# NOTTINGHAMSHIRE
## POLICE AND CRIME PANEL

## Monday, 01 February 2016 at 14:00

### County Hall, County Hall, West Bridgford, Nottingham, NG2 7QP

### There will be a pre-meeting for Panel Members only in The Civic Suite at 1.15pm

## AGENDA

**Notes**

(a) Members of the public are welcome to attend to observe meetings of the Police and Crime Panel. Please note that there is no opportunity for the public to speak at these meetings.

(b) Declarations of Interests – Persons making a declaration of interest should have regard to their own Council's Code of Conduct and the Panel's Procedural Rules.

Members or Officers requiring clarification on whether to make a declaration of interest are invited to contact Keith Ford (Tel. 0115 9772590) or a colleague in Democratic Services at Nottinghamshire County Council prior to the meeting.

(c) Members of the public wishing to inspect 'Background Papers' referred to in the reports on the agenda or Schedule 12A of the Local Government Act should contact:-

Customer Services Centre 0300 500 80 80

(d) Membership:-

Mrs Christine Goldstraw OBE – Independent Member – Chair
Councillor Debbie Mason – Rushcliffe Borough Council – Vice-Chair

Mayor Kate Allsop – Mansfield District Council
Mr Rizwan Araf – Independent Member
Councillor Andrew Brown – Nottinghamshire County Council
Councillor Cheryl Butler – Ashfield District Council
Councillor Eunice Campbell – Nottingham City Council
Councillor David Challinor – Bassetlaw District Council
Councillor David Ellis – Gedling Borough Council
Councillor Glynn Gilfoyle – Nottinghamshire County Council
Councillor John Handley – Nottinghamshire County Council
Mrs Suma Harding – Independent Member
Councillor Nicola Heaton – Nottingham City Council
Councillor Neghat Khan – Nottingham City Council
Councillor Tony Harper – Broxtowe Borough Council
Councillor Keith Longdon – Nottinghamshire County Council
Councillor Tony Roberts – Newark and Sherwood District Council
Mr Bob Vaughan-Newton – Independent Member
Councillor Linda Woodings – Nottingham City Council

# NOTTINGHAMSHIRE POLICE AND CRIME PANEL

## MINUTES OF THE MEETING HELD ON MONDAY 7th December 2015 AT 2.00 PM AT COUNTY HALL

### MEMBERS PRESENT
(**A** denotes absent)


Chairman - Christine Goldstraw OBE – Independent Member
Vice-Chairman Councillor Debbie Mason – Rushcliffe Borough Council

Executive Mayor Kate Allsop – Mansfield District Council
Rizwan Araf – Independent Member
Councillor Andrew Brown – Nottinghamshire County Council
Councillor Cheryl Butler – Ashfield District Council
Councillor Eunice Campbell – Nottingham City Council
Councillor David Challinor – Bassetlaw District Council
Councillor David Ellis – Gedling Borough Council
Councillor Glynn Gilfoyle – Nottinghamshire County Council
Councillor John Handley – Nottinghamshire County Council **- A**
Suma Harding – Independent Member
Councillor Tony Harper – Broxtowe Borough Council
Councillor Nicola Heaton – Nottingham City Council
Councillor Neghat Khan – Nottingham City Council
Councillor Keith Longdon – Nottinghamshire County Council **- A**
Councillor Tony Roberts – Newark and Sherwood District Council **- A**
Bob Vaughan-Newton – Independent Member
Councillor Linda Woodings – Nottingham City Council

### OFFICERS PRESENT

Keith Ford – Team Manager, Democratic Services   )   Nottinghamshire
Pete Barker – Democratic Services Officer   )   County Council
        (Host Authority)

### OTHERS PRESENT

Paddy Tipping – Police and Crime Commissioner (PCC)
Chris Cutland – Deputy Police and Crime Commissioner (DPCC)
Kevin Dennis – Chief Executive, Office of PCC (OPCC)
Chris Eyre – Chief Constable, Nottinghamshire Police
Charlotte Radford – Chief Finance Officer (OPCC)
Tim Young – Frontline Consultancy

1. **MINUTES OF LAST MEETING**

   The minutes of the meeting held on 2 November 2015, having been previously circulated, were agreed as a true and correct record and were confirmed and signed by the Chair of the meeting.

2. **APOLOGIES FOR ABSENCE**

   Apologies for absence were received from Councillor Handley, Councillor Longdon and Councillor Roberts.

3. **DECLARATIONS OF INTERESTS**

   Councillor Ellis declared a private and non-pecuniary interest as his daughter now works for the Nottinghamshire Police Force. This did not preclude him from speaking or voting on any of the agenda items.

4. **WORK PROGRAMME**

   Keith Ford introduced the report and informed Panel Members that the Work Programme had been updated following both the last panel meeting and the pre agenda meeting and also in discussion with the Chair, Vice-Chair and Kevin Dennis.

   Keith informed the Panel that a theme needed to be identified for the April meeting and requested that members e-mail him with their preference.

   **RESOLVED 2015/36**

   **That the work programme be noted and updated in line with Members' suggestions as appropriate.**

5. **POLICE AND CRIME COMMISSIONER'S UPDATE REPORT**

   The Commissioner introduced the report and informed the panel that the reporting of Hate Crime had increased, which had been a priority for himself and the Chief Constable. There had been concern from the Jewish and Muslim populations about the possible repercussions for them of the recent terrorist attacks. The Commissioner had met imans and chairs of mosques and the Chief Constable had spoken to representatives of all faiths in the wake of the Paris attacks. There have been a number of islamaphobic incidents, which would always be taken seriously by the Force, but they have been relatively few and the Commissioner emphasised that it was important to keep the threat in perspective.

   The Commissioner spoke of the ongoing investigations into historic child sexual abuse (CSE). Operation Daybreak was dealing with 167 allegations involving 255 offenders, both named and unnamed, and the files were now with the Director for Public Prosecutions. Operation Xerxes involved a similar number of allegations and offenders. The Commissioner informed the Panel that he discussed the issue regularly with the Force and was satisfied the Chief was making some carefully considered decisions regarding the use of resources.

The Commissioner spoke about the Victims' Code, a case study of which was included as an appendix to the report. It was a priority of the Force to devote extra resources to this area, though the Commissioner was still waiting to hear from the Ministry of Justice about the amount of extra funding that would be made available. The Commissioner was not confident that the increased level of funding would be sustained.

The meeting was adjourned at this point (2.10pm) for ten minutes owing to disruption from the public gallery.

Following the adjournment, the Deputy Commissioner informed the Panel that the Victims' Code had been introduced by the Force in 2013 and it was important that all concerned parties adhered to the Code. Progress had been made by the Force in the past 2 years though improvements could still be made, in the area of recording requirements for example. The Deputy Commissioner emphasised the importance of the use of the Victim Personal Statement (VPS) and the need for the Force to refocus its attentions on its use. The Code had recently been revised and now all victims, irrespective of the type of crime committed, would be offered a service.

During discussions the Panel raised the following points:

- The Panel welcomed the revised version of the report and considered it an improvement on the previous format.

- The Panel expressed concern at the levels of sickness, which appeared to be increasing across the board. The Commissioner explained that the target was 3.7% for staff and officers and that the figures for staff were above target and the figures for officers were below target. The Commissioner offered to write to members with more detail if required, but with the new system it would take time for accurate information to become available.

- The Panel expressed concern at the incidence of islamaphobic behaviour and gave examples where the police officers involved had to be persuaded to report the incidents concerned. The Chief Constable was only aware of one incident and the offender had been charged. If there was another case he asked to be informed of the details. The Commissioner reiterated that he had met religious leaders and that the matter was being taken seriously. The Chief Constable informed the Panel that there had been no statistically significant increase in crime against those of faith following the Paris attacks.

- In terms of the information regarding domestic violence repeat victims, the Panel welcomed the inclusion of the table as it allowed trends to be identified but felt that the information provided was difficult to follow. The Deputy Commissioner agreed with the observations and undertook to ensure that the figures would be clearer when presented to the next meeting.

- The Panel raised the subject of malicious communications offences and the Commissioner agreed that this was an area of growing concern and that the recent change in the law would mean an increase in such offences. It was a problem for society, not just the police, but people were posting comments on Facebook, for example, which they would never say face to face. The Panel felt that such offences should be easy to detect but the Chief Constable drew the

3

distinction between resolution and detection at a time of reducing resources where the Force adopted a threat, harm and risk approach to help focus on the most important priorities.

- The Panel asked the Commissioner what constituted 'Other' expenditure referred to on page 46 of Appendix C to the report, as this accounted for a third of the relevant budget. The Commissioner replied that he would provide the detail in writing.

- The subject of the apparent overspend on overtime was brought up by the Panel. The Commissioner confirmed that the budget had been reduced and expenditure was now controlled tightly. The expenditure detailed was as a result of mutual aid, ie the Force supporting neighbouring Forces who would be recharged for the expenditure. There was a time lag between the expenditure incurred and receiving the reimbursement by the relevant Force so the figures gave the impression that the budget was being exceeded. The Commissioner was confident that there would be no overspend in this area.

- The Panel raised the problem of overspending in other areas as detailed on page 48 of Appendix C to the report. The Commissioner responded by saying that it was getting increasingly difficult to make the savings planned, with the areas of property disposal and the transport PFI contract being especially problematic. The Commissioner was aware that the Chief Constable had been working on those areas where it was clear that the proposed savings were unlikely to be achieved and a number of initiatives were underway in order to attempt to balance the budget, though the Commissioner was aware they were nearly two-thirds of the way through the financial year. The Commissioner agreed with the Panel that some of the proposed savings were highly unlikely to have been achieved from the outset and that the making of savings became increasingly difficult with the passage of time.  The Chief Constable informed the Panel that the intention was to maintain, and if possible strengthen, operational levels. This had led to more partnership working which in some cases had delayed the realisation of some savings. For example, the Leicestershire Force made a late decision to join the single shared service initiative and though a decision could have been made to progress without their participation, this would have meant missing out on even greater savings. Unfortunately, this did mean that in the short term some planned savings had to be foregone. The need to drive out the structural budget deficit remained.

- In response to questions from the Panel, the Commissioner confirmed that in the case of the discharged firearm during an event at Police HQ, the Chief Constable had informed him within half an hour of the incident occurring and that if anything similar were to happen in the future he would be contactable at any time. Furthermore the Commissioner's and his Deputy's holidays never clashed. The event in question had been risk assessed but the incident resulting in the firearm discharge was not. The officer involved had now received advice and the Commissioner was confident that this type of incident would not happen again. The Chief Constable added that the officer involved was well motivated but misguided. Any similar occurrence was now highly unlikely given that clear advice had been issued and in future all aspects of such events would be risk assessed.

4

- The Panel highlighted the fact that despite the measure for the production and supply of drugs offences being contained in the blue rated section of the report, that is those measures which exceed their target by 5% or more, there were areas, The Meadows for example, where drugs continued to be a problem. The Panel felt also that a switch to 'legal' highs was taking place. The Commissioner replied that he appreciated that there remained a problem with drugs in certain areas having been made aware by local councillors but that on the whole the Commissioner felt that it was a problem that was under control. The Chief Constable said that in terms of 'legal' highs, legislation had just been brought in that would have a significant effect in this area. The Force's approach, as in other areas, was one of threat/risk/harm and in this case it meant there had been a focus on violent crime and burglaries, which was what the community had indicated the Force should be prioritising. In terms of drugs the Force had prioritised the supply of drugs over the possession of drugs as this was the area that generated crime, and in that respect the Force had been successful.

Councillor Challinor queried why the Commissioner was not willing to meet the survivors of historical CSE. The Commissioner replied that on the contrary he had an exemplary record of meeting survivors and would provide details of dates in writing following the meeting aswell as transcripts of those meetings also if required (Confirmation of the meeting dates was subsequently sent to all members of the Panel by the Commissioner). Councillor Challinor apologised to the Commissioner for any misunderstanding.


**RESOLVED 2015/037**

1. **That the contents of the update report be noted.**

2. **That the revised format of the report be welcomed.**


**6a. <u>UPDATE ON STRATEGIC THEME 7C2 – ENSURE THE FORCE ACHIEVES A BALANCED BUDGET AND DELIVERS THE REQUIRED EFFICIENCY SAVINGS</u>**

**6b. <u>FOLLOW UP ON THE BASE BUDGET REVIEW 2013</u>**


The Commissioner introduced the reports and welcomed earlier discussions with Members. He confirmed that work on the Budget remained a priority but pointed out that it was becoming harder to identify and deliver the level of savings required. Deloittes had been invited to work on the Base Budget Review and the vast majority of their recommendations were being taken forward.

The Chair stated that questions relating to these reports had already been covered earlier in the meeting.


**RESOLVED 2015/038**

**That the contents of both reports be noted.**

## 7. EAST MIDLANDS REGIONAL COLLABORATION UPDATE

The Commissioner introduced the report, which contained details of the work being undertaken across the East Midlands. Nottinghamshire was the only Force participating in all collaborations and this gave the Force an increased resilience. The Commissioner informed the Panel that the next area of work would focus on back office costs. This process had proved to be difficult and painful but the Commissioner felt that the Force was now ready to make real progress. Savings could already have been made collaborating with the Northants force but the Commissioner felt that the right decision had been made to delay the process and involve Leicestershire as well in order to maximise the cost savings. Notwithstanding this, significant progress had been made in other areas, with the Aurora II initiative being acclaimed internationally. A new policing bill is due in the New Year and collaboration will feature, especially with regard to the fire and rescue service.

During discussions the Panel raised the following points:

- The Panel asked the Commissioner whether the savings made through collaboration could be quantified and the Commissioner agreed to provide the figures, though he was not entirely confident that the savings cited would be achieved. However, the Commissioner stated that a good proportion of the budget was now spent on collaboration and that he did demand that savings be made. The Commissioner felt that as more of the budget was being spent regionally he was not sure that the correct governance arrangements were in place. The Commissioner felt that this would be an issue for the Panel to consider over the coming year.

- The Panel queried why the collaboration budget was being overspent and asked the Commissioner whether this was being caused by other authorities. In reply the Commissioner stated that the cost of the work was partly funded by applying to the police collaboration fund which, although a lengthy process, did mean the Force would be able to claim back the money spent. All those collaborating received a share from this fund but at present not all of those involved had passed on their contribution, though the Commissioner reassured the Panel that all those involved would make the required payment. The Panel asked how others were accounting for any overspends and the Commissioner explained that these would only be present during the financial year and that by year end everything would be reconciled and no overspends would occur. The issue of double-counting was raised by the Panel and the Commissioner replied that it was an issue with which Notts was very familiar and were aware that some expenditure was for Notts and some occurred regionally. Nothing was counted twice. The Panel felt that the regional work being undertaken was an exemplar, that it was better if this work could continue and that it was important that something that was working well was not dismantled. The Commissioner said that the work being undertaken in the East Midlands came out well in the relevant HMIC (Her Majesty's Inspectorate of Constabulary) report but that it would be unfair to expect the Force to continue to make cost savings without considering savings that could be made at a regional level.

