and Crime Plan this reserve enables the PCC to allocate finances to 'pump prime' initiatives in line with priorities	£250,000 of the £1m allocated is estimated as remaining.
PCC	Policing Investment Reserve	This reserve is intended to finance one-off investment in the Police Service to either improve service to the public or improve efficiency.	£964,000 has been allocated for this reserve

PCC	Restructuring Reserve	This funds one off costs such as redundancy and minor office changes required to restructure the business to meet reduced funding levels.	2 years worth of historic change costs (£800,000)
PCC	Budget Smoothing Reserve	Funds any shortfall in savings resulting from receipt of part year savings.	Shortfall identified as £500,000
PCC	Estates Transformation Reserve	Finances the redevelopment of the Estate providing Hot desking facilities and improved ICT in a modern office environment.	£3.067m has been set aside
PCC	Regional Projects Reserve	In line with Government guidelines Wiltshire have worked with other Forces on collaboration projects to increase efficiency and effectiveness. This fund finances reviews and start up costs	£250,000 has been set aside
PCC	Training Reserve	In recent years Training has been limited until the new structure of the Force has been agreed. It is expected that this fund will be used to catch up on specific training.	A plan identifying the requirement is being produced within a £150,000 envelope
PCC	Police Officer Intake Strategy Reserve	To enable consistent officer intakes protecting the future of the service as budget levels reduce	£1.464m has been calculated as the funding required
	Partnerships		
PCC	Local Resilience Forum	This receives funds from the partners in the Local Resilience Forum and is spent in line with Board decisions.	The balance at yr end is estimated at £20,000
PCC	Other Partnership Reserves	Holding funding not utilised in year received from partners	Amount to be clarified at year end
	Provisions		
PCC	Insurance	The estimated cost of finalising claims currently being progressed by the Police	Assessed as part of the year end process

Police and Crime Panel Meeting
15th January 2014

Victims Commissioning – update for Wiltshire and Swindon

1. Introduction

In October 2014 and April 2015, the Ministry of Justice will step back from aspects of victim services commissioning and PCCs will take on this responsibility. Significant local, regional and national preparation is required to ensure this transition is smooth.

2. Local Work

- In November 2013 the Commissioner received £170k in order to:
 - Prepare for local commissioning.
 - Build restorative justice capacity in the area.
 - Build the capacity and capability of wider voluntary, community and social enterprise (VCSE) sector.

The Ministry of Justice has issued high level grant conditions under which it is apparent that these sums can be carried forward.

- In October 2014 the Commissioner will be responsible for the commissioning the majority of services for victims locally. £560k per annum is allocated to Wiltshire for this.
- Grant agreements for services which are currently commissioned by MoJ have been extended to October 2014. These services will continue to be provided past this date as Commissioners put new grant agreements in place with existing or new organisations.
- There is confusion nationally about how domestic abuse and sexual violence services will be commissioned. The Ministry of Justice will issue a discussion paper imminently to clarify funding streams.
- Commissioning and tender processes will ensure local services are in place to meet victims' needs in October 2014.

3. Regional Work

- Victims Support currently provides a national referral mechanism (run through a series of regional call centre hubs) and have a network of local volunteers. The grant for this service sits with the MoJ. From April 2014, the MoJ are working to ensure that local commissioners have oversight of these arrangements via regional boards.
- From October 2014 a small number of areas including Wiltshire may be able to commission their own referral mechanism. These referral systems must ensure victims are able to access the support they need with safeguards to ensure that:
 - they are able to support people who live in their area and refer on victims of crime who live in different areas to their local support services, and
 - do not destabilise either the regional or national victims support service.
- From April 2015 all PCCs will be responsible for commissioning referral mechanisms and any network of local volunteers. We are currently working

together across the region to ensure individual commissioner's plans dovetail together and create smooth transition from MoJ to regional / local Commissioning.

