

**PCC BUDGET 21/22**  
**QUESTIONS FROM THE PCP**

**The structure of the report and general requests from the PCP**

- The structure of the report is very difficult to follow and does not provide the Panel with the confidence it requires to comment on the whole picture. –
  - A. The report format is very similar to the previous year when it was amended at the request of the Panel, however we welcome feedback to improve the report in assisting the Panel in their decision-making. CFO is happy to work with representative(s) of the panels.
- Can the Panel be provided with a one-page summary of the full budget (and Medium-Term Financial Plan), showing both income and expenditure?
  - A. The budget book will be published once the budget has been agreed and can be shared.
- The report has been constructed in a manner that key information is repeated and then sometimes enhanced section by section, this makes the report very difficult to follow (for example on police numbers).
  - A. The report's layout attempts to provide the reader with a logical journey from the funding envelope set out by Government, both nationally and locally, through the unavoidable pressures being faced and then the subsequent decisions about the level of savings and investments.

The reiteration of the police officer numbers was crucial as it is the keystone to the proposed precept increase.
- The Panel would like budget updates at every panel meeting throughout the year so that it can check on progress around the PCC's "ambitious" statements and 4 key themes, with some kind of performance indicators.
  - A. The budget updates can be provided assuming they align with our Strategic Executive Board reporting cycle by the Constabulary.
- On the capital side the huge amount devoted to developing the HQ site needs to be a separate report at a future meeting.
  - A. This is a significant project and therefore will require significant investment. No decision has yet been made on HQ and so the numbers presented in the Capital programme are draft and will be subject to change following a cost re-engineering exercise. Until now the PCC has only approved modest funding this year, for preparatory and feasibility works, to take the project to planning approval and FBC stage. Once the project has been given formal approval then progress will be provided via the budget updates outlined above.

**Questions**

**1. Summary**

- The budget report uses phrases such as “ambitious” and “transformative” on many occasions. How confident is the Commissioner and his key officers that the budget and related service plans are deliverable on time and within budget?

A. The Constabulary’s senior team is confident that the training capability and capacity are in place to deliver the necessary training via Police Education Qualifications Framework (PEQF through Anglia Ruskin University), Initial Police Learning & Development Programme (IPLDP - 4 intakes) and Police Now (1 intake) routes of entry in order to achieve the officer numbers set out.

- The budget provides for an increase in the number of Police Officers, but the report does not make it clear on the overall staffing levels. Please can a simple table be provided showing the movement in staffing numbers (including anticipated new starters and leavers) over the MTFP period?

A. There was an establishment of 1,285 paid staff in 20/21 (incl. 223 PCSOs).

The MTFP is based upon delivering the current level of policing and we do not model starters/leavers beyond the forthcoming year. Even starters through uplift are assumed to be cost neutral.

- For example, Section 1 says that 252 new police officers will be employed during 2021/22, but Section 2 says that “frontline police officers” will increase from 2,100 to 2,267 (an increase of 167)?

A. Comprises of 2,100 + 90 uplift + 77 extra = 2,267 establishment. After factoring in leavers (which to a large extent we cannot control), we will need to recruit approx. 252 new officers.

- In section 3, please explain Table 3, what is a PUP split ratio?

A. This is the profile the Government have set out for delivery the extra 20,000 officers over the 4 years.

- In section 3 (Uplift Funding), there appears to be a target for 2,190 FTE – how does this reconcile with figures given elsewhere?

A. This is just current 2,100 + extra 90 funded by PUP i.e. it excludes the additional 77 officers.

In section 7, this recruitment programme is considered “ambitious”. Please can the Panel be provided details on how this programme will be monitored? What is the impact of not meeting this ambitious target?

A. Across BCH we have a monthly Uplift Board, chaired by the DCC of Cambs, and it provides Herts with regular updates. In addition, we have to submit a monthly return to the Home Office to show how we progressing against the uplift target. There are no funding risk achieving the target beyond the 2,190. Operational impact officers being recruited this year are not capable of independent patrol for some time depending on the route of entry e.g. PEQF, IPLDP, Police Now.

- What assumptions have been made about the longer-term impact of COVID-19 on budgets?

- A. The MTFP assumes a 'squeeze' on public finances as a result of Covid e.g. makes a correlation between any grant increases and public sector pay restraint. Furthermore, reserves have been adjusted upwards to allow for potential of no further Government financial assistance going forward.

## 2. Organisational and Operational Context

- Can the Commissioner provide the Panel with further details on the Prevention First approach and how this affects the work of policing in Hertfordshire?