6

**RESOLVED 2015/039**

**That the contents of the report and the attached appendix be noted.**


The meeting closed at 3.30pm




CHAIRMAN
Mins 7 December  2015

## WORK PROGRAMME

### Purpose of the Report

1.  To give Members an opportunity to consider the work programme for the Panel and to suggest further topics for inclusion **(see appendix A)**.

2.  To seek Members' approval to continue the subscription to the regional PCP network.

3.  To consider the proposed dates for the Panel meetings for 2016-17.

### Information and Advice

4.  The work programme is intended to assist with the Panel's agenda management and forward planning. The draft programme will be updated and reviewed regularly in conjunction with the Chairman and Vice-Chairman of the Panel and is subject to detailed discussion with the Police and Crime Commissioner (PCC) and the Chief Constable.

5.  The work programme is updated to include specific focus on each of the seven Strategic Priority Themes included in the Police and Crime Plan at each meeting of the Panel (except the February meeting at which the precept and budget is considered). Following recent e-mail correspondence with Members, it is proposed that the following schedule be followed, subject to the PCC's agreement:-

*   April 2016 – Theme 3 - Focus on priority crime types and those local areas that are most affected by crime and anti-social behaviour;

*   June 2016 – Theme 7 - Spending your money wisely;

*   September 2016 – Theme 2- Improve the efficiency, accessibility and effectiveness of the criminal justice process.

### Regional Police and Crime Panel Network

6.  At the Panel meeting of 28 April 2014, the Panel agreed to subscribe to a regional network (which had been established by Frontline Consulting) for 2014/15. The Panel agreed to renew the subscription for 2015/16 at the 2 February 2015 meeting.

7.  The subscription offers the following benefits:-

*   Two regional meetings each year at which the Chairman, Vice-Chairman and support officer (substitutes allowable) of each Panel share information and

experience, to problem-solve and to collaborate as appropriate; with agendas devised by the participants, including a regional update based and 'hot topics' of challenges to address across the five Force areas.

- A 'helpline' facility (by telephone, e-mail and online) supported by Tim Young, Frontline Consulting's Lead on Policing and Crime, to answer queries and provide advice

- A website www.pcps-direct.net, which all PCP members and support officers can sign up for, for free, to share their experiences and good practice, including:

  - an <u>Information</u> section: open-access pages that include a digest of news covering issues around Police and Crime Panels that will interest councillors, Independent Members and support officers, plus occasional features. There will be provision for Panels to post films, articles and more in-depth pieces about latest PCP developments; and

  - an <u>Exchange</u> section, offering  scope for you to network with each other across PCPs by setting up personal circles or engaging in broader networks by theme, role, activity or Force area. One of the Networks is Ask Tim, where you can post your queries.

In addition:-

- Three places for the price of two for Network members who want to attend our annual PCP conference (equivalent to a £99 discount). (The Panel also obtained a number of free places at the national PCP conferences arranged by Frontline Consulting in October 2014 and July 2015, in return for hosting the events).

- a 10% discount on any learning and development sessions that PCPs might want to engage Frontline Consulting to deliver.

8. The Panel was represented at the meetings on the 1 July 2014, 22 January 2015 and 16 October 2015. The next meeting takes place on 12 February 2016 and will be attended by the Chair and a support officer.

9. Officers and Members have continued to find the opportunity to network across the region very beneficial.

**Proposed Police and Crime Panel Dates 2016-17**

10. The Panel currently has dates agreed up to the Annual Meeting on 6 June 2016.

11. Following a similar pattern to currently, these are the proposed dates for the 2016/17 year:-

- Monday 5 September 2016 – 2pm
- Monday 7 November 2016 – 2pm
- Monday 19 December 2016 – 2pm
- Monday 6 February 2017 – 2pm
- Monday 24 April 2017- 2pm
- Monday 5 June 2017 – 2pm

12. It is also proposed that the following dates be earmarked for two budget workshops as per this year (with a decision made nearer the time as to whether the workshops will go ahead):-

- Wednesday 25 January 2017 – 10am – workshop with the PCC and officers
- Wednesday 1 February 2017 – 10am – workshop with the host authority's Chief Finance Officer

13. The views of Members and the Commissioner and his officers are sought on these proposed dates.

**Other Options Considered**

14. All Members of the Panel are able to suggest items for possible inclusion in the work programme. The work programme has been updated following discussions around the Commissioner's update report at the last meeting. The regular standing items and statutory requirements have also been scheduled into the proposed meeting timetable.

15. Members had previously raised the possibility of the five Panels in the region arranging regional networking meetings themselves. However it is felt that the £500 cost of the subscription offers good value for money as well as the opportunity to utilise Frontline Consulting's knowledge of the national context (the Panel continues to benefit from the research, guidance and briefing notes produced by Frontline Consulting).

16. The future Panel dates have been drafted in line with the current schedule of meetings, avoiding school holidays, public holidays and other Council meetings where necessary.

**Reasons for Recommendation/s**

17. To enable the work programme to be developed further.

18. To enable the Panel to continue to receive the benefits offered by the subscription to the regional PCP network.

19. To seek the views of Members, the PCC and his officers on the suitability of the proposed Panel meeting dates.

**RECOMMENDATION/S**

1) That the Police and Crime Commissioner's views be sought on the proposed schedule of Strategic Priority Themes to be considered at forthcoming meetings.

2) That the work programme be updated in line with Members' suggestions as appropriate.

3) That the Panel subscribe to the regional PCP network for 2016/17 at a cost of £500.

4) That the proposed dates for Panel meetings and budget workshops be considered.

Background Papers and Published Documents

1) Minutes of the previous meeting of the Panel (published).

For any enquiries about this report please contact:-

Keith Ford, Team Manager, Democratic Services, Nottinghamshire County Council
keith.ford@nottscc.gov.uk
Tel: 0115 9772590

**Nottinghamshire Police and Crime Panel**

**Work Programme (as at 18 January 2016)**

| Agenda Item | Brief Summary |
|---|---|
| **18 April 2016 – 2.00pm** | |
| Police and Crime Commissioner's update, including Budget and Efficiency Programme update, details of decisions taken and overview of Force Performance). | The Panel will review and scrutinise any decisions and other actions taken by the Commissioner on an ongoing basis. The Panel will also consider the Commissioner's response to the key performance and financial issues within the Force. |
| Complaints update | Regular update on any complaints received against the Police and Crime Commissioner or Deputy Police and Crime Commissioner. |
| Specific focus on one of the Police and Crime Plan Strategic Priority Themes. | Panel to focus on a specific Priority Theme - Theme 3 - Focus on priority crime types and those local areas that are most affected by crime and anti-social behaviour  (to be confirmed) |
| **6 June 2016 – 2.00pm** | |
| Appointment of Chairman and Vice-Chairman | To appoint the Chairman and Vice-Chairman of the Panel for the 2016/17 year. |
| Review of Balanced Appointment Objective. | The Panel will review its membership to see whether any actions are required in order to meet the requirements for:- <ul><li>the membership to represent all parts of the police force area and be politically balanced; and</li><li>Members to have the skills, knowledge and experience necessary.</li></ul> The terms of office for independent Members will also be reviewed where applicable. |
| Police and Crime Commissioner's update, including Budget and Efficiency Programme update, details of decisions taken and overview of Force Performance). | The Panel will review and scrutinise any decisions and other actions taken by the Commissioner on an ongoing basis. The Panel will also consider the Commissioner's response to the key performance and financial issues within the Force. |
| Complaints update | Regular update on any complaints received against the Police and Crime Commissioner or Deputy Police and Crime Commissioner. |
| Specific focus on one of the Police and Crime Plan Strategic Priority Themes. | Panel to focus on a specific Priority Theme - Theme 7- Spending your money wisely. |

| Agenda Item | Brief Summary |
|---|---|
| Consultation Events and Complaints Received / Consultation and Engagement Strategy | Six monthly update on the Commissioner's consultation events and complaints received by the Office of the Police and Crime Commissioner (as agreed at the 5 January 2015 Panel meeting) / consideration of the Commissioner's draft Consultation and Engagement Strategy |

| For Consideration | |
|---|---|
| Public/Non Public* | **Public** |
| Report to: | **Police and Crime Panel** |
| Date of Meeting: | **1st February 2016** |
| Report of: | **The Police and Crime Commissioner** |
| Report Author: | **Kevin Dennis** |
| E-mail: | **Kevin.dennis@nottinghamshire.pnn.police.uk** |
| Contact officer: | **daniel.howitt13452@nottinghamshire.police.uk** |
| Agenda Item: | **5** |

*If Non Public, please state under which category number from the guidance in the space provided.

# The Nottinghamshire Police and Crime Plan Priorities and Budget Consultation 2015/16

## 1.    Purpose of the Report

1.1    The purpose of this report is to present consolidated findings from local consultation activity during in relation to the policing precept, views on savings to the police budget and local public priorities and concerns.

1.2    This work has been undertaken in line with the Commissioner's statutory duties to consult and the findings will be used to inform precept setting, planning and policy making for 2016/17 and beyond.

## 2.    Recommendations

2.1    That the Police and Crime Panel note and provide feedback on the consultation report.

## 3.    Reasons for Recommendations

3.1    The Commissioner has statutory responsibilities for consultation with the public for identifying and setting local policing priorities that inform the production of the Police and Crime Plan and setting the annual precept for policing in consultation with the Chief Constable.[1]

3.2    Research, consultation and engagement undertaken in 2015 identified opportunities to develop a richer understanding of the views and perceptions of local residents – particularly with regard to the policing precept and future saving options.

3.3    The range of consultation activities undertaken in 2015 also identified clear opportunities for further developing economies of scale and benchmarking opportunities across organisations.

## 4    Summary of Key Points

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[1] The Police Reform and Social responsibility Act 2011

4.1 Findings from a range of Public consultation and engagement activities undertaken in 2015 indicate that the proportion of residents supporting a rise in the council tax precept for policing remains marginally higher than the proportion that do not.

4.2 Despite this, around a quarter of respondents are not sure whether they support an increase in the precept or not. Residents aged 18 to 24 appear most uncertain as to whether they support an increase.

4.3 Reflecting findings from previous years, Nottingham City residents appear less likely to support an increase in their council tax precept. Those that do not support an increase predominantly feel that they already pay enough or cannot afford to pay more.

4.4 Qualitative research indicates that while many residents are prepared to pay more for policing, they also require greater transparency with regard to where this will be spent and how value for money will be delivered.

4.5 Many residents also feel that that any rise in precept should be used to protect and increase visible policing and improve the efficiency and effectiveness of the service.

4.6 Around three quarters of all respondents to local authority level surveys felt unsure as to where future financial savings to the police service should be made. There was a commonly held view amongst respondents that further efficiencies could be made through better prioritisation, reducing bureaucracy, improving the workforce balance and reducing senior ranks and pay.

4.7 A notable proportion of respondents also supported reductions in the cost of the Police and Crime Commissioner/Office, better use of specials and volunteers and exploring opportunities for fundraising and revenue.

4.8 Support for the Police and Crime Commissioner's strategic priorities appears strong – most notably with regard to the priority of protecting, supporting and responding to victims, witnesses and vulnerable people.

4.9 Reflecting national findings, burglary, youth-related ASB and drug use and dealing remain the most prevalent crime and community safety related concerns for local residents.

4.10 The report includes specific recommendations for the Police and OPCC to:-

- Continue to inform, consult and engage local communities on more detailed savings plans and their implications and consider more targeted engagement to better understand the views of those that are more likely to feel unsure as to whether they would be prepared to pay more for policing

- Further develop the profile of community issues and concerns by incorporating findings from other local engagement activity, such as neighbourhood level priority setting

- Ensure community issues and concerns identified are used to inform the approach to community reassurance and engagement, particularly in providing residents with the information and advice that they need to be safe and feel safe

- Continue to be open and transparent in demonstrating how value for money is being delivered. This appears to be key factor in securing public support for rises in the local council tax precept for policing

- Continue to provide feedback to communities on the feasibility and cost/benefit of different saving options and planned activity. This should be informed by the views obtained as part of the 2015 public consultation

- Maximise opportunities to raise public awareness and understanding with regard to community and volunteering roles and opportunities, functions and outcomes of the Police and Crime Commissioner and the way in which policing resources are currently deployed and prioritised

- Consider opportunities to further co-ordinate and consolidate key questions and research methodologies across Nottinghamshire, particularly in exploring perceptions and community priorities.

## 5   Financial Implications and Budget Provision

5.1   Findings will be used to inform setting of the 2016/17 precept for policing. Options for delivering savings and economies of scale through more co-ordinated consultation and engagement approaches will be further considered in 2016.

## 6   Human Resources Implications

6.1   Human Resource implications will be identified throughout the budget setting process and review of the Commissioner's Consultation and Engagement Strategy in 2016.

## 7   Equality Implications

7.1   The combined consultations have obtained views from a diverse range of residents in terms of age, gender, ethnicity, sexuality and locality. Local authority level consultation activities have set representative samples for response rates across the local area based on gender, age, working status and ethnicity. While it has not been possible to set equivalent controls for the

OPCC public opinion poll and public engagement events, responses have been geographically weighted as part of the analysis process to mitigate the risk of geographic skew.

7.2 The report recognises that there are opportunities to further explore the views of young people (aged 18 to 25) who more likely to feel unsure regarding their views on the policing precept. The report also identifies opportunities for making use of 'segmentation data' to better understand the needs, demands and priorities of different geographic and socio-demographic groups.

## 8 Risk Management

8.1 The Nottinghamshire Police and Crime Needs Assessment identifies the threat, harm and risks to policing, crime and community safety, with mitigation actions identified through the Strategic Plan in the Police and Crime Plan 2015-18.

8.2 There is also a strategic risk register monitored through the governance processes in the Commissioner's Office.

## 9 Policy Implications and links to the Police and Crime Plan Priorities

9.1 Findings have been used to inform the setting of the precept for policing in 2016/17 and development of the refreshed Police and Crime Plan for 2016-2018.

## 10 Changes in Legislation or other Legal Considerations

10.1 Police Reform and Social Responsibility Act 2011. In addition, the Commissioner has a responsibility and must have due regard to all other legal requirements and specifically the provisions of:

- The Policing Protocol Order 2011
- Financial Code of Practice (FMCOP)[2]
- Strategic Policing Requirement (SPR)[3]
- Elected Local Policing Bodies (Specific Information) Order 2011[4]

## 11. Background Papers (relevant for Police and Crime Panel Only)

11.1 PCC Consultation and Engagement Strategy

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[2] Financial Code of Practice 2012
[3] Strategic Policing Requirement
[4] Specific Information Order 2011

# Nottinghamshire Police and Crime Plan Priorities and Budget Consultation 2015/16

**Consolidated findings from local consultation and engagement activity during 2015 to inform precept setting, planning and policy making for 2016/17 and beyond**

**January 2016**

# 1. EXECUTIVE SUMMARY

## 1.1 APPROACH

The Police and Crime Commissioner has a wide remit to cut crime and improve community safety in Nottingham and Nottinghamshire. A range of consultation and engagement exercises were conducted in 2015/16 in line with the Commissioner's duty to consult local communities on their priorities and perceptions.