4. National Work

The MoJ and Commissioners have created a working group to oversee the transition. The group represents PCCs on the programme, influencing the MoJ's planned work including the commissioning of national services and wider policies that affect the victims' journey. The group is engaging with Victim Support nationally.

5. Nationally commissioned services include:

- The arrangements for referral of victims to support services, information provision on services available, assessment of need and associated service and support provision within the current model provided by Victim Support, where a PCC has remained within this model until April 2015.
- In addition to extending some Victim Support referral models until April 2015, the MoJ is nationally commissioning:
 - the court based witness service, the national homicide service (but see below on road traffic crime bereavement); Human trafficking support and rape support funding. PCCs may choose to supplement these services locally.
 - In terms of support for those bereaved by road traffic crime, MoJ is proposing to consult PCCs on what might be done nationally to provide support (this is not part of the current homicide service and is instead supported by information packs and a telephone helpline funded by MoJ).

6. Submission on Arrangements for Referral of Victims to Support Services

On 10th November 2013, The Commissioner confirmed that he is seeking to become an Early Adopter in local commissioning of referral arrangements. This aligns with the objectives for victims set out in the Police and Crime Plan, specifically:

- To give victims a clearer picture of how to access the criminal justice system and the types of support available at different stages.
- To involve victims much more in designing the services put in place to support them and make sure that these services are available to all those who need them.
- To keep victims and witnesses much better informed throughout the whole process from initial incident or crime to final resolution or sentence.
- To make criminal justice processes shorter, thereby reducing the amount of time victims' and witnesses' lives are put on hold.
- To place a much greater focus upon restorative justice outcomes, with victims seeing reparation for the offences committed and preferably resolution of the underlying issues.
- To make the process of giving evidence in court much more victim and witness-focused.

A draft **Victim Strategy** will be available for the Local Criminal Justice Board and the two Community Safety Partnerships at their next round of meetings.

A system's thinking review of customer access has been initiated in partnership with Wiltshire Council, developing an integrated service delivery aspiration for police and local authority services. The Probation Service is a key component, as is the Centre for Justice Innovation. They are developing a Neighbourhood Justice Panel model of restorative justice for each of the 27 community areas across Wiltshire and Swindon. Integrating support for the victim as they interface with the police and the criminal justice system is central to the service the PCC will commission. The ACC chairs the Programme Board on Customer. The restorative justice programme is governed by a sub-group of the Wiltshire Criminal Justice Board.

A Programme Team is in place comprising:

- Programme Management and Project Officer support
- Constabulary Business Lead and Project Officer support
- OPCC Chief Executive
- Local Authority Commissioning Lead on secondment to OPCC
- Professional advice as appropriate (Procurement, Human Resources, Legal advice)

7. Update on Proposal for Referral Arrangements

The Commissioner and Chief Constable have agreed that a local, police-led approach to victim needs assessment and referral to relevant support services is the appropriate model. This will ensure victims have access to support, regardless of whether or not they choose to report to the police. The Wiltshire model will accommodate a close working relationship with the local delivery arm of Victim Support. We currently use Victim Support for Victim Panels and Forums, which respectively seek the views of victims and professionals engaged in this area of work. These views will shape the services to be commissioned and the structure and process of the new referral system.

8. Delivering the Victims Code of Practice and EU Directive from October 2014

The approach will ensure delivery of the Victims Code of Practice and EU Directive as follows:

Access Requirement	Referral Mechanism
<p>Access to support for victims who report to the police 'tier 1':</p> <ul style="list-style-type: none"> • Victims Code of Practice enhanced entitlement categories: <ul style="list-style-type: none"> ○ Victims of the most serious crime; ○ Persistently targeted victims; ○ Vulnerable or intimidated victims. 	<p>Police-led Integrated Victims Team</p> <ul style="list-style-type: none"> • Identification at first point of contact and referral direct to Integrated Victims Team • Full needs / risk assessment • Provision of immediate advice/support and referral to relevant support pathways • 'Single-point-of-contact' approach that follows the victim through the CJ process • Data sharing/seamless handover between police, partners and support organisations