- A. We know that a quarter (24%) – that's nearly 1 in every 5 crimes are a 'neighbourhood crime' (burglary, vehicle crime, robbery and theft from person) and that crime is geographically concentrated - it happens in 5% of local areas.

If you focus and target resources on those areas you stand a good chance of bringing down demand. We want to take that demand out of the system by focusing on early intervention efforts and preventing crime from happening in the first place by tackling the problems at source.

We know that a quarter of the top 5% of areas for neighbourhood crime are also in the most deprived areas of the country.

If we are going to reduce demand in the system and move away from firefighting - a reactive culture - we must put in capacity to proactive problem-solving policing.

The Prevention First officers will be front and centre at providing that hands-on capacity working with partners and embedded within the safer neighbourhood teams to undertake effective problem solving that analyses the drivers of crime and what interventions – often target hardening interventions – that can be put in place to reduce it. And those officers will have the ability to act upon those interventions and work with the community and all those that are needed locally to cut crime and create fewer victims. This is absolutely essential if we are to spend our resources wisely, cut crime and create fewer victims.



### 3. 2021/22 Police Finance Settlement

- How is the Hertfordshire force planning its approach to delivering efficiency savings?  
  
A. This is a one-year settlement and the Government has addressed the efficiency element by top-slicing the grant allocation to forces. Long-term plan will come with the much anticipated 3-year Comprehensive Spending Review.
- Can the Panel see the “high-quality data” that has been requested by the Home Office?  
  
A. As and when we become aware of what this means we will look to share with the panel.
- Please explain the significance of the “reallocations” section and how it impacts locally?  
  
A. It tries to show how Government has allocated funds centrally and how their focus has changed over time e.g. increasing investment in Organised Crime/CT, which is beneficial for our regional ERSOU units.
- Has the Commissioner now received notice of Ministry of Justice grants for 2021/22? If so, does the allocation have an impact on the budget? If not, what assumptions have been made about such funding?  
  
A. No, but assumed to be ‘cash flat’.

### 4. Precept Proposal

- Please can the Commissioner provide further analysis on the budget consultation undertaken? In particular, the various media used to encourage residents and service users to respond to the survey?  
  
A. Provided as part of a separate paper on the agenda. Following feedback from previous years we used survey monkey as the basis for people to be able to vote whether they agreed/disagreement/neutral with the proposal and to be able to state their rationale / reasoning for this. They also had the option to be able to email us directly into the ‘your views’ inbox or to write to us.  
  
We also had it up on our website and was circulated widely.  
  
In terms of analysis, we have themed all of the precept responses which will feed into our policy development and strategy work (potentially to inform the next police and crime plan). Issues related to better communications have been fed back to the relevant department and all those who asked for a response have been sent a response.
- What is the impact of the MTFP period of the changes in Council tax base?  
  
A. We have made assumptions in the MTFP around a gradual return to pre-covid levels and then subsequent increases. We are reliant on the districts to provide any trends they identify in this driver of the precept income.
- What is the impact on the budget of the 25% of Council Tax losses that are not to be met by Government?

- A. This is factored into the Collection fund calculation, however we have yet to factor in the impact of the 75% support, as there are insufficient details around the funding mechanism at this stage.

## 5. Standstill Cost Pressures

- What is the impact of the September 2020 pay award not being fully funded?
  - A. These are shown in Sections 5a and 5b, however we have no latitude in regard to either Police Officers and for Police Staff as we are part of the national pay bargaining structure e.g. through the Police Staff Council (LGA).
- Are there any implications on the pay-freeze announced for 2021, for example on moral, recruitment and retention?
  - A. It is difficult to say at this stage in regard to both police staff and Police Officers.
- Capital financing – what is the financial impact of increased borrowing on the revenue budget?
  - A. If we were to borrow the £97.5m shown in Table 14 then the annual servicing costs would be a maximum of £1.9m, which is approximately 0.78% of the gross budget, and this would be borrowed in tranches over the MTFP in-line with the phasing of the capital expenditure.
- What is the policy on Minimum Revenue Provision?
  - A. Option 3 - Equal instalment over life of the asset life method. This is reviewed annually, although we only have the choice of two broadly similar options.