In total, over 3,600 people were consulted as part of this work. This report presents a consolidated picture of the research methods employed and the headline consultation findings in order to inform the Police and Crime Plan 2016/18, setting of the 2016/17 precept for policing and broader policy, planning and decision making.

Consultation activities included:

- Evidence collected via the Nottingham City Council and the City's Crime and Drugs Partnership Annual Respect Survey and the Nottinghamshire County Council Annual residents Satisfaction Survey 2015

- The Commissioner's online consultation questionnaire and public opinion poll

- Focus groups commissioned in Nottingham (City) and North Nottinghamshire (Worksop) and South Nottinghamshire (Bingham)

- Additional local public engagement activity in Nottingham and Nottinghamshire.

## 1.2 KEY FINDINGS

Findings from a range of Public consultation and engagement activities undertaken in 2015 indicate that the proportion of residents supporting a rise in the council tax precept for policing remains marginally higher than the proportion that do not.

Despite this, around a quarter of respondents are not sure whether they support an increase in the precept or not. Residents aged 18 to 24 appear most uncertain as to whether they support an increase.

Reflecting findings from previous years, Nottingham City residents appear less likely to support an increase in their council tax precept. Those that do not support an increase predominantly feel that they already pay enough or cannot afford to pay more.

Qualitative research indicates that while many residents are prepared to pay more for policing, they also require greater transparency with regard to where this will be spent and how value for money will be delivered.

Many residents also feel that that any rise in precept should be used to protect and increase visible policing and improve the efficiency and effectiveness of the service.

Around three quarters of all respondents to local authority level surveys felt unsure as to where future financial savings to the police service should be made. There was a commonly held view amongst respondents that further efficiencies could be made through better prioritisation, reducing bureaucracy, improving the workforce balance and reducing senior ranks and pay.

A notable proportion of respondents also supported reductions in the cost of the Police and Crime Commissioner/Office, better use of specials and volunteers and exploring opportunities for fundraising and revenue.

Support for the Police and Crime Commissioner's strategic priorities appears strong – most notably with regard to the priority of protecting, supporting and responding to victims, witnesses and vulnerable people.

Reflecting national findings, burglary, youth-related ASB and drug use and dealing remain the most prevalent crime and community safety related concerns for local residents.


## 1.3   KEY RECOMMENDATIONS

The Police and OPCC should:

- Continue to inform, consult and engage local communities on more detailed savings plans and their implications

- More targeted work could be conducted to better understand the views of those that are more likely to feel unsure as to whether they would be prepared to pay more for policing (e.g. people aged 18 to 24).

- Further develop the profile of community issues and concerns by incorporating findings from other local  engagement activity (e.g. neighbourhood level priority setting) and make use of community profiling and segmentation data[1]

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[1] Segmentation data can provide geographic and demographic profiles of the needs, demands and priorities of different communities in order to enable policies, activities and communications to be better targeted.

- Ensure community issues and concerns identified are used to inform the approach to community reassurance and engagement, particularly in providing residents with the information and advice that they need to be safe and feel safe

- Continue to be open and transparent in demonstrating how value for money is being delivered. This appears to be key factor in securing public support for rises in the local council tax precept for policing

- Continue to provide feedback to communities on the feasibility and cost/benefit of different saving options and planned activity. This should be informed by the views obtained as part of the 2015 public consultation

- Maximise opportunities to raise public awareness and understanding with regard to community and volunteering roles and opportunities, functions and outcomes of the Police and Crime Commissioner and the way in which policing resources are currently deployed and prioritised

- Consider opportunities to:

  - Develop understanding of the level of increase that local residents support and explore views in respect of a referendum in the event of a proposed rise in precept that exceeds 1.99%.

  - Further standardise question sets and methodologies and develop a structured programme of public consultation and engagement activity in partnership with other agencies.

  - Co-ordinate and where possible consolidate research that explores fear and perception of crime and ASB and community priorities in order to deliver economies of scale and benchmarking opportunities.

## 2. INTRODUCTION

2.1 The Nottinghamshire Police and Crime Commissioner (PCC) has a statutory duty under the Police Reform and Social Responsibility Act 2011 to consult with local people in identifying and setting local priorities and consult the public and local rate payers prior to issuing the policing precept. This report sets out the methods undertaken locally in 2015/16 to fulfil these requirements and considers the consolidated findings of these respective approaches.

2.2 Consultation and engagement activity undertaken in 2015/16 included a range of qualitative and quantitative methods conducted either directly by the Office of the Police and Crime Commissioner (OPCC), independently commissioned by the OPCC or jointly commissioned in partnership with agencies such as the Police and local Community Safety Partnerships. This primarily comprised of:-

- Evidence collected through the Nottingham City Crime and Drugs Partnership Annual Respect Survey and the Nottingham County Council Annual Residents Satisfaction Survey 2015

- The Commissioner's public poll of public perception, priorities and attitudes towards the policing precept – via both contact card and on-line surveys

- Focus groups commissioned in Nottingham (City), Worksop and Mansfield in North Nottinghamshire

- Dedicated public engagement events held in Nottingham and Nottinghamshire in January 2016.

2.3 Together, these consultation activities captured the views of over 3,600 residents across Nottingham (53%) and Nottinghamshire (47%). Aggregated results have been weighted where necessary to ensure that the higher proportion of residents consulted within the city does not skew overall results.

2.4 Key findings will be used to inform planning and policy making for 2016/17, principally via the 2016-18 Police and Crime Plan and help to inform decision making with regard to the 2016/17 precept for policing in February 2016.

# 3. CONSULTATION METHODS

## 3.1 LOCAL AUTHORITY LEVEL RESIDENT SURVEYS

3.1.1. The **'Respect for Nottingham' survey 2015** was commissioned by Nottingham Crime and Drugs Partnership and was conducted by Information by Design (IbyD) - a company partner of the Market Research Society. The research was conducted in compliance with the guidelines and Codes of Conduct for the national governing body of the market research industry. Fieldwork comprised of 2,773 face to face interviews conducted during October, November and December 2015. The survey achieved a good geographical coverage of the city using random sampling from the Local Land and Property Gazetteer (LLPG). A multi-stage sampling approach was adopted in order to ensure all city wards were included and responses were obtained form am range of different neighbourhood deprivation classifications. The overall sampling error on this survey is ±1.9%, however this can vary by question depending upon the number of response obtained.

3.1.2 **Nottinghamshire 2015 Residents' Satisfaction Survey**[2] conducted for Nottinghamshire County Council and the Nottinghamshire Police and Crime Commissioner by independent market research agency Enventure Research. The survey was undertaken by an experienced team of local Interviewer Quality Control Scheme (IQCS) trained interviewers[3] via a face-to-face, on-street survey with residents aged 18 or over. Responses were obtained from a representative sample of 1,081 Nottinghamshire residents between 5 October 2015 and 30 October 2015 giving a confidence interval of approximately +/-3% at the 95% confidence.

3.1.3 Quotas were set on gender, age, working status and ethnicity according to the most up to date ethnicity profile (Census 2011). To identify differences between Districts and Boroughs, approximately 150 respondents were interviewed in each area.

| District/Borough Council | Number of interviews |
|---|---|
| Ashfield District Council | 151 |
| Bassetlaw District Council | 150 |
| Broxtowe Borough Council | 174 |
| Gedling Borough Council | 150 |
| Mansfield District Council | 151 |
| Newark & Sherwood District Council | 150 |
| Rushcliffe Borough Council | 155 |
| **Overall** | **1,081** |

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[2] Nottinghamshire Annual Satisfaction Survey 2015, November 2015, Enventure Research
[3] The IQCS is an independently run scheme which requires members to adhere to a set of benchmark market research industry standards.

5

## 3.2    RESIDENT OPINION POLL (OPCC)

3.2.1    The Office of the Nottinghamshire Police and Crime Commissioner obtained the views of over 660 local residents through a range of face-to-face consultation activities[4] (593) and an online poll (73) between July and December 2015.

3.2.2    Responses to a structured question set were recorded either face-to-face or directly recorded either on-line or on contact postcards depending upon the respondents' preference. Despite variations in methodological approach, the question set was broadly consistent with that used within the local authority resident perception surveys.

3.2.3    Engagement activity was conducted in a variety of locations across the force area, which included Nottingham Pride (July), Nottingham Caribbean Carnival (August), Emergency Services Engagement Day (August), the Four Seasons Shopping Centre in Mansfield (December) and the Broadmarsh Shopping Centre (December).

3.2.4    Male respondents (38%), people under the age of 24 (16%), people over the age of 65 (6.6%) and non-White British respondents (8.8%) were under-represented in terms of response rates when compared to Nottinghamshire's demographic profile, however these groups appeared more likely to respond to the on-line consultation. Around 17% of respondents stated that they had a disability, while 70% reported being heterosexual, 22% reported being Lesbian, Gay, Bi-sexual or another sexuality and 7% preferred not to say.

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[4] Nottingham Pride (July), Nottingham Caribbean Carnival (August), Emergency Services Engagement Day (August) , Four Seasons Shopping Centre Engagement stand (Mansfield), Broadmarsh Centre Engagement stand (Nottingham) in December

### 3.3 FOCUS GROUPS[5]

3.3.1  The Nottinghamshire Office of the Police & Crime Commissioner (NOPCC) commissioned Nottinghamshire Police to undertake a series of focus groups to explore public views and perceptions regarding the Police and Crime Plan priorities, precept for policing; and opportunities for making financial savings in 2016.

3.3.2  Participants were selected from a sample frame of individuals that had taken part in previous consultation[6] and had stated that they were willing to take part in future research. Consideration was given to the demographic characteristics in order to ensure that the sample frame comprised a good cross section of residents across Nottingham and Nottinghamshire before participants were selected at random.

3.3.3  Focus groups were conducted in three areas of the force – Nottingham city centre, Worksop and Mansfield, each aiming to achieve between eight and ten participants.  A financial incentive of £25 was offered to potential attendees to cover travelling expenses and time given.  A total of twenty-four participants attended the focus groups.

### 3.4 PUBLIC ENGAGEMENT EVENTS

3.4.1  The Police and Crime Commissioner and Chief Constable provided opportunities for local residents and service providers to discuss the policing budget, savings plans and any issues and concerns they had at a range of public meetings across Nottingham and Nottinghamshire.

3.4.2  This included consultation events at County Hall, West Bridgford, the Pleasley Landmark Centre, Nottingham CVS and Nottingham City Council Budget Consultation at Nottingham Central Library.  The events enabled more detailed discussion and debate in relation to proposed savings proposals with around 45 additional participants.

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[5] Consultation Report - The Police and Crime Plan Priorities and Precept, December 2015, Nottinghamshire Police

[6] As part of their core business, the Market Research section of Nottinghamshire Police manages the sampling, engagement and reporting of approximately 6,500 telephone surveys per annum, with members of the public, for victim satisfaction purposes.

## 4. PUBLIC VIEWS ON THE COUNCIL TAX PRECEPT FOR POLICING

### 4.1. KEY FINDINGS

4.1.1. Public views in relation to the council tax precept for policing were obtained through a range of consultation and engagement approaches. These included the City and County resident surveys, the OPCC's public opinion poll and a series of focus groups across Nottingham and Nottinghamshire. The consolidated findings of these consultation exercises are explored in the following chapter.

**Figure 1: Most households in Nottinghamshire pay £134.54 (Band D) or less a year towards policing.   Would you be prepared to pay more towards policing?**
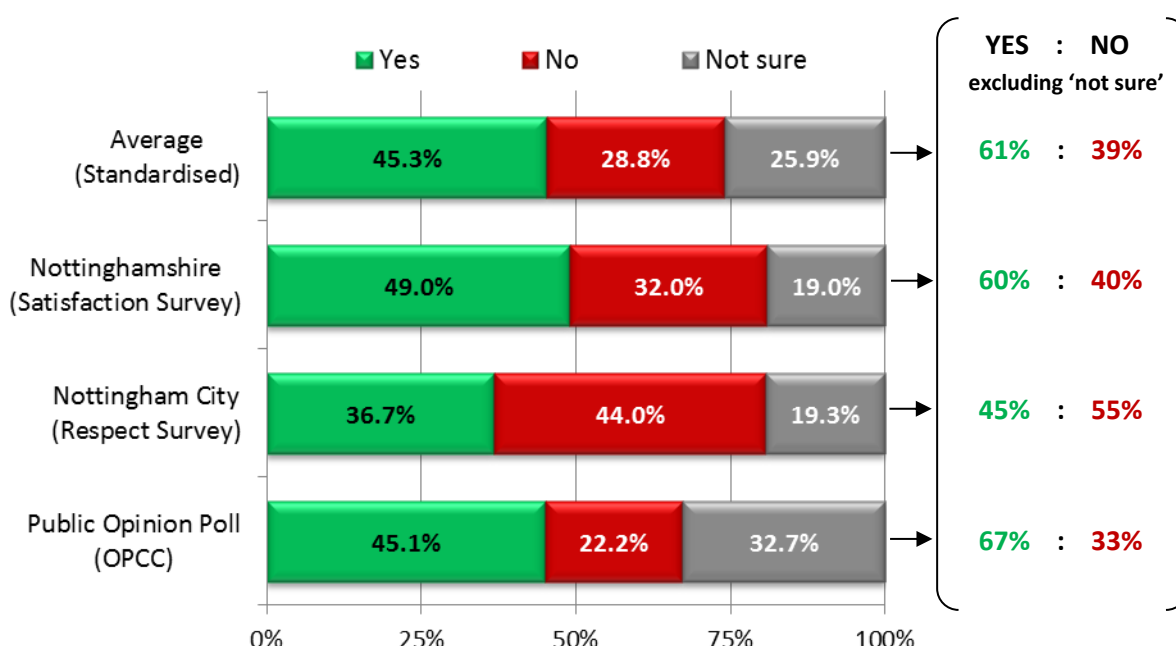


4.1.2    The consultation exercises indicated that the proportion of respondents feeling prepared to pay more for policing as part of their council tax precept varied from around 37% to 49% across Nottinghamshire and from 45% to 67% when those that were unsure were omitted.

4.1.3    **Aggregated responses standardised by resident population indicate that around 61% of residents support an increase in the council tax precept for policing when those that are unsure are omitted from the profile.**

4.1.4    The County Satisfaction Survey identified that those aged 18 to 24 were more likely to be unsure as to whether they would be prepared to pay more towards policing (35% unsure compared to 19% across all age groups).

4.1.5   Reflecting findings from previous years, Nottingham city residents appear generally less likely to support an increase in the council tax precept (45%) than Nottinghamshire residents (60%)[7]. This compares to 41% in the city and 62% in the county in 2014 respectively – equating to no significant change. No significant differences were identified between working status or disability status amongst respondents to the surveys.