Access Requirement	Referral Mechanism
<p>Access to support for victims who report to the police 'tier 2':</p> <ul style="list-style-type: none"> • Victims Code of Practice entitlement for information and access to support services as required 	<p>Police-led victim contact</p> <ul style="list-style-type: none"> • Identification of tier at first point of contact and referral to Integrated Victims Team as appropriate • Offer of support from Integrated Victims Team to be included in all contact with victim (letter templates, victim leaflets) • Regular contact with the OIC to keep victim up to date on progress alongside • Online Victim Services Directory available to all victims (see below for detail)
<p>Access to support for victims who do not report to the police:</p> <ul style="list-style-type: none"> • EU Directive requirement to ensure access to services regardless of whether a victim has reported to the police 	<p>PCC Commissioned / Local Support Services</p> <p>PCC commissioning of coordinated support services for victims which are accessible to all victims, regardless of whether they have chosen to report to the police. Commissioned support services will include a focus on access to services for those who are least likely to report and increasing confidence to report. Seek to encourage third party referral where appropriate. It will be a requirement of the commissioned referral service that sensitive personal data will be held securely on a case management system at the appropriate level.</p> <p>Partner agency referral</p> <p>Referral by partner agencies will be established through close liaison between Integrated Victims Team and Multi-Agency Safeguarding Hubs. Additional opportunities for referral will be developed as part of the Integrated approach.</p>
<p>Universal access to information and support services</p>	<p>Online Directory of Victim Services</p> <p>Tool for professionals supporting victims through the Integrated Victim Team and commissioned referral service, and as an information, advice and signposting tool for members of the public.</p>

9. Interoperation with other areas including the Victim Support Model

A consistent approach with regional PCCs and their commissioned referral service will ensure:

- The victim is directed to support on the basis of where they live;
- A single point of contact will be identified for each Early Adopter area;
- Existing national coordination is adapted to fit local arrangements. For example Automatic Data Transfer from Action Fraud to the Victim Support West Midlands Victim Care Unit for onward referral to the relevant VCU on the basis of where the victim lives.
- Managing transition to safeguard national and regional interoperability and standards of service.

10. Commitment to working with the Ministry of Justice, Victim Support and PCCs in Stage 2 and beyond to ensure that transition arrangements are robust

South West PCCs set out shared principles they are working to in developing a collective approach. Agreement has been reached on proposals for regional oversight by PCCs of existing referral arrangements. South West Regional PCCs will assume responsibility for regional oversight from April 2014, and an Operating Board will advise PCCs on this function. Regional oversight will focus on:

- Consideration of the impact of the Early Adopter decision on the Bishopsworth VCU Hub;
- Consideration of arrangements in relation to Dorset (currently served by the Shoreham VCU Hub);
- Development of Regional Oversight arrangements in relation to:
 - Local delivery arrangements, performance data and regional activities, victim outcomes, financial data, Value for Money;
 - Issues identified in the transition plan – including cross-boundary victims, referral from national bodies;
- Joint working on preparatory work, commissioned support services from October 2014, and development of options for commissioning of regional referral arrangements from April 2015.

Kieran Kilgallen
Chief Executive
OPCC for Wiltshire and Swindon

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Police and Crime Panel Meeting
15th January 2014