## 6. Efficiency Savings

- **Please provide further information on the 7 Force Procurement function. What savings has this initiative already delivered and what assumptions have been made on savings over the MTFP period (the report mentions only first-phase savings).**
  - A. The current year savings identified are £0.310m; using the Home Office methodology. No assumptions have been made beyond the £250k shown, but there is an expectation of further savings arising from the 7F procurement arrangement.
- What has been the upfront cost in setting up this approach?
  - A. It was an amalgamation of existing teams across the region with a modest investment from each of the 7 forces.
- Similarly, please provide further information on the Beds, Cambs, Herts Collaboration?
  - A. This is a broad area about which the Panel have had a previous presentation. Benefits realisation work is ongoing.
- What were the transition costs and how much saving has been assumed over the MTFP period?
  - A. Again, this was the merging of existing capabilities across the 3 counties, which has driven out efficiencies of circa £16m since 2012/13. No specific savings have been assigned to BCH

over the remainder of the MTFP, however it forms part of our overall budget-setting process and so will be considered as part of any savings requirements going forward.

## 7 Investment and Growth

- The section on Student Officers implies changes in training procedures as a result of the Prevention First agenda. Please can the Panel have further information on how the Commissioner is planning to make such adjustments to the training programme?  
  
A. Not a proposal to change Student Officers training, as they will go through the existing training programmes, either PEQF or IPLDP, and then all officers will go through an internal supplementary training programme.
- How many fully qualified officers will be 'front-line' in their substantive Police Officer roles; how many more senior roles eg Sgt et al will be covered by not fully qualified 'acting up' POs?  
  
A. Can the panel please clarify this question?
- How many 'beat' officers will be students and for how long; what is the supervision ratio ie additional work for otherwise frontline community-based Police Officers?  
  
A. Can the panel please clarify this question?
- The Panel would like to know is what is the justification for the additional officers, is the number the Commissioner suggesting based on what he can spend and therefore the numbers emerge?  
  
A. The resourcing requirement has been identified by the Chief Constable and his team to deliver the priorities of the PCC's plan and to deliver his statutory obligations.
- I would like an explanation starting from what is the establishment is and how is that grown over the period.  
  
A. Starting establishment for 2020/21 was 2,009, with intakes of circa 20 per month over-recruitment and then factoring in attrition and leavers.
- I would also like to know whether there is a pivot between more officers/less staff and vice versa.  
  
A. Government PUP policy is shifting the weighting toward officers and so the ratio of officers to staff will increase nationally.
- In terms of neighbourhood policing how many extra officers are going to be deployed to neighbourhood policing? (the response could be that's down to the Chief Constable) but the PCC has created a budget.  
  
A. The PCC sets the spending envelope and then the Chief Constable has operational independence in how to allocate that, with regard to the strategic priorities set by the PCC. The chief constable manages the budget delegated to him and deploys officers as he sees fit. He then reports to the PCC as to how he is managing his delegations.

- Investigative Support – The Panel notes that the Phone Download Kiosk plan will provide 7FTEs at approximately £25k per FTE. This seems somewhat low and is not in line with other such calculations elsewhere in this section.

A. This equates to A3 posts at circa £20k plus on cost.

- Also, how can 7FTEs cover 12 kiosks?

A. This is a reduction from 19 by 12 to 7 i.e. one per member of staff.

- Please can the Panel have further information on this proposal.

A. This is an operationally sensitive area and so it is not possible to divulge the Constabulary's capability.

- Serious Fraud & Cyber units - Did the grant cover the full cost of this initiative or is the proposed £0.231m just the grant that will be lost?

A. This is not the entire Cyber unit only the 5 posts proposed were funded by PTF.

#### Organisational Learning

- What is a Thinking and Analysis Strategic Hub? Has a business case been carried out on this investment?

A. This is an aggregated team which will lead on horizon scanning and policy & strategy development and statutory areas e.g. FMS. This requirement was identified as a consequence of a business case.

- Will 1 Police Officer be sufficient for the Well-being & Blue Light Programme?

A. This is not the only post dealing with Wellbeing within the Constabulary, but rather an additional resource to coordinate the provision centrally.

- Has a business case been undertaken?

A. Yes.

- Probationer Development Programme? Can the Panel have further information on the implementation of the Police Education Qualifications Framework?

A. It's a transition via 2 routes to professionalise policing. We are the early adopter for the region. First intake in July 2021 and we can provide an update on progress to future panels.

- Positive Action Team – this Team appears to be focussed on recruitment. How will it have an impact on retention as well?

A. The team will also focus on retention as the two are inextricably linked.

- Victim care – What is a Beacon Safeguarding Hub? Has there been a business case for this new initiative?

- A. The report sets out its role i.e. wrap-around service for medium-risk cases. Rarely does a potential case go from zero to high risk; as it is transitional in nature.