4.1.6   **The focus groups conducted identified a general willingness amongst participants to pay more towards policing as part of their council tax precept, however, exploring these views, participants felt that more transparency is required as to where the revenue would be spent.  There was also a clear expectation that the service should demonstrate value for money and deliver a visible difference to communities as a result.**

> *"If you're saying you're going to increase your policing budget from my council tax, what are you going to spend it on? What are we getting if you're still continuing to cut and cut and cut?"*
>
> *"All we are hearing is about the cutting one thing, cutting another, so are we actually getting value for money?"*
>
> *"I would be happy to pay more, but I would want to see a difference…I want to feel a difference."*
>
> *"I'm told by [the Commissioner] that my money is well spent, but I would like to see the result"*

4.1.7   **Participants also felt that any rise in precept should be used to protect and increase visible local policing and deliver efficiencies – particularly though the use of technology.**

> *"I would like to know where my extra money is going - not to fund office staff and nice furniture, we all want front line staff…."*
>
> *"I would be able to pay an extra couple of quid for security, but it would be better justified if you are told that … this money is going to be spent on CCTV, and then the general public would see lots of cameras for example"*

4.1.8   **The County survey also asked respondents who were not prepared to pay more towards policing to explain their reasons why. Reflecting findings from 2014, the majority of those not wishing to pay more towards policing stated that this was due to the fact that they either already paid enough or could not afford to pay any more (60%).**

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[7] Excluding respondents that were unsure as to whether they would support an increase in the council tax precept or not

4.1.9    A further fifth (20%) felt that they do not get their money's worth now or think the money is wasted, whilst 11% wanted more transparency about where money was being spent and 9% said there were not enough police when they were needed.

**Reasons for not wishing to pay more towards policing (County only)**

| Explanation | Count | % |
|---|---|---|
| We pay enough already – can't afford to pay more | 208 | 60% |
| Don't get money's worth – money is wasted | 68 | 20% |
| Need to see more of what is done with money | 39 | 11% |
| Police are not there when you need them | 32 | 9% |

## 4.2    RECOMMENDATIONS

4.2.1.    Between a fifth and a third of all respondents feel unsure as to whether they would be prepared to pay more towards policing. It is recommended that work continues to inform, consult and engage local communities on more detailed savings plans and their implications

4.2.2.    More targeted work could be conducted to better understand the views of those that are more likely to feel unsure as to whether they would be prepared to pay more for policing (e.g. people aged 18 to 24)

4.2.3.    The Police and OPCC should continue to ensure openness and transparency in how value for money is being delivered. This appears instrumental in securing public support for rises in the local council tax precept for policing

4.2.4.    While views have been obtained with regard to the proportion that do or do not support an increase in the council tax precept for policing, views as to the level of increase that local residents would support are unclear.  Similarly views in respect of a referendum in the event of a proposed rise in precept that exceeds 1.99% are not known. There are opportunities to further explore these aspects as part of future consultation exercises.

# 5. VIEWS ON OPPORTUNITIES TO DELIVER SAVINGS IN 2016/17

## 5.1 KEY FINDINGS

5.1.1 Public views on opportunities for Nottinghamshire Police to achieve further financial savings in 2016/17 were obtained through a range of consultation and engagement approaches. These included the City and County resident surveys, the OPCC's public opinion poll and focus groups. Consolidated findings are explored in the following chapter.

5.1.2 A significant proportion of respondents to the County resident's survey (74%), city survey (79%) and OPCC opinion poll (33%) did not comment or feel able to comment on how savings should be delivered in 2016/17. In many cases, respondents expressed the view that savings should not be made in this area.

5.1.3 The local authority resident's surveys and OPCC opinion poll did, however, collectively obtain around 972 suggestions from local residents as to where and how savings could be delivered.

5.1.4 **More than a third (37%) of all savings suggestions obtained via the OPCC opinion poll related to delivering organisational efficiencies through approaches such as better prioritisation, reducing bureaucracy and improving the organisation's workforce balance.**

Better prioritisation accounted for around 9% of all savings suggestions obtained via the OPCC poll, with the view being echoed by respondents to the city and county surveys and focus group participants. There was a commonly recurring perception that the police service could be more efficient by focussing less on low level crime, speeding[8] and cannabis possession and more on serious victim-based crimes.

> *"Focus on priority crimes not petty crimes"*     *"Deal with more serious crime"*
> *"Stop wasting time on cannabis-related crime"*     *"Dealing over possession"*
> *"Less focus on roads"*     *"Less focus on speed trapping"*
>
> **Nottingham Respect Survey 2015**
>
> *"Stop wasting money on unimportant things"*     *"Only deal with major crimes"*
> *"Concentrate on crime against the person rather than property"*
> *"Less sat in speed camera vans – focus on most serious crime"*
>
> **OPCC Opinion Poll 2015**

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[8] 26% of respondents to the County resident's survey expressed a view felt that savings should be made in the area of roads policing

11

Consultation also identified a commonly held view that there remain significant opportunities to 'cut paperwork', 'red tape' and 'admin', with the focus groups in particular, seeing participants place an emphasis on efficient working and reducing waste and duplication in order to maintain local response and community policing. A minority of respondents, however, suggested more administrative support alongside investment in technology in order to keep more police officers in public facing front line roles.

> *"We've got all this technology, why not use it? I've been told that the police spend a third of their time writing statements and writing stuff down. So if it was electronically done, surely it's got to save money and time. More time for the police to patrol."*

All of the consultation exercises presented consideration as to the organisation's workforce balance - particularly the ratio of 'back office'[9] to 'front line' employees. With police constables having full warranted powers, focus group participants were in agreement to pay more for the preservation of this role.

The role of PCSO's generated mixed opinions however, with some participants being of the opinion that they are costly and do not hold powers of arrest, though other participants felt they were valuable to community policing and consideration should be given to up-skilling these roles to fully warranted officers.

> *"Would it not make sense to give [PCSO's] the same rights as a police officer and a Special Constable, as part of their paid responsibility, some sort of power to arrest"*
>
> *"Is there a point to have PCSO if they have got not enough rights… just to be visible? I would prefer to have two full time officers than three PCSO's… they are not efficient"*

5.1.5 **Around 10% of suggestions via the OPCC poll related to reducing the number and cost of senior ranks – a view raised by 4% of respondents to the county survey. A further 8% of suggestions related to the abolition of the PCC role or reductions in PCC and OPCC costs**.

Focus group participants across the groups discussed whether there was a requirement to have a Chief Constable and senior officers/staff across each of the East Midlands polices forces and noted that money would be saved by having a regional Chief Constable and regional senior officers and staff.

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[9] 25% of respondents to the County resident's survey felt that further savings could be made in back office support functions

> *"Cut high ranking officers"*     *"Cut top dog's pay"*
> *"More cuts at the top"*     *"Take away Chief Inspector ranks"*
>
> **OPCC Poll 2015**

Removing the role and Office of the Police and Crime Commissioner was a commonly recurring suggestion obtained via the OPCC poll (8%) and resident surveys – largely based on the view that the role is expensive and unnecessary.

> *"Get rid of commissioners"*   *"Reduce salary and election costs"*   *"Pay politicians less"*
>
> **OPCC Poll 2015**

5.1.6    **11% of suggestions via the OPCC poll related to opportunities for raising revenue, including general 'fundraising', fines and levies – particularly in relation to alcohol and offending.  These suggestions were reflected within the local resident's surveys.**

> *"Fundraising – like the air ambulance"*     *"Events / Galas"*
> *"Charge the drunks for extra policing at the weekend"*
> *"Levy bars that add to problems related to alcohol"*
> *"Larger fins for repeat offenders"*   *"Make criminals pay"*
>
> **OPCC Poll 2015**

5.1.7    **8% of suggestions via the OPCC poll related to areas in which the police should spend to save.  This included providing more of frontline policing and crime prevention – particularly via technology and youth engagement.**

A number of participants within the focus groups similarly felt that an additional investment in technology would enable the force to realise efficiency savings in the long term, with ideas ranging from mobile devices to increased CCTV.

> *"More cameras if you haven't got staff who will be patrolling –*
> *more cameras that can be used"*

5.1.8    **Other savings suggestions included increasing workforce capacity by working with more specials and volunteers (7%)**

Some focus group participants felt that additional Special Constables should be recruited due to these roles holding full warranted powers but being of a voluntary nature.   The focus group also highlighted an ongoing need to promote and raise awareness of community and volunteering roles more generally.

> *"I've never heard before that there is the opportunity to volunteer. To be honest I would like to do something but I didn't know how. Not walking the street … but say translating on a regular basis with some police officers…, just using my language skills or other knowledge"*

5.1.9. **A number of respondents also expressed support for further progressing collaboration, mergers and partnership working (7%), which was echoed via focus group consultation.**

Focus group participants generally saw regionalisation and the sharing of services as an efficient way of working, not only across police forces, but across all public sector organisations - particularly in sharing 'back office functions' and protecting front line policing.

> *"I think that we need structural change. I don't see why every police force needs its own HQ, I think it could be done regionally rather than at county level, and I don't think we need Chief Constables for every single area, same with police helicopters"*
>
> *"Amalgamate the whole thing, and make it East Midlands, rather than Notts and South Notts…. Not just the police force, but why not the fire service, the ambulance service?"*
>
> *"….the council are [moving] all their things into one building, so couldn't [the police force] use that as a contact point - because the council are leading the way to getting everything under one roof so why can't Police be a part of that?"*

5.1.10 Focus group participants had mixed feelings as to whether police stations were needed. Some deemed them to be an important presence within communities while others felt that they were costly and no longer visited in the wake of alternative methods of communication being used by members of the public.

## 5.2 RECOMMENDATIONS

5.2.1 Further develop structured public consultation and engagement activity based on identified savings options and building upon the research conducted in 2015.

5.2.2 Continue to provide feedback to communities with regard to the savings suggestions identified, including consideration of feasibility, cost/benefit and current/planned activity

5.2.3 Maximise opportunities to raise public awareness and understanding with regard to community and volunteering roles and opportunities, functions and outcomes of the Police and Crime Commissioner and the way in which policing resources are currently deployed and prioritised.

# PROFILE OF SAVINGS SUGGESTIONS (OPCC POLL) – HOW SHOULD THE POLICE ACHIEVE THE SAVINGS REQUIRED IN 2016/17? (UNPROMPTED)

"More bobbies less buildings"
"Sell off headquarters"   "Sell police stations"
"Use older vehicles"   "Use bikes more"

"Only go to emergencies"   "Only deal with major crimes"   "focus on victim-based crimes"
"Don't waste money trying to catch people speeding"
"Be honest about what an be provided and what is nice to have"

Estate — 2%
Fleet — 2%

OTHER (10%)

"Merge with other police forces"
"Share services with other public services"
"Greater partnerships with councils"

"Cut bureaucracy"   "Less paperwork"

"More admin staff to free up police"
"Less back room 'bean counters'"
"More PCSOs"

Mergers — 6%
Partnership working — 1%

MERGERS / COLLABORATIONS & PARTNERSHIPS (7%)

Better prioritisation — 9%
Reduce bureaucracy — 9%
Improve workforce balance — 8%
Improve processes — 3%
Improve performance/standards — 2%
Reduce overtime — 2%
Use resources better — 4%

INCREASE CAPACITY - VOLUNTEERS SPECIALS (7%)

INCREASE EFFICIENCY & EFFECTIVENESS (37%)

"More volunteers patrolling streets"
"Use volunteer services for missing people"
"Empower the community"

Visible policing — 6%
Prevention / Youth eng. — 2%

REDUCE INCOMING DEMAND (8%)

REDUCE WORKFORCE COSTS (12%)

"Have easier ways of reporting"
"More co-ordination when dealing with cirmes"
"Stop paying overtime where not warranted"

"Abolish the PCC role"   "Reduce election costs"
"Reduce the salary of the PCC"
"Remove the office of the PCC and his staff"

GOVERNANCE (PCC/OPCC) COSTS (8%)

10%
1%

Reduce Senior Ranks
Wages and pensions

"Cut high ranking police officers"
"Restructure the senior ranks"
"Less in top positions or reduce their salaries"

"Less management – more admin support"
"Take away Chief Inspector ranks"
"Cut middle management tiers"

"Fundraising events"   "Putting on events"

"Recoup the costs of dealing with matters such as drunkenness"   "Levy bars"
"Larger fines for repeat offenders"
"Make criminals pay"

"Charge for your services"
"Sell specialist services such as training, self-defence, talks and lectures"

General fundraising — 5%
Fines and levys — 4%
Precept* — 1%
Charges (Spec Services) — 1%

REVENUE (11%)

*   Unprompted savings suggestion. When asked, 45% of all respondents said that they supported an increase in the council tax precept for policing

# 6. PUBLIC CONCERNS AND PRIORITIES

## 6.1. KEY ISSUES AND CONCERNS

6.1.1. Concerns about crime and ASB were canvassed as part of the OPCC resident poll and the Nottingham City Respect Surveys.

6.1.2 The OPCC Poll found that just over half of all respondents were concerned about crime (53%) or ASB (57%) in the area where they live. Concern amongst respondents to the City Respect survey, however appeared much lower, with less than a third (27%) reporting to be concerned about crime in the area where they live.

6.1.2 The issues which were of concern to respondents to the OPCC Poll were many and varied, however the most common issue of concern was burglary / break ins (15%). Similarly, findings from Nottingham City's annual Respect survey[10] have consistently identified **burglary** as the most highly ranked crime-related concern (35% of respondents).



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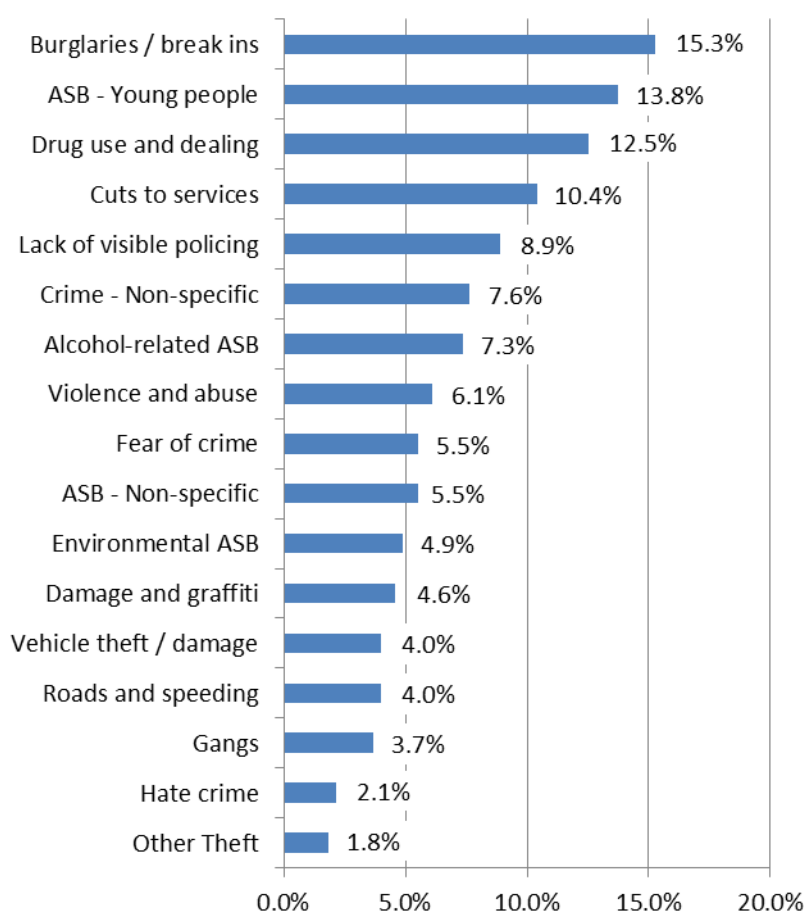
[10] Over 2,500 responses via a random sampling methodology

16

6.1.3   While young people hanging around or causing ASB (14%) was identified as the second most prevalent concern amongst respondents to the OPCC poll, the Crime Survey for England and Wales indicates that the percentage of residents perceiving teenagers hanging around to be a very or fairly big problem (13%) has been falling steadily over the previous two years, reflecting national trends.