RESTORATIVE JUSTICE ACROSS WILTSHIRE

Introduction

1. Restorative Justice can deliver a large reduction in offending, a reduction in first time entrants to the Criminal Justice System and reduce offenders from returning to custodial care. It can reduce anti-social behaviour (ASB) and improve significantly conflict in housing and neighbourhood dispute.
2. Restorative justice is being delivered through a unique partnership between the Centre for Justice Innovation (CJI) and Ryse CIC. CJI are an international charity working to develop innovative services in the UK criminal justice system through policy exchange and technical assistance, and Ryse is a community interest company that specialises in the delivery of restorative justice and mentoring services and training.
3. Restorative justice services are delivered in and out of prisons, enabling victims to meet with offenders in a safe process, helping them to move on with their lives. It gives offenders an opportunity to address and change their behaviour and offending patterns. The partnership delivers Neighbourhood Justice Panels which again use restorative justice process both in and out of prisons, and train community volunteers and offenders to deliver this very successfully. This process is further supported by community mentors who are trained to support offenders from the prison estate to work with the contracts agreed at the justice panels, addressing their offending behaviour and paying back victims making up for the harm caused, and reduce the possibility of them returning to prison.

Restorative Justice

4. **Restorative processes bring those harmed by crime or conflict, and those responsible for the harm, into communication, enabling everyone affected by a particular incident to play a part in repairing the harm and finding a positive way forward.**
5. In criminal justice, restorative processes give victims the chance to tell offenders the real impact of their crime, to get answers to their questions, and an apology. Restorative justice holds offenders to account for what they have done, helps them understand the real impact of what they've done, to take responsibility and make amends.
6. Restorative processes are increasingly being used in schools, care homes and the wider community to address conflict, build understanding and strengthen relationships with young people. In these contexts it is also known by the names 'restorative approaches' and 'restorative practices'.



Restorative Justice Practices

7. Restorative Justice is an umbrella term for several practices:

- Restorative Justice Conferencing

Conferencing brings the victim and offender to a face-to-face meeting to discuss the crime and its impact. This process includes providing support people for both the victim and offender in the discussions. Representatives from the criminal justice system may also be present in the conference process. A trained facilitator uses the restorative justice conference script to engage people in the process and develop a binding contract.

In the conference, the victim and offender each tell their story. They talk about the events of the crime/conflict and its subsequent impact on their lives. They can each ask questions of the other and in the process build a common understanding of the events that occurred. The victim supporters are able to talk about the crime, its impact on their loved one, and their own lives. The offender supporters show that the offender is not an isolated being, express how the offending behaviour has impacted them, and provide extra insight into who the offender is and how he/she came to commit the offence.

A key element of the conferencing process is re-integrative shaming. This means conveying disapproval of the behaviour while showing respect for the offender and working to reintegrate him/her back into the community. At the same time, the victim needs to have his/her experiences validated through the recognition of the harms he/she received.

- Neighbourhood Justice Panels (NJPs)

The NJPs are run by local members of the community, and use a restorative conferencing justice process to bring together victims and offenders to deal with issues of anti-social behaviour, low level crime and community conflict.

These have been piloted by the Ministry of Justice over the last 18 months. Swindon is one of the most successful of these pilots and is now being expanded across Wiltshire in 2014. In Swindon it has contributed significantly to a fall in ASB and Housing and Neighbourhood conflict.

NJP's are to be launched nationally by the Ministry of Justice (MOJ) in Spring 2014 and Swindon will be a centre for excellence for South Wales and South West England for organisations implementing the NJP in their area.

The NJPs across Wiltshire are being delivered by CJI supported by Ryse who have responsibility of recruitment and training of community panel volunteers and restorative justice training for partners, the set up and implementation of the NJPs across the county.

- Family Group Conferencing

Family group conferences can be used in any situation where a plan and decision needs to be made about a vulnerable adult or child. In the United Kingdom family group conferences are mainly used in child welfare, particularly when a child is at risk of going into care, although some local areas are using the approach to prevent school exclusions, tackle anti-social behaviour, address youth offending and in planning for vulnerable adults.

Families, including extended family members are assisted by an independent family group conference coordinator to prepare for the meeting. At the first part of the meeting, social workers and other professionals set out their concerns and what support could be made available. In the second part of the meeting family members then meet on their own to make a plan for the child. The family should be supported to carry out the plan, unless it is not safe.

Family group conferences are effective in making safe plans for children, enabling many to stay within their family network as an alternative to going into care and are cost effective.