The MoJ Victims Grant is provided to ensure that support is delivered to those victims most in need and all Safeguarding crimes fall within the 'enhanced' category as specified with the Code of Practice of Victims of Crime.

A business case was approved at a PCC decision-making meeting in January 2020 (a decision note is on the website) for the OPCC to work collaboratively with the Domestic abuse safeguarding command to find ways to improve access to victims' services thereby enhancing support and improving VCOP compliance. The business case stated that it wanted to bridge the current gap in victim care for safeguarding victims which would likely result in a growth for the Constabulary's Victims services team and Commissioned services through the OPCC (Catch 22).

- OPCC – Can the Panel have more detail on the “range of services” to be commissioned with the additional £400,000?

A. These are currently in development. As mentioned in the paper they will be based on Community Safety and Criminal Justice Plan priorities where partner involvement is required to deliver. Areas that are likely to be focused on in the first round are serious violence, domestic abuse including perpetrator programmes, fraud and cybercrime.

## 8. OPCC

- The Panel notes that this budget will increase by 8% next year. Does this include the investment above as this section seems to say that only the £100,000 on complaints is included?

A. Yes, only £100k for 3 FTE with the remainder being pay and non-pay pressures.

- Are there any comparator statistics on the performance of the OPCC as well as the maximum overall cost?

A. The size of the 40 OPCCs varies widely across England and Wales. The smallest office is Bedfordshire with 8.5FTE and the largest is West Midlands with 44FTE. Hertfordshire has 29.4FTE.

OPCC total spend, including office costs and grant and funds allocation, also varies widely. The lowest spend in 20/21 was Suffolk (£2.451m) and the highest was South Wales (£12.604m). Hertfordshire with £5.469m has the 18<sup>th</sup> highest, or 22<sup>nd</sup> lowest spend, but the 3<sup>rd</sup> lowest in the MSF, with only Essex (£4.869m) and Avon and Somerset (£5.245m) spending less.

There are no objective measures on the performance of OPCC as each PCC has different objectives, identifies different priorities, and has different intentions for the role to reflect the views of the public in their local areas.

## 11. Reserves

- The Panel notes that the level of General Reserve has increased again for next year. Please can the Chief Financial Officer provide further details on how this assessment has been made?



- A. The starting point each year is to assess whether the risks identified in the previous year are still valid/appropriate, for example the Brexit risk has diminished (but not entirely), whereas the McLeod pension issue is still ongoing with the cost of the remedy still unknown.

The next stage is to horizon scan for potential issues that may have a financial impact, for example Covid-19 (that was not included last year). At the same time there are wide-ranging discussions amongst CFOs across the policing sector, for example around the national Emergency Services Network, which has been ongoing for a number of years and a level of uncertainty still exists around this multi-billion-pound project and so a percentage movement can have a significant impact on the organisations' finances.

An estimated value is then applied against each risk and a probability weighting applied in order to derive the reserve level required for that specific risk.

This is a subjective assessment and down to the individual CFOs professional judgement and experience. The PCC CFO is comfortable that reserves are at an appropriate level based upon the information currently available and given the uncertainty around the future economic and fiscal environment.

In addition, the assessment has been peer-reviewed by Constabulary's CFO who deemed the assessment to be sound and the overall level to be sufficient given the known/knowns.

- What assumptions have been made on the budget implications of COVID as we move into 2021?

A. No additional funding expected from Govt.

- The organisation-wide priority-based budgeting exercise appears to be costing £300,000 next year. What is this cost comprised of?

A. The commissioning of external expert support, which is supplemented with additional internal resource.

- How much is the project expected to generate in the way of ongoing budget savings?

A. Whilst we expect the outcome to allow us balance the budget over the medium-term, however the primary benefit is alignment of resources to police and crime plan and operational priorities. Incremental budgeting approach leads to the need for re-basing/calibration?

- How much did the previous zero-based budgeting exercise generate in savings?

A. Reviewed only 8% of the net budget but delivered over £200k of efficiencies.

## 12. Capital

- The Panel notes the large increase in the ongoing capital programme. What is the overall revenue implication of this programme going forward (both cost and saving)?

- A. Please see response in section 5 in regard to the revenue costs. Any savings that arise will be identified in the Business Case that is presented as part of the approval process for any major capital project.

### 13. MTFP

- Please can the Panel be provided with a detailed MTFP rather than just a set of assumptions?

A. The assumptions in Table 16 feed into the Strategic MTFP in Table 17.

- Table 17 suggests a balanced budget going forward, but only on the assumptions that further savings are to be made. How sustainable is the assumption?

