

## **Sir Clive Loader's Budget Statement – Monday 27<sup>th</sup> Jan 2014**

During my first year in office I have spent a very significant part of my time listening to local people. And what has emerged from this important engagement is clear. For the great majority of the residents of Leicester, Leicestershire and Rutland, safeguarding their neighbourhoods, sustaining and developing levels of policing, and tackling Anti-Social Behaviour are huge priorities for them. Visible policing – i.e. that which enables free, trusting, and knowledgeable communication between the public and our officers, and which can be characterised as preventive policing – is particularly important for our communities.

It is against that background that I submit to you today a budget and a Precept proposal that shows that I have listened to what local residents have said. My budget is based on key activities focussed to safeguard our neighbourhoods and it is targeted to prioritise the following:

- 1. Firstly, safeguarding communities and neighbourhoods by building a sustainable council tax precept base which will assist in mitigating future financial challenges, and which will help assure services and frontline policing into the future.**
- 2. Secondly, it will support working with the Force to deliver a new volunteer strategy aimed at attracting an additional 1,000 volunteers over the next three years.**
- 3. And, thirdly, my proposal enables a commitment to investing in Neighbourhood Policing support for 3 years, this while the Force transformational change programme work is shaped and implemented. This is advocated in order to safeguard local services and to tackle anti-social behaviour hotspots.**

Let me explain these three aspects further:

**Firstly, with regard to safeguarding communities and neighbourhoods.....**

I am proposing a Band D precept increase of 1.5% (which is still below inflation and which equates to an additional £755,000 in council tax receipts per year).

This increase means an additional £2.61 per year for a Band D property, equating to approximately 5 pence per week.

As I highlighted in my December report to the panel, whilst my original plans looked to drive through efficiencies by freezing Council Tax over the first two years followed by a stated plan to increase by 2% each year thereafter, a number of factors have influenced my precept intentions for 2014/15. These three factors are as follows:

Firstly, the provisional 2014/15 police grant settlement in December 2013 resulted in unexpected and unprecedented levels of top slicing from the police grant. A total of more than £77m has been top-sliced for national initiatives which include 3 particular elements:

- One. Some £50m for an innovation fund against which Forces can bid in order to stimulate efficiencies, innovation and collaboration.
- Two. Around £18m for the development of the Independent Police Complaints Commission (the IPCC) – a sum which is anticipated to increase further still in 2015/16.
- And three. Over £9m to Her Majesty's Inspector of Constabulary (the HMIC) for an enhanced police inspection regime.

Together, these Government-level initiatives have resulted in over £1.6m being top sliced from my budget for Leicestershire and Rutland, further increasing by over 1.5% the already-anticipated 3.3% reduction. We thus now face grant reductions of over 4.85% next year alone.

Secondly, whilst it is to be welcomed that previous years' council tax settlements are now included in the base, there is still uncertainty about the long-term sustainability of the 2014/15 and 2015/16 council tax freeze grants.

- Last week's statement by the Department for Communities and Local Government (the DCLG) regarding Council Tax freeze payments, indicated that these grants will continue into future years, and the feedback from the home office is this guidance *does* relate to PCCs.

- However, whilst it may be Ministers' current *intention* to baseline these grants in future settlements, the note of caution is that this is not *absolutely certain* and cannot and will not be confirmed until a much later date – beyond the timescale needed to set this Precept. Given that approximately 70% of my funding comes from Central Grants, such a lack of absolute certainty represents a significant risk to my longer term financial planning – a risk that I am not prepared to take.
- Furthermore, should such grants be base lined in 2016/17, the inevitable corollary is that the renewed baseline would itself be subject to potential reductions in the same way as Police Grant. So, either way, we run financial risk with regard to Council Tax settlements.

Thirdly, and lastly, the uncertainty surrounding Council Tax Referendum Levels adds even further complexity to my precept considerations. Whilst the limit (to trigger a referendum) for 2013/14 was set at 2%, and whilst it is anticipated – but not yet assured – that it will remain thus for 2014/15, recent proposals to reduce this to a possible 1.5% are still under active consideration by Ministers. Indeed, even as I speak to you now, this issue remains undetermined. Thus whilst my proposals for 2014/15 are for a 1.5% Precept increase (or, should Government-level direction change, one in line with any amended referendum limit), it is important to state here that any changes to the limit would significantly affect my planned Precept levels for future years; to remind the Panel, a 1% change of allowed precept represents a £0.5M alteration to our planned figures.