6.1.4   While the OPCC Poll also highlighted drug use or dealing (12%) as a notable concern amongst local residents, the Crime Survey for England and Wales similarly indicates that perceptions of drug use and dealing being a problem in Nottinghamshire (20%) has also been falling steadily over the previous two years - reflecting national trends and the Nottinghamshire Annual Satisfaction Survey.

6.1.5   Visible policing was highlighted as a concern amongst 9% of those surveyed via the OPCC Opinion Poll.  Similarly, focus group participants generally felt that police visibility should be a priority based on a view that this would provide community reassurance and act as a deterrent to crime an ASB.

> *"I think that people want the safety net of visible police on the ground, but whether that's necessary or not is another question"*

6.1.6   Alcohol-related ASB was highlighted as a concern amongst 7% of respondents to the OPCC Poll, while around 16% of Nottinghamshire respondents feel that people being drunk or rowdy in public is a problem in their area.

6.1.7   Fear of crime was highlighted as a concern for 5% of respondents. By comparison, the Nottinghamshire satisfaction survey found that 95% of respondents feel safe in the area feel safe in their local area by day, 89% feel safe when home alone at night around 74% feel safe outside in the area that they live after dark.

## 6.2 POLICE AND CRIME PLAN PRIORITIES

6.2.1 The 2015 resident surveys also explored the extent to which respondents supported the Commissioners strategic priorities for policing based on the following Police and Crime Plan pledges:-

**Paddy Tipping as made a number of pledges that both he and his team are working towards. He has pledged to:-**

- Protect, support and respond to victims, witnesses and vulnerable people
- Focus on local areas most affected by crime and disorder
- Reduce the impact of substance misuse on levels of crime and disorder
- Prevent offending and reduce re-offending
- Improve the efficiency and effectiveness of the criminal justice process
- Reduce the local threat from organised crime
- Spend your money wisely
- Fight for extra resources for our Police force who are facing budget cuts
- Enhance neighbourhood policing by employing an extra 150 Police Officers and 100 more PCSOs
- Work with local councils and others to cut anti-social behaviour by 50%
- Make sure that victims of crime are treated as people rather than cases
- Give extra priority to domestic violence and crimes against women

6.2.2. The surveys found that the priority of 'protecting, supporting and responding to victims, witnesses and vulnerable people' was felt to be the most important priority – being ranked first by 36% of county respondents and 41% of city respondents.

6.2.3 'Focusing on the areas most affected by crime, disorder and anti-social behaviour', meanwhile, was ranked the most important priority by 20% or respondents in the county and 19% of respondents in the city.

6.2.4 'Preventing offending' was ranked as the most important priority amongst 8% of county respondents and 19% of city respondents.

6.2.5 An overwhelming majority of the opinions expressed within the city and county focus groups acknowledged and affirmed the Commissioners strategic priorities. Priorities stressed by the groups included focusing on violent crime and crimes against women; appropriately resourcing officers; spending money where it's needed; focusing on prevention; increasing visibility; being more accessible; keeping the public informed; using more technology; focusing on anti-social behaviour; deterring crime with tougher sentences; protecting vulnerable people; investigating and dealing with gangs; focusing on cybercrime; responding appropriately and increasing CCTV.

## 6.3 RECOMMENDATIONS

6.3.1 Further develop the profile of community issues and concerns by incorporating findings from other local engagement activity (e.g. neighbourhood level priority setting) and make use of community profiling and segmentation data[11]

6.3.2 Ensure community issues and concerns identified are used to inform approach to community reassurance and engagement, particularly in providing residents with the information and advice that they need to be safe and feel safe

6.3.3 Co-ordinate and where possible consolidate research that explores fear and perception of crime and ASB and community priorities in order to deliver economies of scale and benchmarking opportunities

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[11] Segmentation data can provide geographic and demographic profiles of the needs, demands and priorities of different communities in order to enable policies, activities and communications to be better targeted.

# 7. CONCLUSIONS AND RECOMMENDATIONS

## 7.1 KEY FINDINGS

Findings from a range of Public consultation and engagement activities undertaken in 2015 indicate that the proportion of residents supporting a rise in the council tax precept for policing remains marginally higher than the proportion that do not.

Despite this, around a quarter of respondents are not sure whether they support an increase in the precept or not. Residents aged 18 to 24 appear most uncertain as to whether they support an increase.

Reflecting findings from previous years, Nottingham City residents appear less likely to support an increase in their council tax precept. Those that do not support an increase predominantly feel that they already pay enough or cannot afford to pay more.

Qualitative research indicates that while many residents are prepared to pay more for policing, they also require greater transparency with regard to where this will be spent and how value for money will be delivered.

Many residents also feel that that any rise in precept should be used to protect and increase visible policing and improve the efficiency and effectiveness of the service.

Around three quarters of all respondents to local authority level surveys felt unsure as to where future financial savings to the police service should be made. There was a commonly held view amongst respondents that further efficiencies could be made through better prioritisation, reducing bureaucracy, improving the workforce balance and reducing senior ranks and pay.

A notable proportion of respondents also supported reductions in the cost of the Police and Crime Commissioner/Office, better use of specials and volunteers and exploring opportunities for fundraising and revenue.

Support for the Police and Crime Commissioner's strategic priorities appears strong – most notably with regard to the priority of protecting, supporting and responding to victims, witnesses and vulnerable people.

Reflecting national findings, burglary, youth-related ASB and drug use and dealing remain the most prevalent crime and community safety related concerns for local residents.

## 7.2    KEY RECOMMENDATIONS

The Police and OPCC should:

- Continue to inform, consult and engage local communities on more detailed savings plans and their implications

- More targeted work could be conducted to better understand the views of those that are more likely to feel unsure as to whether they would be prepared to pay more for policing (e.g. people aged 18 to 24). The question set could also quantify proposed precept increases to provide greater context for respondents

- Further develop the profile of community issues and concerns by incorporating findings from other local  engagement activity (e.g. neighbourhood level priority setting) and make use of community profiling / segmentation data

- Ensure community issues and concerns identified are used to inform the approach to community reassurance and engagement, particularly in providing residents with the information and advice that they need to be safe and feel safe

- Continue to be open and transparent in demonstrating how value for money is being delivered.  This appears to be key factor in securing public support for rises in the local council tax precept for policing.

- Continue to provide feedback to communities on the feasibility and cost/benefit of different saving options and planned activity.  This should be informed by the views obtained as part of the 2015 public consultation

- Maximise opportunities to raise public awareness and understanding with regard to community and volunteering roles and opportunities, functions and outcomes of the Police and Crime Commissioner and the way in which policing resources are currently deployed and prioritised

- Consider opportunities to:

  o Develop understanding of the level of increase that local residents support and explore views in respect of a referendum in the event of a proposed rise in precept that exceeds 1.99%.

  o Further standardise question sets and methodologies and develop a structured programme of public consultation and engagement activity in partnership with other agencies.

  o Co-ordinate and where possible consolidate research that explores fear and perception of crime and ASB and community priorities in order to deliver economies of scale and benchmarking opportunities.

| For Consideration | |
|---|---|
| Public/Non Public* | **Public** |
| Report to: | **Police and Crime Panel** |
| Date of Meeting: | **1st February 2016** |
| Report of: | **Paddy Tipping Police Commissioner** |
| Report Author: | **Kevin Dennis** |
| E-mail: | **kevin.dennis@nottinghamshire.pnn.police.uk** |
| Other Contacts: | **Kevin Dennis** |
| Agenda Item: | **6** |

**REFRESHED POLICE AND CRIME PLAN (2016-18)**

## 1. PURPOSE OF THE REPORT

1.1 The purpose of this report is to provide the Police and Crime Panel with a draft copy of the Commissioner's refreshed Police and Crime Plan for 2016-18. See **Appendix A**.

## 2. RECOMMENDATIONS

2.1 That Members discuss and note the draft Police and Crime Plan (2016-18).

2.2 That Members provide feedback to the Commissioner on the content of the Plan.

## 3. REASONS FOR RECOMMENDATIONS

3.1 The Police Reform and Social Responsibility (PR&SR) Act 2011 places a statutory duty on the Commissioner to publish a Police and Crime Plan for their policing area. Section 5(1) of the PR&SR Act 2011 requires the Commissioner to 'issue a Police and Crime Plan within the financial year in which each ordinary election is held'.

3.2 The Commissioner is required to prepare a draft plan or variation and send a copy to the Panel and have regard to the Panel's recommendations and publish any such response.[a]

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[a] *Police Reform and Social Responsibility Act 2011: Section 5(6) Before issuing or varying a police and crime plan, a police and crime commissioner must— (a) prepare a draft of the plan or variation, (b) consult the relevant chief constable in preparing the draft plan or variation, (c) send the draft plan or variation to the relevant police and crime panel, (d) have regard to any report or recommendations made by the panel in relation to the draft plan or variation (see section 28(3)), (e) give the panel a response to any such report or recommendations, and (f) publish any such response.*

*Section 28(3): A police and crime panel must— (a) review the draft police and crime plan, or draft variation, given to the panel by the relevant police and crime commissioner in accordance with section 5(6)(c), and (b) make a report or recommendations on the draft plan or variation to the commissioner.*

| 4. | Summary of Key Points |
|---|---|

4.1 The Commissioner's first Police and Crime Plan was published in April 2013 aided by the production of a detailed Joint Partnership Strategic Assessment, which led to the identification of seven thematic priorities. In 2014 the process was amended and is now known as the Nottinghamshire Police and Crime Needs Assessment (NPCNA) with the latest version finalised in December 2015. This assessment can be downloaded from the Commissioner's web site.[b]

4.2 The NPCNA has provided the Commissioner with a strategic assessment of current, emerging and long-term threats, harm and risk affecting crime and community safety for Nottingham and Nottinghamshire. The NPCNA has aggregated key information from the Force's and Partner's Strategic Local profiles, consultation and engagement findings together with national supplementary information into one summary assessment, it is not designed to duplicate or repeat local profiles.

4.3 The purpose of this assessment was to inform the refreshing of the Police and Crime Plan for 2016-18. In this respect, only the key issues arising from the NPCNA are summarised in this refreshed plan. This plan should reflect the views and interests of everyone living and working in Nottingham and Nottinghamshire.

4.4 The first Plan in 2013-17 came into effect on the 1st April 2013 and set the strategic direction for policing and community safety, clearly identifying the seven strategic priority themes and activities to be delivered by the Commissioner, the Force and partners in Nottingham and Nottinghamshire. This plan was refreshed and a third plan published on 1st April 2015 which can be downloaded from the Commissioner's web site.[c]

4.5 The latest NPCNA (2015) has identified the need to increase our focus and strategic activity to:

4.5.1 **Improve collective knowledge and understanding:** The need to develop a richer understanding of the issues facing local communities and outcomes being delivered

4.5.2 **Safeguard Vulnerable People:** The need to identify and respond appropriately to vulnerability and hidden harm, particularly through improvements in multi-agency information sharing

4.5.3 **Tackle Complex Need:** The need to maintain multi-agency commitment to tackling the most complex and problematic localities, families and individuals

4.5.4 **Prevention:** The need to further exploit opportunities to anticipate, prevent and manage risk and demand

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[b] *Insert link to Police and Crime Needs Assessment (2015)*

[c] *http://www.nottinghamshire.pcc.police.uk/Document-Library/Public-Information/Police-and-Crime-Plan/Refreshed-Plan-2015-2018/Police-and-Crime-Plan-2015-2018.pdf*

4.5.5 **Efficiency and Effectiveness:** The need to further improve the efficiency and effectiveness of local services, particularly through Partnership working and better use of technology and the strategic alliance.

4.5.6 **Community Engagement:** The need to further increase public engagement, trust and confidence in local services - particularly amongst minority and under-represented groups

## 5. Financial Implications and Budget Provision

5.1 Financial implications and budget provision has been highlighted in the refreshed Police and Crime Plan and a separate draft Budget Report 2016-17.

## 6. Human Resources Implications

6.1 Human resource implications are monitored through the Police and Crime Plan and the existing governance arrangements for Workforce Planning with the Force.

## 7. Equality Implications

7.1 There will be a refresh of the Equality Impact Assessment for the Police and Crime Plan, which will provide key information for future planning for engagement and consultation for the Commissioner.

## 8. Risk Management

8.1 Risks will be escalated as part of the monitoring of the delivery of the Police and Crime Plan and feed into the Risk Management of the NOPCC.

## 9. Policy Implications and links to the Police and Crime Plan Priorities

9.1 The seven strategic priorities will continue but in response to the new risks identified a range of new activities will be undertaken and managed through the Commissioner's Delivery Plan.

## 10. Changes in Legislation or other Legal Considerations

10.1 The NOPCC monitors changes to legislation and identifies key activities and risks through the Police and Crime Needs Assessment.

## 11. Details of outcome of consultation

11.1 There has been ongoing consultation conducted by the Commissioner and Deputy Commissioner, which has included:

- Walkabouts

- Summer events across the City and the County

- Nottingham City Council Respect Survey - 2015

- Nottinghamshire County Council Annual residents Satisfaction Survey - 2015

- The Commissioner's online consultation questionnaire and public opinion poll

- Focus groups commissioned in Nottingham (City) and North Nottinghamshire (Worksop) and South Nottinghamshire (Bingham)

- Additional local public engagement activity in Nottingham and Nottinghamshire.

- Consultation meetings with key stakeholders

11.2 Also, a meeting was held on 14th December 2015 to meet with a range of stakeholders to discuss and receive feedback on both the Police and Crime Needs Assessment and the priorities in the refreshed Police and Crime Plan (2016-18). This draft takes account of that feedback.

11.3 A consultation report on the Commissioner's Priorities and Budget Consultation 2015/16 is available from the Commissioner's web site.[d]

11.4 The Chief Constable and his Command team have been consulted on the draft plan and feedback has been taken into account.

