

**LEICESTER, LEICESTERSHIRE AND RUTLAND POLICE AND CRIME
PANEL**

2 FEBRUARY 2016

**PROPOSED PRECEPT 2016/17 AND MEDIUM TERM FINANCIAL
STRATEGY**

At its meeting on Tuesday 2 February 2016 the Police and Crime Panel considered the Police and Crime Commissioner's proposed Precept 2016/17 and his Medium Term Financial Strategy. It was agreed that the minute of the meeting on this item would serve as the Panel's report and recommendation on the proposed Precept.

The Minute of the discussion on this item is set out below:

The Panel considered a report of the Police and Crime Commissioner for the Office of the Police and Crime Commissioner concerning the Proposed Precept for 2016/17 and the Medium Term Financial Strategy. A copy of the report, marked "Agenda Item 5", is filed with these minutes.

In introducing the report, the PCC delivered a speech, the content of which is set out below:

"Good afternoon everyone.

Choice and opportunity.

Not two words you immediately associate with a financial paper. Yet, in the budget report I put before you today, those words should resonate loudly. Because, in determining the future direction of travel for policing across Leicester, Leicestershire and Rutland, I have indeed had to make a choice.

A choice between building on the success of the last three years in which our streets and communities have become safer; or taking a 'safer, easier' option (at least for me personally) as I approach the end of my term in office. Indeed my final budget has, I judge, been the most difficult to set.

Nonetheless, as the paper clearly articulates, my decision to ask taxpayers to contribute a little more towards the cost of policing is absolutely the right one. Why do I say this? Because it will give Leicestershire Police the resources it needs to fulfil its operational capabilities, while also ensuring the force is on a sound, financial footing. That is something that cannot be said of all Forces across the country.

Crucially, this budget also presents an opportunity for the police and partners to work together, with even more vigour, in confronting and tackling issues such as child sexual exploitation, cyber-crime, domestic abuse, and sexual offences. Neither, of

course, can we afford to neglect the lessons of other places; the work to counteract extremism and terrorism must be ramped up too.

And why am I so confident that opportunity exists? Because the evidence is there in what we have already achieved in the last three years. We have seen substantial reductions in many areas of crime, including overall reported crime (with more than 6,000 fewer offences in 2014/15 compared to 2011/12). Similarly, the number of antisocial behaviour incidents is also down substantially. And, thanks to excellent partnership work, we have succeeded in reducing the level of reoffending amongst our most prolific offenders by over 50%.

Working closely with Leicestershire Police, my office has overseen the delivery of savings well in excess of the £20m set out in the Police and Crime Plan. This has been accompanied by workforce modernization and restructuring projects, all designed to balance demand with resource. It is testament to the Force's hard work and strong leadership – for which I thank the Chief Constable – that the very high bar set out in my Plan has been achieved. And this, in turn, has enabled me to reinvest in the services that lie at the heart of our aims and ambitions.

When I was elected I made clear my determination to put people at the heart of what we do, not just in terms of policing but across all areas of criminal justice and community safety. It is why the Police and Crime Plan makes starkly clear my determination to reduce offending and reoffending, to support victims and witnesses, to make our neighbourhoods and communities safer, and to protect the most vulnerable.

As a result, we have seen huge, positive changes in the way complex, sensitive issues are now handled. For example, in mental health, where every day police officers felt they had no alternative but to take vulnerable people with mental health problems into custody. This was something that needed addressing but it could not be done by the police in isolation. We created a joint police post of Mental Health Partnership Manager to support the multi-agency work of the Mental Health Partnership Group (MHPG). Front line operational staff (including police officers, probation and housing officers) are now given specialist training to equip them with the skills they need to help people with mental health issues.

Funding is in place for a three year programme which will see almost 600 people trained. New arrangements are in place with our partners working in health to ensure people in crisis are no longer transported in police vehicles. And, thanks to Leicestershire's trailblazing Mental Health Triage Car Service, the number of people with mental health problems taken into police custody has dropped by an astonishing 63 per cent in the space of two years. It is this commitment to effective, partnership working that is helping Leicester, Leicestershire and Rutland lead the way in helping deal with mental health issues.

Another example is our new Victim First service. For too long, the needs of ordinary people who found themselves victims of crime were not given the priority they deserved. Victim First is changing that.

It is a service built around the principle which recognizes that people have different needs if they are to cope with, and recover from, their ordeal. Victims of crime (and certain levels of ASB) now have a voice and will be heard. That is a huge step forward and one that would not have been possible without the powers given to PCCs to commission services for victims and witnesses. I am extremely proud of our mature approach to commissioning services across Leicester, Leicestershire and Rutland. When I took office I said that I was determined to commission not 'services', but 'outcomes' and the success of Victim First and our approach to mental health both stand as testament to that.