A. The Constabulary has a strong track record of delivering efficiencies and is very confident on delivering the circa £1m over next two years. As a result of the prioritisation exercise carried out as part of the budget-setting process from which a list of options was identified and taken forward.

- However, the paragraph below suggests that there may be a potential budget gap. How does this relate to Table 17?

A. The savings line is essentially the budget gap, however if the assumptions in Table 16 were to move in a negative direction, then the savings requirement will increase thereby creating a wider gap that will need to be 'bridged' in order to deliver a balanced budget.

### Appendices

- Please can the Table in appendix A be explained further? What impact does it have on the budgets being discussed?

A. It is included to provide an overview of top-slicing of national priorities, but will be removed future years' reports if it is felt it does not provide additional context or any added-value to the report's reader.

- Why is the Table in Appendix D only for 2020/21? What are the equivalent figures for 2021/22 and over the MTOPF period?

A. Sorry this should be titled Appendix E. This is not currently available but will be shared once it has been finalised after the budget has been approved.

### Covid

- What effect COVID has had on setting the budget and what are the implications for next year as well, and what contingencies have been made to mitigate any financial risks – are the reserves enough for example?

A. We have factored into reserves some allowance for Govt funding not being available in future to support Covid-19 cost. The prudent reserve level outlined previously will hopefully be sufficient to absorb any reoccurrence, at least in the short-term.

### General comments/questions

- The timetable starts with the funding available (obviously the key final restrictor) but the Panel are surprised not to see that before that stage the CC and PCC haven't identified efficiency savings or what they might desire in terms of funding which could then be trimmed in on a priority basis in the light of the provisional settlement. We don't think local authority financial planning is on hold until a figure is known.

A. We do follow the process outlined by the questioner. This starts around July of the preceding year, when a long list of potential savings and investment are identified. These are then assessed through an iterative process, between the PCC and Constabulary, and as a result various scenarios are modelled. However it is not until the provisional settlement announcement, in December, that the overall funding envelope can be determined and a line is drawn to deliver a balanced budget for the forthcoming year.

- As HCC have budgeted for their capital costs of Longfield (JESA) would it not be prudent for the PCC to set aside a sum rather than defer all to future years?

A. The County Council has not made a formal decision on this project and also the nature of the PCC's contribution is unclear.

- Prevention First is much lauded. How does this work and how does the precept relate to this? "Once in a generation for policing to revitalise and re-energise the work force" Is Herts police tired and failing in its duty to tackle crime and keep the community safe? Page 2-3

A. Please see response to Q2.

- The new Police Education & Qualifications Framework [PEQF]. Does this mean all Officers, PCSOs & staff need training to get this qualification?

A. Applies to Police Officers only.

- What happens if they fail?

A. They have to pass to minimum standards.

- Tackling cybercrime £1.490m. 5 FTE staff. Is this team part of the 2267 officers [end of 2022]?

A. No, police staff only and so not part of 2,267

- How is the force going to adapt its training programme for student officers under Covid-19 regulations?

A. Training has been reconfigured to be delivered in a Covid safe way for the duration of the current pandemic.

- Investigation Support page 16 b ...7 bullets points here 22FTE appointed . Can this be clarified? Does this number come out of the total of 2267?

A. Made up of a combination of 10 Officers and 12 staff and the 10 are included in 2,267.

- Same applies for Organised Learning...6 bullet points. 9.5FTE plus one BAME officer.
  - A. This is a mix of officers and staff and the police officer element is included in the 2,267.
- Capital Financing Requirements [Borrowing] page 23. Where does £97.486m [2021-2025] come from and how is it paid back?
  - A. Please see table 13, which shows that the majority will come from external loans; assumed primarily from the PWLB and repayment will depend on type of loan taken out and MRP that is set-aside.
- What advantage has been taken of Kickstart?
  - A. The scheme does not apply to Police Officer roles. Also, the extensive training requirements and short-term (6-month duration) nature of the scheme means it is not appropriate for operational police staffing roles. The current WFH arrangements has meant that it has not been feasible to undertake the scheme for wider police staff roles.
- Why has there been a switch from zero-base budgeting to priorities budgeting this year?
  - A. We currently use incremental budgeting and we do not support a particular alternative approach, but rather that which delivers on our aim of having the right resource in the right place to deliver plan priorities. We will liaise with the experts we appoint to find the most appropriate methodology.

Hertfordshire Police and Crime Panel  
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