It is also important that I state, now and unequivocally, that my planned Precept increase of 1.5% does not, in any way, undermine my determination to drive out inefficiencies. Even such a Band D Precept raise still requires the Force to find approximately £466k of savings in 2014/15 (via the mechanism of further transactional efficiency work); this target is similar to, but obviously even greater than, the £417k efficiency requirement currently built into the 2013/14 budget. These efficiencies are being driven by the Force Change Team in line with detailed plans, and against which they have a good record of achievement. I hardly need to stress that this programme is being carefully

over-watched by my office and I have every confidence, through the Chief and his Change Team, that these sums will be met.

As regards the public acceptability of such a rise, by listening locally to the people of this area, and by my team networking with other PCC offices nationally (and across the East Midlands Region), it is clear that the public would currently support a small increase in their Council Tax if that is what is required to sustain local policing services. **And it is.**

**Secondly, with regard to volunteers.....**

I have received a strong, and very welcome, commitment from the Force to deliver our agreed volunteer strategy which will, over three years, secure an additional 1,000 volunteers to work with Leicestershire police to deliver my police and crime plan priorities. The Chief will give greater detail, but in broad order the aim is as follows.

The strategy is geared to increase the numbers of Special Constables, together with enhancing the roles and duties they undertake, in support of frontline policing. We will be launching a Police Volunteer Cadet Scheme across the Force area, prioritising at least 25% of places to young people who are from disadvantaged backgrounds. My Phase 2 Youth Commission will support this work too. We will also review the use of Police Service Volunteers and look at where these key people may support the various functions within the Force. Finally, we are working with Loughborough College to develop a “Volunteer College Student” scheme, with a view to extending this across more educational establishments within the Force area.

Of note, I have earmarked efficiency savings and under-spends to be put towards this strategy, with the intention that, by end of year three, all of the schemes will be self-financed by volunteers themselves. To ensure there is a measurable return on investment on this, we are aiming to achieve the recognised standard of good practice (based on the Valuing Investment in Volunteers Assessment – VIVA) by the end of year 2.

**And finally, with regard to Neighbourhood Policing and the security of communities.....**

With crime increasing in the current year, I remain determined to do all in my power to support the Chief Constable in safeguarding local neighbourhoods and communities. I am working with him to develop sustainable operational delivery models to future-proof and stabilise local policing, and to deliver on the Police and Crime Plan whilst the Force takes forward its transformational programme.

I have worked with the Chief Constable and his team to identify a targeted three-year investment, which addresses another major priority for me - Anti Social Behaviour. This investment will provide a positive impact on the community, not least by assuring initiatives such as increasing Police Community Support Officers (PCSOs) by a further 28, to a total of 251 (over a three year period) in order to support the Force. This targeted investment has come from options provided by the Chief's Senior Team, and builds on the Operation Tiger brand. The Chief Constable will talk about the delivery of these targeted investments in more detail later, but in essence they are as follows:

- Firstly, developing three dedicated "Operation Tiger ASB Patrols" between the hours of 1500 and midnight. They will patrol Tiger Territories and identified ASB hotspots, thereby improving the service to ASB victims, providing a reassuring and deterrent presence, and responding to live calls in a timely way.
- Secondly, developing "Place Managers" in the 13 Tiger Territories. These officers will, amongst their roles, have a specific task of providing a catalyst for wider capacity building within the community, including: supporting the Volunteer Strategy; taking forward problem solving at a local level; and helping to reduce overall demand.
- And, lastly, we will develop two "Tiger Task Forces", each one aligned either to an urban or to a rural Basic Command Unit. These two teams, each comprising a sergeant and PCSOs, will be deployed in an intelligence-led way to crime and ASB hotspots, supporting the Place

Managers and launching dedicated patrols, with the capacity to increase engagement with the local community.

**In sum.....**

I recommend unreservedly the Precept and associated plans that I have set out to you today. My proposals represent a wise and judicious budget, one that fulfils both the requirement to mitigate future financial risk (whilst still driving down costs), and also one that demonstrates my absolute commitment to giving the Chief Constable every opportunity to build more safe, and more secure, communities.

I will now hand you over to Helen King, my Chief Finance Officer who will outline some of the main technical financial aspects contained within the report. Then Simon Cole, the Chief Constable, will outline to you his personal commitment to, and probably much more professional explanation of, the operational and service delivery aspects of this Precept proposal.

Thank you.