## 12. Appendices

**Appendix A** – Draft Refreshed Police and Crime Plan (2016-2018)

## 13. Background Papers (relevant for Strategic Resources and Performance Meeting)

- Police and Crime Needs Assessment December 2015

- Nottinghamshire Police and Crime Plan Priorities and Budget Consultation 2015/16

For any enquiries about this report please contact:

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[d]    *Nottinghamshire Police and Crime Plan Priorities and Budget Consultation 2015/16*

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# The Police and Crime Plan (Refreshed)

# 2016-18

April 2016

Draft V7

Nottinghamshire
**POLICE & CRIME COMMISSIONER**

# Foreword

This is my fourth refreshed Police and Crime Plan. Whilst I will be reporting more fully on my pledges and activities undertaken this year in my Annual Report in early summer, I want to highlight here some immediate priorities.

Nottinghamshire Police, together with the Leicestershire and Northamptonshire forces have agreed to form a Strategic Alliance. Preparatory work is underway for this and I anticipate we will go live on 1 April 2016. Working even more closely together will not only ensure greater resilience but also achieve budget savings.

Nottinghamshire Police's budget remains under pressure. However, both the Chief Constable and I remain committed to a strong neighbourhood presence and to partnership working with the public, private and third sectors.

Against this background, I am keen to see all areas of Nottinghamshire protected. As part of that, it is important that residents in rural areas feel safe and secure – and this Police and Crime Plan builds on measures to achieve that.

I have always given priority to the victims of crime. Important changes have therefore been made but I intend to do more, with the next year providing an opportunity to commission even better, more targeted, services.

Whilst volume crime has continued to drop substantially, there are areas where reporting needs to be increased. Domestic violence continues to be a priority but there is more work to be done on hate crime, female genital mutilation and modern slavery. Again, this will require strong partnership work.

In our work with partners, further progress also needs to be made to resolve the issues surrounding historic sexual abuse in residential care. This progress can be assisted by lessons that have been learned to ensure that young people today receive the attention, support and protection they deserve.

Although Nottingham and Nottinghamshire remain safe places to live and work, I want to work hard to reduce knife crime.
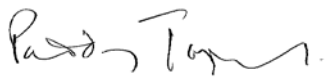
Young people are more likely to encounter difficulties in their homes using the internet and new technologies than on the streets. This being so, we all recognise that there needs to be a greater focus on how resources are being committed both locally and nationally to online and cybercrime.

I am particularly proud of the work that has been undertaken to enhance relationships with our black and Asian communities. Stop and search levels are at historically low levels and steps are being taken to ensure our workforce better reflects the communities we serve.

In addition, I want to recognise and thank all involved in our mental health work. The street triage cars have made a difference and we are confident that those with mental health difficulties will receive care, not custody.

At the end of the day, Nottinghamshire residents want to feel safe and secure in their homes and streets. They want strong, safe and proud communities where they can bring up their children and families. Together with my Deputy, Chris Cutland, I want to thank all the police officers, PCSOs, police staff, volunteers, partners and community organisations who have been working hard to achieve that aim.

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Nottinghamshire's Police and Crime Commissioner: Paddy Tipping

Nottinghamshire's Deputy Police and Crime Commissioner: Chris Cutland

# Contents

# 1 Introduction

This is the Commissioner's third refreshed Police and Crime Plan (2016-18), which sets out the ambitions to be achieved over the next few years and explains what can be expected from policing and community safety in Nottingham and Nottinghamshire.

Since the Commissioner took office in November 2012 a wide range of strategic activity has been undertaken resulting in a range of different achievements. Some activities will take longer to yield fruit.  However, **Appendix A** contains a table of key successful achievements so far. Some examples include:

### Spent Money Wisely

- Since 2010-11 over £42m in efficiency savings have been made through collaboration and 'Delivering the Future Program'

- £5.7m Innovation funding obtained following successful bids to the Home Office in 2014-15 (some joint)

- Commissioner's Office Costs is less than former Police Authority and 24% less than national average (i.e. £0.83 per head of population compared to £1.03)

### Crime and ASB reduced

- Compliance with the National Crime Recording Standard has improved from 88% in 2012 to 98% in 2015 with more incidents being recorded as crimes

- Despite many more incidents being recorded as crimes, Total Crime is predicted to have reduced between 3% and 5% at the end of 2015-16 compared to 2011-12

- ASB is predicted to have reduced 38.5% at the end of 2015-16 compared to 2011-12.

- ASB Perception: Since 2012, there is long term downward trend in the number of people being drunk or rowdy and teenagers hanging around

- The number of people Killed or Seriously Injured (KSIs) on Nottinghamshire's roads has reduced by 39.8% for adults and 45.4% compared to the 2005-09 average

### Reduced Impact of Drugs and Alcohol

- Nottingham is the 2nd highest performer in the Core City group for successful completions (35%) re substance misuse (drugs and alcohol)

- The proportion of Alcohol-Related Violence has reduced and is less than half that is estimated nationally

- Nottingham has successfully retained its Purple flag status for the sixth consecutive year and the County awarded the flag in 2015

- In the County, less people perceive people using or dealing drugs to be a problem (2014=20%, 2015=18%)

### Organised Crime tackled

- EMSOU praised by HMIC as national best practice

- The number of organised crime groups assessed as 'High Risk' has gone down by over a third (-39.8%)

- Confiscation and forfeiture orders under the Proceeds of Crime Act (POCA) have increased 69% (Dec 12 to Mar 15)

### Disproportionality and Representation

- Stop and Searches are much more proportionate for BME communities (Disproportionality reduced by 22%)

- BME representation has increased from 3.9% to 7.5% for Special Constables

- The number of BME job applications increased by 60% in 2014

- BME recruitment increased from 4.69% in 2013 to 15.62% in 2014

### Protecting and Supporting Victims

- More victims have the confidence to report sexual crimes, hate crime and domestic violence

- Around 98% of victims and witnesses are satisfied or very satisfied with the services provided in Court (to Mar 15)

- 9 in every 10 Domestic Abuse victims are satisfied with the whole Police experience

### Mental Health and Prevention

- Fewer people suffering mental impairment are detained in custody suites - down 80% compared to 2014/15

- The youth reoffending rate in the City and County (23.4%) is much better than the national average (35.5%)

## 2  Realising the Vision

The Commissioner's vision is "to be the Peoples Commissioner" by giving victims and citizens a bigger voice in policing to achieve a safer Nottingham and Nottinghamshire.

The Commissioner aims to deliver his policing priorities through law enforcement, crime prevention and also through bringing together communities, the voluntary sector and relevant agencies to ensure that complex problems are addressed through Partnership working.

The Commissioner will strive to deliver:

1. Safer communities
2. Improved trust and confidence in policing
3. Value for money policing services

These outcomes will be achieved through the continuing duty to hold the Chief Constable to account for delivering policing, challenging the Chief Constable and other Partner agencies to deliver value for money and improve community safety services with fewer resources. The challenges require joined up approaches to ensure that we work with communities and strategic alliance colleagues to pursue swift and sure justice for victims, prevent crime, protect and intervene early and reduce reoffending.

## 3  Our Values

The Commissioner's values are core to his way of working. This plan identifies not only what will be tackled but how. He expects Police officers, Police staff, PCSOs, Special Constables and Volunteers to operate with integrity to improve trust and confidence in policing.

The values are:

Victims:          by listening and taking action to protect and safeguard vulnerable people

Openness:         by putting victims and the public at the heart of open and transparent decision-making

Inclusiveness:    by working effectively with communities and businesses to tackle crime and anti-social behaviour

Communities:      by ensuring fairness, respect and accountability to victims and communities

Empowering:       by engaging with victims and communities to help shape policing services and build stronger Partnerships

## 4  Our Challenges

The Commissioner's Police and Crime Plan is aided by the production of a detailed Police and Crime Needs Assessment (PCNA).

The PCNA has provided the Commissioner with a strategic assessment of current, emerging and long-term threats, harm and risk affecting crime and community safety for Nottingham and Nottinghamshire.

## 4.1 Police and Crime Needs Assessment (PCNA): Key Points

The PCNA has been developed in consultation with Partner agencies and in line with recognised good practice for commissioning[1]. Information has been aggregated from a range of sources including the Force, the Crime and Drugs Partnership (CDP) and the Safer Nottinghamshire Board (SNB). Whilst some source references are provided in this plan further detailed sources are contained within the PCNA report located on the Commissioner's web site.[2]

Key issues identified have been assessed via the 'THRIVE' model, which gives structure to and consistency to the assessment of Threat, Harm, Risk, Investigation opportunities, victim Vulnerability and the Engagement level required to resolve the issue. The assessment also encompasses a PESTELO[3] analysis which considers the wider impact of the changing environment. The Assessment has been subject to consultation and ratification via the Strategic Assessment Advisory Group and a Partnership stakeholder event held in December 2015.

The key issues identified through the PCNA process this year are listed below structured by the:

- Changing Environment
- Changing Patterns of Crime and Anti-social Behaviour
- Changing Patterns of Victimisation
- Changing Patterns of Offending
- Public Perception and Community Engagement
- Changing Organisational Landscape
- Local Authority Level Profiles

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[1]  Including CIPFA/SOLACE, NOMS, APACE and Audit Commission guidance

[2]  Include link to PCNA report on PCC Web Site when uploaded

[3]  Review of Political, Economic, Social, Technological, Environmental, Legal and Organisational factors likely to have an impact upon crime, community safety and criminal justice

## 4.2  Changing Environment

### People

The Nottinghamshire Police Force area spans approximately 834 square miles and incorporates the City of Nottingham[4] and Nottinghamshire County Council authority area in which the district councils of Ashfield, Bassetlaw, Broxtowe, Gedling, Mansfield, Newark & Sherwood and Rushcliffe are based.

Spanning a diverse urban and rural landscape, the area incorporates major concentrations in retail, leisure and business economies through to former mining towns and more rural villages.

Nottinghamshire has a growing population of around 1.12 million which is expected to rise by a further 5.4%[5] over the next 10 years. This growth is primarily driven by net migration from other areas of the UK and abroad and increases in life expectancy[6]. Around 28% of residents live in the City, where the population is forecast to increase by around 15,460 people over the next 10 years. Proportionally, however, the areas of Rushcliffe (+7%), Broxtowe (+6.6%) and Ashfield (+6.1%) are likely to see the largest proportional increases of over 7,000 people respectively.

Overall the County has a slightly older population profile than the national average, with fewer people aged 16 and under. The City meanwhile has almost double the proportion of people aged 20 to 24 compared to the national average – largely on account of the two Universities located in the area.

Nottinghamshire is a culturally and ethnically diverse area. The population of Nottingham City, in particular, includes a high proportion of University students and higher levels of ethnic diversity than the national average. The City's non-white British population increased rapidly between the 2001 and 2011 Census, rising from 19% to 35%. While ethnic diversity is also increasing across Nottinghamshire, Gedling, Rushcliffe, and Broxtowe have the least ethnically diverse populations, with over 90% of residents being White British.

Nottinghamshire is home to a number of long standing Pakistani and Caribbean communities and more recent Eastern European migrant communities. While the majority of residents speak English as their first language, the 2011 Census identifies the most common non-English languages in the area to be Polish, Urdu, Punjabi and Arabic.

The University of Nottingham, has the fourth highest number of international students nationally who account for around 28% of their total student population. China accounts for the highest proportion of non-EU student enrolments for both the University of Nottingham and Nottingham Trent University.

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[4]  Nottingham is a national core city which encompasses around a third of the area's population

[5]  An additional 60,400 people by 2025

[6]  Population aged 75 and over is projected to increase by 37% equating to 33,400 additional people

## Deprivation

Levels of deprivation in Nottinghamshire are significantly higher than the England average, largely due to pockets of deprivation in the City, former coalfield areas of Nottinghamshire and former industrial towns affected by economic stagnation.

Nottingham in particular has the 8th highest proportion of neighbourhoods that fall within the 10% most deprived nationally, with the proportion of the population estimated to be living in the most deprived areas nationally having increased from 25% to 33% since 2010.

Around 22,000 (34%) of children and 26% of people aged 60 and over are affected by income deprivation in Nottingham, which is higher than the national average of 21%. A further 22,300 children are estimated to be living in poverty in the County, with clear concentrations in the areas of Mansfield, Ashfield and Bassetlaw. Nottinghamshire also contains some of the highest levels of fuel poverty in rural England.

While the County's economy features a number of major companies, unemployment is above the national average within the area. Approximately one in ten adults in Nottinghamshire aged 18-64 live with moderate to severe physical disabilities, equating to around 150,600 people. While this figure is predicted to remain relatively static over the next 10 years, the number of people aged 65+ that are unable to manage at least one daily activity (28,900) is expected to increase by around 49% over the next 15 years.

## Mental Health

The GP Patient Survey and Patient statistics[7] indicate that mental health needs continue to increase both locally and nationally, with over 16,000 people estimated to be in contact with mental health services across Nottinghamshire. Rates of suicide have also been increased steadily over recent years at both a national and regional level. Mental health needs are more acute in the City where around 7% of adults (around 51,000 people) report having a long-term mental health problem. The prevalence of mental health issues is also notably higher amongst those with substance misuse issues.

Mental Health-related demands on Nottinghamshire Police remain high and increasing. The number of mental health flagged calls for service to the Police increased by around 20% in 2014/15 to over 15,000 during the year. Research undertaken by the Metropolitan Police Service[8] indicated that around 15-20% of incidents received by the Police are linked to mental health, with half of all mental health calls being in relation to concern for safety issues.

Demand relating to safeguarding vulnerable adults is likely to increase over the coming years in view of the aging population, the introduction of new responsibilities for local agencies as part of the Care Act 2014 and increasing mental health-related needs across the wider population.

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[7] http://fingertips.phe.org.uk/profile/general-practice/data

[8] Review for the Independent Commission for Mental Health and Policing, MET Police

## Missing People

Missing and absent person incidents reported to the Police increased by around 3% in 2014/15 to almost 5,000 during the year. These increases, in part, reflect improvements in case and risk management processes, changes in policing policy and investigative investment with a focus on risk of Child Sexual Exploitation (CSE). Although many people who go missing are found safe and well, missing persons are often amongst the most vulnerable of people who are experiencing difficulties in their personal lives or who suffer from mental illness. Research[9] has also highlighted links between children who go missing and child sexual exploitation. Around 65% of reported missing person cases in Nottinghamshire each year involve children, and of these over 40% of cases involved young people in care establishments.

## Substance Misuse

Problematic drug use remains a significant factor linked to complex need and offending in Nottinghamshire. Heroin and crack use was in general decline during the 2000's, however there are indications that prevalence may now be increasing[10] alongside marked increases in heroin and crack cocaine purity levels over the last year[11]. Overall drug use amongst young people however appears in decline.[12]

Nationally, self-reported use of powdered cocaine, ecstasy and hallucinogens has been increasing steadily over recent years, particularly amongst the 20 to 24 age group. Findings from the Crime Survey for England and Wales (CSEW) indicate that while self-reported use of Class A substances has been falling within the East Midlands since 2010, still around 20,000 adults across Nottinghamshire (2.2% of the adult population) are likely to have used a Class A substance in the last year.