But moving forward, tackling the appalling crime that is Child Sexual Exploitation (CSE) must be a key priority – and it must be resourced. All right minded people are sickened by the thought that young people, many of them vulnerable, can be deliberately targeted, preyed upon and then sexually abused.

In November, I (along with my Strategic Partnership Board colleagues) approved a £1.2m programme (from the £2m additional funding I made available in my budget last year) to enable an alliance of agencies to mount a coordinated attack both against offenders and against the underlying causes of CSE; surely national (as well as local) media headlines confirm the enormous importance of doing so. My initiative, CEASE (Commitment to Eradicate Abuse and Sexual Exploitation of the young in our communities) is being formally launched at the King Power Stadium this coming Friday. But, let me be clear. Ensuring that the means are in place in the future to enable us to continue to build upon these successes would not be possible without asking for a rise in Precept.

That is why I believe this budget presents us with an opportunity. Whilst I am proud of the achievements of my Office, I am under no illusion that much more work remains to be done. Where there are victims of crime, there is always work to be done. Both my office and Leicestershire Police have worked tremendously hard to enhance relationships with our strategic partners and to demonstrate the effectiveness of working together in partnership.

But there are some areas where I am disappointed that we haven't yet gone far enough. There are some big issues which could be tackled much more effectively through a more unified approach. And tackling crime and public disorder problems caused by alcohol consumption is surely one such example.

I do not think that those who have the power to decide get anywhere even close to striking the right balance between allowing alcohol-selling establishments (including clubs and so on) to generate income at the expense of the wellbeing, in particular, of our younger community. And it is the police (alongside colleagues in health, of course) who, far too often, have to pick up the pieces on Friday and Saturday nights – or, more precisely, up until dawn the following day. By the same token, there are too many communities whose nights are regularly blighted by the raucous behaviour of those who, quite frankly, should not have been allowed to drink so much, for so long, as they are currently seemingly almost encouraged to do by those who grant licenses. That is why I have decided to invest a further £500,000 into prioritized areas, which include initiatives to tackle much better issues like drugs and alcohol,

as well as attacking cyber-crime and enhancing our Counter-Terrorism capabilities. As this panel (and by now every tax-payer here) should expect, I will also do my utmost to put in place appropriate and stringent scrutiny arrangements to ensure that value for money is maintained at all times.

In this regard, partnerships need to be seen as an opportunity, not a threat. I want to see more organizations recognizing the implications of our changing landscape, recognizing the problems that actually exist, recognizing the part that they could – and should – play in addressing those problems, and lastly embracing the opportunities that exist for working in closer collaboration.

Given all of this, it should be unsurprising that, as I approach the end of my term in office, my priority is to provide the Chief Constable with an appropriate level of resource further to enhance public safety in the future, to build on work already under way, and to enable new and emerging policing challenges to be tackled effectively. Since the grant settlement was announced, I have scrutinized, in close consultation with the Chief Constable and my own senior management team, the known and unknown operational challenges facing the force. I am pleased to confirm my support for the Chief Constable by reinvesting resources to help him with the challenges ahead, some of which I have talked about this morning.

That is what the people of Leicester, Leicestershire and Rutland want to see. They recognize the great job that our police officers and staff do in keeping our neighbourhoods and communities safe each and every day. But they are also aware that police funding remains fragile and, in making the decision I have about raising the Precept, I do so knowing the public want to play their part in protecting those who protect them.

I know this because local people have made it clear to me that they will support an increase. More than 80% of people asked during our consultation said they would be willing to pay an increase on their Precept and, most tellingly, over 70% of the total respondents said they would be willing to pay up to 2%. I am thankful for, and reassured by, their support.

In return they will get an even more effective police force, with the permanent addition of 38 police officers beyond those previously planned, to support the protection of the most vulnerable members of our communities. This Precept also enables core funding for the permanent establishment of 251 PCSOs to be sustained beyond March 2017 in support of our local policing teams.

Members of the Panel, I could have opted for a zero increase in the Precept. It is true to say that this would still have been sufficient to embed some of the revenue costs of the operational enhancements that I have outlined earlier in this statement (and which are further detailed in the Paper before the Panel today). But that would have left the force vulnerable to operational and financial uncertainties over the coming months and years.

Alternatively, I could have opted for no increase whilst also ‘ring-fencing’ the almost certain concomitant underspend of Year 1 (but, of note, only in year one) in order to

try to 'cover off' some future unknowns (these including changes to the Funding Formula, or the as-yet uncertain increased costs towards CT and firearms). But this would not have allowed the Force to invest in those operational enhancements which, as you will already have read, are critical if we are going to protect some of the most vulnerable in our society against some of the latest, and most insidious and vile, crimes which really do need to be addressed.