The Wider use of Restorative Justice

8. Restorative Justice (RJ) can be and is used in all areas of the criminal justice system and across the wider community where conflict exists. The use of RJ in prisons has proven to show a 30% reduction in re-offending, the use of NJPs is starting to show encouraging signs of reducing anti-social behaviour and community conflict resulting in less need for formal intervention from the criminal justice system, allowing courts to concentrate on more serious crime. Many schools have adopted restorative practices to enable better functioning schools and a reduction in conflict and exclusions.

<http://www.youtube.com/watch?v=A1s6wKeGLQk>

<http://www.youtube.com/watch?v=RQIMxYqu6Do>

<http://www.youtube.com/watch?v=QaeeRwOJQng>

The Evidence

9. The Government funded a £7 million 7 year research programme looking into restorative justice. In her independent evaluation, published in four reports (see 'Ministry of Justice Evaluation' below) Professor Joanna Shapland found that in randomised control trials of RJ with serious offences (robbery, burglary and violent offences) by adult offenders:
 - The majority of victims chose to participate in face-to-face meetings with the offender, when offered by a trained facilitator
 - 85% of victims who took part were satisfied with the process
 - RJ reduced the frequency of re-offending, leading to £9 savings for every £1 spent on restorative justice
10. Expert independent criminologists Professor Lawrence Sherman and Dr Heather Strang state that the reduction in the frequency of re-offending found in this research was 27% - that's 27% less crime, 27% fewer victims following RJ.
11. Alongside the Sentencing Green Paper in December 2010 the Government published their own further analysis of the data behind the Shapland reports, quantifying the size of the reduction in the frequency of re-offending following RJ as 14%.

Cost-benefits

12. Working from the data in Professor Shapland's reports, the Restorative Justice Council and Victim Support presented the Government with evidence that providing

restorative justice in 70,000 cases involving adult offenders would deliver £185 million in cashable cost savings to the criminal justice system over two years, through reductions in re-offending alone.

13. The Matrix Report - an independent expert analysis of the economic benefits of restorative justice - has revealed that restorative justice would likely lead to a net benefit of over £1billion over ten years. The report concludes that diverting young offenders from community orders to a pre-court restorative justice conferencing scheme would produce a life time saving to society of almost £275 million (£7,050 per offender). The cost of implementing a restorative scheme would be paid back in the first year and during the course of two parliaments (10 years) society would benefit by over £1billion.

Simon Evans
Programme Manager
Centre for Justice Innovation

Police and Crime Panel Forward Work Plan

Please note: this is a working document which is subject to change

Date	Location	Provisional Agenda Items
15 January 2014 10am	Committee Room VI, Civic Office Swindon	<ul style="list-style-type: none"> • PCC Diary report • Medium Term Financial Strategy and draft budget settlement • Victim Commissioning • Restorative Justice • Innovation Fund – 2nd Tranche - update
Thursday 6 February 2014 10am	Kennet Room - County Hall, Trowbridge BA14 8JN	<ul style="list-style-type: none"> • PCC Diary report • Consideration of the precept •
Thursday 4 March 2014 2pm	Council Chamber - Council Offices, Monkton Park, Chippenham, SN15 1ER	<ul style="list-style-type: none"> • PCC Diary report • Quarterly data – Risk / Performance / Finance / Complaints
11 June 2014 2pm	Wessex Room, Corn Exchange, Market Place, Devizes SN10 1HS	<ul style="list-style-type: none"> • PCC Diary report • OPCC annual report

4 September 2014 2pm	Alamein Suite - City Hall, Malthouse Lane, Salisbury, SP2 7TU	<ul style="list-style-type: none"> • PCC Diary report • Quarterly data – Risk / Performance / Finance / Complaints
19 November 2014 10am	Committee Room VI, Civic Office Swindon	<ul style="list-style-type: none"> • PCC Diary report • Quarterly data – Risk / Performance / Finance / Complaints