There are connections between drugs supply and other types of crime, including organised crime, violence, robbery, burglary and theft. Drug related offences recorded by the Police are often a result of Police proactively targeting offenders.

New psychoactive substances (NPS) or 'legal' highs are readily accessible locally and online and their use continues to prove popular to both a new generation of users and also long established users. Extrapolations based on the CSEW 2014/15 indicate that over 8,200 people across Nottinghamshire are likely to have used an NPS in the last year, with males aged 16 to 24 accounting for over 35% of users. New legislation[13] will render the sale of NPS illegal from April 2016; however there are clear risks that this could lead to an increase in some synthetic cannabinoids and 'euphoric/stimulant' type drugs being sold on the black market.

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[9]   Out of Mind, Out of Sight, CEOP 2011

[10]  Treatment presentations for opiate use in the city have been increasing since September 2015

[11]  2015/16 has seen seizures of heroin at over 60% and seizures of crack cocaine at over 70%

[12]  Nottingham Needs Assessment 2015

[13]  Psychoactive Substances Bill

Alcohol abuse remains a significant driver of demand across many organisations, particularly in Nottingham, Ashfield, Bassetlaw and Mansfield, where alcohol-specific hospital admissions are significantly higher than the national average[14] and rising. It is estimated that around 14% of all crime and ASB is alcohol-related, with the number of alcohol-related crimes and ASB incidents having increased over the last year. National studies[15] indicate that the proportions of people frequently consuming alcohol (58%) and 'binge drinking'[16] (15%) have been in steady decline over the last decade - a trend which has been attributed to both changing attitudes and reductions in the affordability of alcohol, particularly amongst the 18 to 30 age group. These trends have been reflected locally via the Nottingham Citizens' Survey.

Counterfeit tobacco is also widely available and in prevalent use and continues to present risks in terms of public health and organised criminality from a local to international level.

## 4.3 Changing Patterns of Crime and Anti-social Behaviour

Crime Trends

It should be emphasised that some of the increases in certain crime types reported in this section are the direct result of improvements in crime recording compliance over the previous year driven locally by the Commissioner and nationally by HMIC which have been reflected nationally and acknowledged by the Office of National Statistics.[17] For this reason, greater emphasis should be placed on the Crime Survey for England and Wales (CSEW).

For example, combined estimates from the Crime Survey for England and Wales (CSEW) and the Commercial Victimisation Survey (CVS) indicate that crimes against individuals, households and businesses fell by a further 16% in Nottinghamshire during 2014/15 despite the Force recording a 6% increase. These long-term reductions in crime reflect international trends and have continued despite changes in economic conditions and austerity measures.

The chart below shows the trend in respect of self-reported and Police recorded victim based crime in Nottinghamshire from 2005/6 to 2014/15 and estimates to 2019.

Victim-based crimes in Nottinghamshire are estimated to have fallen by 14% in 2014/15, reaching their lowest level since the Crime Survey began in 1981. National trends indicate that crimes against children (aged 10 to 15) also fell by 11%, while self-reported crimes against businesses[18] in the region fell by around 21%.

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[14]  Local Alcohol Profiles 2015, Public Health England, http://www.lape.org.uk/

[15]  Shepherd (2014), National Violence Surveillance network, Cardiff University, Opinions and Lifestyle Survey 2013

[16]  Reported to have consumed in excess of 8 (males) or 6 (females) units of alcohol in the last week

[17]  Office for National Statistics (ONS) reported in July 2015

[18]  Extrapolations based on East Midlands profile
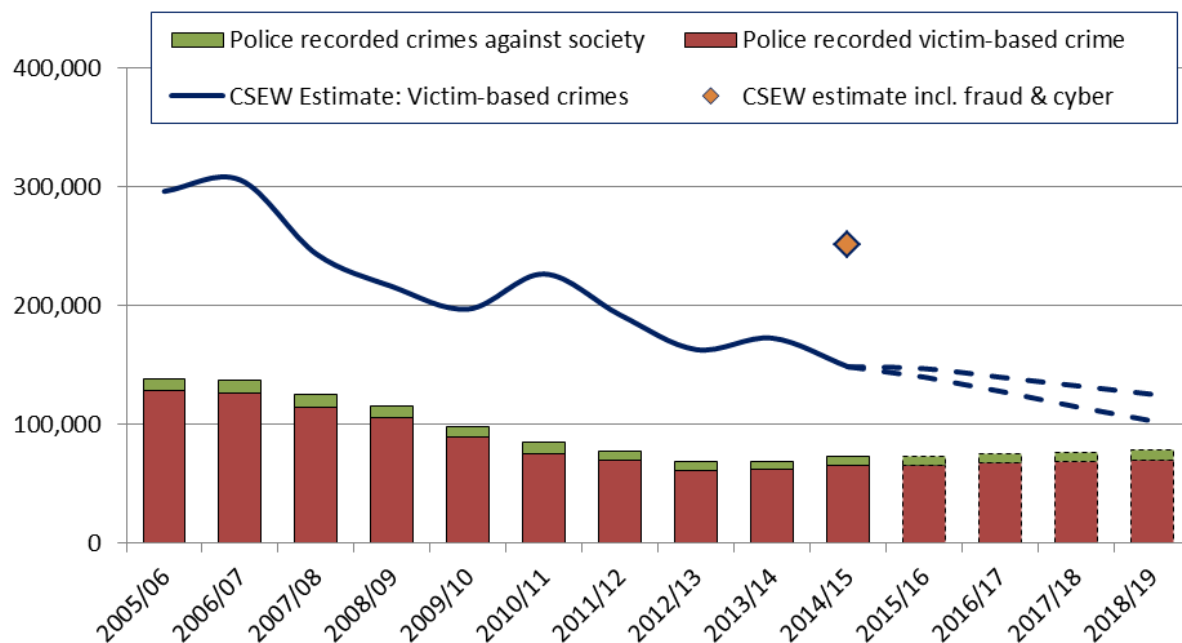
By contrast, the number of crimes recorded by Nottinghamshire Police increased by 6% in 2014/15 following long term reductions between 2003/04 and 2012/13. This marked the first annual increase since 2006/07 and has been impacted, in part, by improvements in crime recording compliance over the previous year which have been reflected nationally and acknowledged by the Office of National Statistics.

Violence against the person and sexual offences are amongst the crimes types most significantly impacted by improvements in recording compliance, while 'crimes against society'[19] increased by around 11% in 2014/15 against a static national trend. This increase was largely due to a significant (40%) increase in the number of public order offences recorded.

Risk of victimisation is highest in urban centres where it is compounded by concentrated populations, social and economic deprivation, the greater prevalence of drugs and alcohol and retail and night time economy hubs. As the largest urban area within the Force and a national 'core City', Nottingham accounted for 42% of all recorded crime in the area in 2014/15, while accounting for only 28% of the area's resident population. Lifestyle factors can also significantly increase the risk of victimisation, particularly with regard to alcohol consumption and the night time economy.

### Volume Demand Incidents

Nottinghamshire Police receive high volumes of additional non-crime related 'calls for service' each year which can range from calls for assistance from other agencies, checks for safety and wellbeing, environmental issues and civil matters. As agency resources diminish and demand

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[19] 'Crimes against society' comprise offences that do not generally have a specific victim, such as drug offences, possession of weapons and public order offences

on our services continues to change, the challenge of determining which agency is best placed to respond to these issues becomes increasingly acute.

## Violent Crime

Estimates from the Crime Survey for England and Wales indicate that violent crime rates remained relatively static in 2014/15 following a long-term downward trend over the previous ten years. In contrast, Police recorded violent crime increased locally (+22%) and nationally (+21%), largely due to improvements in compliance with crime recording standards. Violent crimes also remain a critical priority for the Police and Partner agencies on account of the level of threat, risk and harm they present[20].

Homicides recorded by the Police in Nottinghamshire fell steadily between 2004 and 2011 in line with national trends and now average around 12 per year.[21] Domestic homicides are relatively rare, with the 12 month average for Nottinghamshire having fallen from 3 to 1 over the previous two years.

'Violence against the person' offences recorded by the Police increased by 32% locally and 23% nationally in 2014/15, again, reflecting marked improvements in compliance with crime recording standards.  This has impacted most notably on the 'violence without injury' category in which volumes have increased by 32% locally and 30% nationally. Self-reported victimisation captured via the CSEW indicates that there has been no significant change in rates of violence with or without injury over the last year nationally further supporting the explanation that the increase is due to more incidents reported being recorded as crimes.

Violence against the person offences remain heavily concentrated within the night time economy – particularly Nottingham City centre.

## Knife Crime and Firearm Offences

Whilst knife-related offences have seen a 42% reduction in Nottinghamshire over the previous six years, and remains marginally higher (8%) than England and Wales average at around 550 per year, offences have seen a sharp rise since February 2015. For example, the number of incidents in July 2015 was almost double the rate in February 2015.

Possession of weapons offences recorded by the Police has increased markedly since March 2015, largely due to the number of knife and sharp instruments identified having risen by around 100 offences per year to 418 (+28%). Increases have been reflected across all local authority areas especially Nottingham City where the increase is more pronounced.

Firearms offences recorded by Nottinghamshire Police have reduced significantly over the previous six years, having fallen from a rate 41% higher than the England and Wales average in 2007/08 (270 offences) to a rate 20% below the England and Wales average in 2014/15 (76 offences). While criminal use of firearms in Nottinghamshire remains rare, the highest firearms

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[20]   Nottinghamshire Police Risk Analysis Matrix – Strategic Intelligence Assessment 2015

[21]   Based on a 3 year rolling average on account of the low volumes concerned

threat continues to relate to the use of handguns by organised crime groups involved in drug supply.

Robbery levels in Nottinghamshire have levelled off at around 1,000 per year following notable reductions between 2008/09 and 2012/13. While Police recorded robbery fell by around 13% nationally in 2014/15, this was largely due to substantial reductions in the Metropolitan Police area.

## Domestic Abuse

Domestic abuse, which incorporates both recorded crimes and recorded incidents remains substantially underreported across and beyond Nottinghamshire, however, there are strong indications that the scale of underreporting is reducing rapidly. Domestic abuse crimes recorded by the Police increased by a further 5% in 2014/15; however the number of incidents recorded reduced by around 10%. The CSEW, indicates that actual prevalence of domestic abuse fell by 6.6% during the year with reductions in both non-physical abuse (emotional, financial) and use of Force.

Domestic abuse remains a critical priority for the Police and Partner agencies on account of the level of threat, risk and harm presented. While levels of recorded domestic abuse remain highest in the areas of greatest social and economic deprivation, it is widely recognised that victimisation can occur irrespective of socio-economic characteristics and have a lasting impact on those that experience it.

The scale and extent of Forced marriage and so called 'honour' based violence in Nottinghamshire remains largely unknown and changes in the way referrals to the Police are recorded has limited the ability to profile this form of victimisation at this time. These types of abuse tend to be linked to communities that do not always have confidence in reporting crimes to the Police. The flow of intelligence to the Force in these areas remains low despite additional resources having been put in place to improve the picture.

## Sexual Offences

Sexual offences recorded by Nottinghamshire Police increased by a further 72% in 2014/15 to around 1,900 annually and reflect trends across all Police Forces nationally. This continues the pattern seen since 2012 in the wake of the Operation Yewtree investigations.[22] Trends have also been affected by improvements in compliance with crime recording standards, direct recording of other agency referrals and likely increases in confidence to report victimisation in light of the increased national profile. The Crime Survey for England and Wales indicates that there has been no significant change in self-reported levels of sexual assault nationally over the last ten years.

Offences of this nature often involve violence where the victim can be left traumatised, physically and psychologically violated and, in some cases, seriously injured. Sexual offences remain a

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[22]  The 'Yewtree Effect' in the wake of investigations connected to Jimmy Saville (HMIC's 2013 report 'Mistakes were made')

critical priority for the Police and Partner agencies on account of the level of threat, risk and harm they present.

## Hate Crime

While trends in hate crime are difficult to determine, the Crime Survey for England and Wales[23] indicates that levels of severity of hate crime have declined markedly since 2007-09, particularly with regard to violent hate crime.  While the proportion of victims reporting serious violence has reduced, minor assault or vandalism now account for around two thirds of self-reported hate crimes nationally.  The risk of hate-related abuse being suffered on-line through media such as Twitter and Facebook remains high on account of the increasing levels of communication facilitated on-line.

Levels of hate crime recorded by the Police in Nottinghamshire have increased by around 6% over the last year, with hate crimes having risen by 19% and hate incidents having reduced by around 7% - again impacted in part by improvements in crime recording compliance. The proportion of reported hate crimes which were repeats has increased from 8% to 10% in the last year, and to 14% in the City.  Local studies[24] indicate that only between 13% and 34% of incidents are ever reported to the Police.

Racially aggravated hate crimes and incidents recorded by the Police in Nottinghamshire have been rising steadily since 2013 and increased by 3% in 2014/15. Race remains the most commonly reported motivating factor in cases of hate crime, with factors such as the profile of extreme right wing ideologies in response to debates on immigration policy and financial austerity having potential to impact on the prevalence of this type of hate crime.

The 2015 Nottinghamshire Resident Survey found that while 48% of those surveyed felt that people from different ethnic backgrounds get along well together in the area, marking a 3% reduction on 2014. Perceptions also varied significantly by area, from 31% in Mansfield to around 60% in Broxtowe and Gedling.

Religion / faith related crimes and incidents recorded by Police reduced by 19% in 2014/15, with reductions seen across both crimes and incidents. There are indications that the risk of Islamophobia and anti-Semitic hate crime is increasing nationally against a backdrop of heightened concerns regarding terrorism and radicalisation, particularly in light of the Paris attacks in November 2015.

National victimisation surveys[25] indicate that homophobic and transphobic hate crime has declined significantly over recent years. This has been coupled with improvements in the way this form of hate crime is tackled in the workplace, schools and other institutions, and wider societal change such as the introduction of civil marriage for same sex couples in 2014. Police

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[23]   Overview of Hate Crime in England and Wales, December 2013, ONS and MOJ

[24]   'No Place For Hate' 2014

[25]   Homophobic Hate Crime: The Gay British Crime Survey 2013, Stonewall. The Teacher's Report 2014, Stonewall

recorded homophobic and transphobic hate crime and incidents, however, increased by around 11% in 2014/15 again, due in part to improvements in recording and reporting practices.