Or we could do what I am saying should be done – raise the Precept by 1.99% (the equivalent of 7p a week, or £3.58 per year, extra for a Band D Council Tax payer). I have given you the rationale that justifies that increase – and I can assure you that, were I staying, I would have ensured that every penny would have been most properly spent to best effect. As it is, this Panel will now need to hold my successor to account in that regard.

Lastly, and on that note, I see it as my duty not to handcuff my successor PCC – whoever he or she may be – with any avoidable or improper financial uncertainty and/or risk. So, in this regard too, I am clear that this budget is the right one for Leicestershire Police.

I leave this post in three months' time and I will do so with the satisfaction of knowing that I have played a pivotal part in ensuring that Leicestershire Police is properly resourced in its need for focused and flexible operational capability, whilst also ensuring that the Force is suitably lean and financially viable.

Amongst many other enhancements delivered by my office (and on which I will comment at a later date), this will be the robust financial legacy that I will leave to my successor in May this year; I hope that this Panel concurs.

Lastly, I want to say this. Whilst I am confident that there will be some questions, I hope that everyone will agree that the reports prepared for this Panel are inclusive (maybe even exhaustive...) and suitably highly explanatory; for this I wish to place on record my personal thanks to my Chief Finance Officer for doing an excellent job. Helen, thank you."

The Chief Finance Officer took the opportunity to thank partners for their assistance in bringing the budget to the Panel. She also thanked members of the Panel for publicising the consultation exercise to the public.

Arising from a discussion, the following points were noted:

- The Chairman and members praised the Commissioner for a positive and well balanced budget and particularly welcomed his commitment (as set out in paragraph 11 of the report) to providing 38 additional police officers and 28 permanent PCSOs (251 in total) in the base budget targeted to high priority crime areas;
- Though the budget position was positive considering the difficult circumstances, an emphasis was placed on the importance of transformation of the Force and the need to remain upstream of priority and complex crime areas that were

increasingly inside the home rather than outside of it, such as cyber-crime;

- The additional specialist resource to tackle cyber-crime would be used to gain greater intelligence around what people were doing online, though it was noted that there was a balance to be struck between the public's right to privacy and the tackling of challenging crimes such as this. Some resource would be deployed around pre-emptive education work encouraging people, for instance, to use strong passwords which it was noted could impact around 80% of fraud cases;
- In response to questions around sustainability, the PCC stressed that the financial position of the Force would be increasingly challenging in the outer years of the MTFS and that this would present the incoming PCC in May with further difficult decisions to be made;
- The consultation process around the budget had received over 1,100 responses. It was explained that a private company had been engaged to conduct survey calls to households in order to bring the response rate up to what was regarded by the Home Office as being a statistically representative sample. It was reinforced that this company and others like it had been engaged by other OPCCs in the country for this purpose. Members were assured that the responses provided through this process were quality assured and scrutinised by the Force. The full detailed results of the consultation process would be circulated to all Panel members for information following the meeting;
- Following the Government's announcement that PCC's would be able to take on additional responsibilities for fire and rescue, it was noted that there had been no indication as yet from the Home Office that funds would be provided to help with this transition, however the Force had a £9 million reserve which could be utilised for this purpose should it be required;
- Effective partnership and collaborative working would be crucial to the delivery of the MTFS. Greater collaboration around number plate recognition and a City Council review of CCTV was highlighted as one example which could benefit both parties.

It was moved by the Chairman and seconded by Cllr. Boyce:-

- (a) That the information presented in the report, including the total 2016/17 net budget requirement of £170.840m, which includes a council tax requirement for 2016/17 of £55.714m be noted;
- (b) That the proposal to increase the 2016/17 Precept by 1.99% (£3.58 per annum) for police purposes to £183.5770 for a Band D property be supported;
- (c) That the future risks, challenges, uncertainties and opportunities included in the precept proposal, together with the financial and operational mitigations and additional considerations identified be noted;

- (d) That it be noted that any changes required, either by Government grant alterations notified through the final settlement or through council tax base and surplus/deficit notifications received from the collecting authorities, will be balanced through a transfer to or from the Budget Equalisation Reserve (BER);
- (e) That the current MTFS, the savings already achieved, and plans to identify further solutions alongside the requirements of the Police and Crime Plan be noted;
- (f) That the Police and Crime Commissioner, the Chief Finance Officer and all relevant staff at the Office for the Police and Crime Commissioner be thanked for the comprehensive information provided.”

The motion was carried unanimously.

Thursday 4 February 2016