Disability hate crime maintains a high profile nationally in recognition of the extent to which this form of crime is underreported. The Crime Survey of England and Wales indicates that only around 3% of all incidents are reported and recorded by the Police. The number of crimes and incidents recorded in Nottinghamshire increased from 115 to 139 (21%) in 2014/15 as awareness, reporting and recording of the issue have improved

### Cyber Crime

Cybercrimes[26] currently account for around 2% of all crime recorded by the Police[27], however this does not include the cyber-enabled offending such as harassment, 'malicious communications' and sexual offences committed or facilitated on-line and becoming increasingly prevalent factor in reported crime. Extrapolations based on the CSEW field trials which were reported for the first time in October 2015 indicate that at least 49,300 pure cybercrimes (such as hacking, computer viruses and denial of service attacks) are likely to have occurred in Nottinghamshire over the previous year involving over 43,000 victims. The majority of these cases are likely to have involved computer viruses (83%). it should be recognised that these estimates are still likely to underestimate the true extent of victimisation on account of some victims not being aware that they have been targeted.

Personally-directed cyber-enabled crimes such as cyber-bullying, on-line stalking and harassment, hate crime, 'sexting' and sexual exploitation recorded by Police continue to increase. Increases in on-line activity, including anonymous dating and webcam-based social media, continue to present new opportunities for offending.

These offences can have a deeply traumatic impact on victims, particularly repeat victims and those with mental health needs or other vulnerabilities. While there is strong evidence to suggest that awareness and reporting of these issues is increasing, the introduction of 'malicious communications', 'engaging in sexual communication with a child' and 'revenge porn' as notifiable offences in 2015 is also likely to result in a greater number of offences being captured by Police and improvements in the local and national intelligence picture.

### Acquisitive Crimes

Acquisitive crimes continue to represent around 50% of all Police recorded crime in the area.

'Theft from person' offences recorded by the Police fell by 20% both locally and nationally and by 21% via the CSEW in 2014/15. This continues a general downward trend following a peak in offending in 2012/13 and is thought to be associated with improvements in smart phone security features and prevention[28].

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[26]  ACPO Cybercrime Strategy 2009 defines cybercrime as "the use of networked computers or internet technology to commit or facilitate the commission of crime

[27]  Based on the search used for the Home Office Annual Data Return for Cyber Crime,

[28]  Crime in England and Wales, Year Ending March 2015, ONS

Vehicle crimes (thefts of and from vehicles) recorded by Police in Nottinghamshire fell by a further 2% locally and 6% nationally in 2014/15, continuing the long-term downward trend seen since the 1990's.

Vehicle Interference recorded by Nottinghamshire Police, however, increased by around 600 crimes to a rate nearly three times higher than in 2013/14. This is likely to reflect improvements in crime recording compliance[29].

Although relatively low in volume, there is a continued trend in offenders breaking into houses in order to steal car keys for the purpose of stealing vehicles. This offending is often linked to more organised criminality.

Burglary offences recorded by Nottinghamshire Police fell by around 3% in 2014/15, with domestic burglary falling by a further 9% locally and 7% nationally. This continues a long-term downward trend seen since the mid-1990s; however rates of reduction have plateaued in Nottinghamshire over recent years, following marked reductions between 2008/09 and 2011/12Shoplifting

Shoplifting offences recorded by Police in Nottinghamshire increased by a further 4% in 2014/15, continuing the trend seen since 2010/11.  This may in part be due to improvements in reporting levels as indicated by the national Commercial Victimisation Survey (CVS)[30].  While the British Retail Consortium (BRC) reported a 4% reduction in levels of shoplifting experienced by the retailers surveyed nationally, it also found average values of in-store theft to have increased from around £177 to £241 in 2014.

## Antisocial Behaviour (ASB)

ASB remains the most common community safety issue affecting residents of Nottinghamshire and remains heavily concentrated in City and town centres, correlating with concentrations in violent crime and criminal damage in the night time economy.

The CSEW indicates that the likelihood of adults witnessing or experiencing ASB in Nottinghamshire was comparable to the national average in 2014/15 at around 28% of all adults. Based on these findings, it can be estimated that around 251,000 residents are likely to have experienced ASB in some form over the last year, with levels having fallen steadily over recent years in line with national trends.

ASB incidents recorded by Nottinghamshire Police increased by 9% in 2014/15 bringing the rate of incidents in line with the national average. Increases were largely driven by a rise in reported 'nuisance' ASB (+12%) – affected, in part, by changes in arrangements for recording local authority ASB cases out of hours in the City via the 101 non-emergency number. Despite this, ASB is on course for a reduction of 38.5% by the end of 2015/16 compared to 2011/12 baseline.

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[29] Offences are now being investigated by the Force Telephone Investigation Bureau (TIB)

[30] Commercial Victimisation Survey indicates that the proportion of thefts by customers that go on to be reported to the police increased at a national level from 41% in 2012 to 44% in 2014

The number of recorded criminal damage and arson offences increased by 2% in 2014/15. However, there are clear indications that the rise has not been sustained in 2015/16.

The Crime Survey for England and Wales indicates that experience of drink-related ASB is significantly and consistently less widespread in Nottinghamshire than the national average, with only 5.3% reporting this to be a local issue compared to 9.8% across England and Wales.

Alcohol-related ASB is primarily concentrated in the night time economy areas, particularly Nottingham City centre. These incidents display clear weekly and seasonal patterns, which peak on Friday and Saturday nights, summer periods, bank holidays and during major sporting events. The profile of night time economy-related ASB is well understood, allowing for more targeted preventative intervention. Despite these significant concentrations, self-reported experience of drink-related ASB has shown year on year reductions since 2012/13, having fallen from 7.8% to 5.3% of adults stating that they have witnessed or experienced this form of ASB in the last year.

## Road Safety

The number of people killed or seriously injured (KSI's) on the roads in Nottinghamshire continues to fall, having reduced by a further 15.5% in January to March 2015 compared to the same period the previous year. The total number of collisions reported is also reduced by 14.8%, equating to over 100 fewer accidents.

Risk of harm is also falling across almost all vulnerable road user categories with the exception of pedal cyclists killed or seriously injured. Despite these reductions, fatalities and injuries on the roads of Nottinghamshire continue to be a concern for the police, the public and other agencies.

## Public Order, Extremism and Counter Terrorism

Protest activity within the area is predominantly low key and lawful, however a range of factors continue to present potential triggers for violence, disorder and extremist activity. These primarily comprise of political and economic triggers linked to extreme Right Wing activity and activism in response to Government austerity measures, spending and employment matters.

Nottinghamshire has not identified any local groups directly linked to domestic extremism, however, there are highly organised and sophisticated groups nationally and internationally who could have a potential impact locally. Public order offences recorded by the police saw a marked (40%) increase in 2014/15 – again, largely due to the impact of improved recording practices on low level offences such as affray and threats of violence.

The current International Terrorism Threat is assessed as severe – meaning that a terrorist attack is highly likely. There is also clear evidence that the national and international threat level continues to increase, particularly in the wake of the Paris 2015 attacks and increased intelligence relating to attempted attacks within the UK and Europe[31]. International tensions, particularly in Syria and Iraq, are increasing the risk of attacks against the West, alongside on-going threats relating to Al-Qaeda aligned ideology. The majority of individuals reportedly

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[31] MI5 Director General Andrew Parker 17th September 2015 - http://www.bbc.co.uk/programmes/p032qcgm - Seven known attempted incidents identified and tackled nationally over the previous 12 months.

indicating an extremist mind-set are doing so in relation to ISIL and on-going conflicts. Nottinghamshire has not identified any local groups directly linked to terrorism, however, there are highly organised and sophisticated groups nationally and internationally who could have a potential impact locally.

The threat of spontaneous volatile extremism from 'lone actors' remains high as does the risk of radicalisation amongst vulnerable individuals and marginalised groups, such as those in prison and disengaged young people. There is also a growing trend in there being a cyber/online element to the investigations, primarily involving individuals using apps and forums as a method of communication.

The risk of social and cultural pressures amongst individuals to live lifestyles that could leave them under increased threat of radicalisation remains a significant concern locally.

Individuals from the East Midlands region, some of whom are socially isolated and vulnerable, are known to have travelled or expressed a desire to travel to support ISIL (Islamic State in Iraq and the Levant) in Syria.

Early identification of these individuals is vital to ensure safeguarding and investigative opportunities are realised, with many having safeguarding and/or underlying mental health issues.

## 4.4  Changing Patterns of Victimisation

### Victim Satisfaction

Satisfaction amongst victims of crime surveyed as part of the Home Office mandated victims survey has remained significantly higher than that of other comparable Police forces over recent years, with around 85% feeling satisfied with whole experience and action taken, 97% feeling satisfied with ease of contact and 95% feeling satisfied with the way they were treated. Reflecting national trends, satisfaction with follow-up has shown a steady deteriorating trend over the last year, having fallen from 80% in June 2014 to 77%. Deterioration in satisfaction amongst victims of vehicle crime has in part impacted upon this trend, with a clear disparity between levels in the City (83.8%) and County (86.6%).

### Risk of Victimisation

Findings from the Crime Survey for England and Wales indicate that the risk of being the victim of crime in Nottinghamshire (16.3%) is falling and has since 2011 been steadily converging with the average for England and Wales (15.3%). Reductions in risk, severity and impact of crime, however, are not evenly distributed across the population and can vary significantly by location, personal characteristics, lifestyle and living circumstances.

Black and Minority Ethnic (BME) communities are over represented in terms of crime victimisation. It should also be noted, however, that rates of BME victimisation can also be skewed by a higher proportion of BME communities residing in urban areas.

Research studies have consistently demonstrated[32] that people with severe mental health conditions are significantly more likely to be a victim of crime, including violent crime, be more vulnerable to repeat victimisation and be more likely to be victimised by someone they know.  A Street Triage pilot conducted by Nottinghamshire Police in 2014 revealed that around 7 mental health related incidents were being resourced per day.

People with complex needs such as drug, alcohol or mental health issues continue to be at higher than average risk of victimisation. Research conducted by Mind indicates that around 71% of people with mental health problems have been victimised in circumstances that they perceive to be related to their mental condition – a figure which rises to 90% amongst those in local authority housing.

Young people are also at disproportionately high risk of experiencing most crime types, including serious crime. Those aged 18 to 24 account for a high proportion of Police recorded victims of crime and only 11% of the resident population.  The CSEW has reported nationally that around 12% of children aged 10 to 15 are victims of crime each year – a proportion which has remained relatively stable over the last three years. While young people remain disproportionately affected by violent crime, both the CSEW and Violence and Society Research Group at Cardiff University estimate that levels of violent crime experienced by 10 to 17 year olds has fallen by between 16% and 18% in the last year.

Student populations are at a disproportionately higher risk of victimisation, including violent crime and burglary. This can be affected by a range of factors, including lifestyle, population density and living circumstances.

### Hidden Harm

A significant proportion of crime and ASB goes unreported to the police and other agencies.  The reasons range from incidents being perceived as too trivial, not recognising the fact that they have been victimised, feelings that nothing could or would be done, feeling afraid of the consequences of reporting or feeling embarrassed, ashamed or that they will not be believed or taken seriously.

Evidence suggests that personally targeted offences such as domestic and sexual abuse, exploitation and hate crime remain substantially under-reported and, as such, the true extent of victimisation remains unknown. It is these and other areas of 'hidden harm' that present the greatest safeguarding risk to vulnerable victims.  Those least likely to report their victimisation include:-

- BME communities, particularly where there are language or cultural barriers
- Male victims of personally targeted abuse, including victims of domestic and sexual violence

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[32] Victim Support, Mind and three Universities in London: At risk, yet dismissed: The criminal victimisation of people with mental health problems, 2013, Victim Support, Mind, St Georges, London and Kingston University, Kings College London and University College London.

- Young people who are more likely to feel that they will not be believed, fear of retaliation or a lack of awareness of the services available [33]

- People with mental health conditions [34]

- Larger businesses who may be more inclined to absorb losses from low level offending or wish to minimise the reputational impact of cyber crime

## Modern Slavery / Human Trafficking

Local and national evidence is emerging of new patterns of offending in the UK by domestic and foreign nationals – particularly East Europeans who are lured to the UK by promises of profitable employment only to find their identity papers stolen and being compelled to work long hours for minimal rewards. [35] Modern slavery was introduced as a notifiable offence in April 2015 with a small number of cases being identified and recorded during the year. Levels of identified modern slavery offences are expected to increase further over the coming year as a result of proactive local activity, improvements in awareness and the increasing national profile [36] of the issue. Offences are rarely carried out in isolation and are often linked with individuals who are involved in a range of other serious and organised crimes. The hidden nature of this offending and impact on victims who rarely recognise themselves as such has resulted in an increased impetus to improve understanding, awareness and response to this issue at both a local and national level.

## Child Sexual Exploitation (CSE)

Children and young adult Child Sexual Exploitation offences recorded by Nottinghamshire police increased from 262 in 2013/14 to 605 in 2014/15 (+131%), driven in part by improvements in recording [37], identification, investigation and confidence to report victimisation [38].

Risk of CSE is often compounded by vulnerabilities such as mental health needs, drug or alcohol misuse and wider issues of social exclusion, with those experiencing abuse often not recognising themselves as victims. The use of technology is often a factor in these cases [39] with social media often providing opportunities for offenders to make contact and groom children.

Furthermore, the National Crime Agency [40] have highlighted an emerging trend of live streaming of child abuse for payment and the increased use of the 'hidden web' to disseminate indecent images of children. Investigations of this nature are typically highly complex and resource

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[33] Findings from the CSEW 2012 indicate that while only 15% of 10 to 17 year olds report crime to the police, around 60% report incidents to teachers

[34] Research conducted by the mental health charity Mind indicates that around 30% of self-reported victims told no one about what had happened

[35] Strategic Assessment 2015/16 – Nottingham Crime and Drugs Partnership

[36] An Independent Anti-Slavery Commissioner was appointed in in 2015 and the Modern Slavery Act received Royal Assent in April 2015

[37] Improvements in recording were made mid-2014 in response to House of Commons Public Administration Select Committee's investigation into crime recording practices and HMIC inspections.

[38] Impacted in part by the national focus brought about by offences committed in Rotherham

[39] Researching child sexual exploitation, violence and trafficking, The International Centre, University of Bedfordshire

[40] National Strategic Assessment of Serious and Organised Crime, 2014

intensive, often with multiple interconnected victims and perpetrators. The scale and impact of this threat has led to CSE being identified as a national policing priority.

## Female Genital Mutilation (FGM)

There have been no FGM-related prosecutions within Nottinghamshire to date, however the number of cases coming to the attention of the Police has increased from 1 in 2013/14 to 15 in 2014/15. The majority of reported cases are identified as a result of medical complications, indicating that the true extent of victimisation is likely to be significantly higher. Communities predominantly affected by this practice include those of Somali, Sudanese and Sierra Leonean / West African descent.

HMIC's inspection of the Police service's response to crimes of 'honour'-based violence, forced marriage and female genital mutilation in 2015 found that Nottinghamshire, like most police forces nationally was adequately prepared to tackle these crimes in terms of in terms of leadership, governance, awareness and understanding and protection available to victims, but lacked the capacity to effectively investigate these crimes, work in partnership to identify and manage those at risk and close cases in an victim centred and timely way.

## Rural Crime

Rural crime by its nature impacts predominantly on the rural communities of Bassetlaw, Newark and Sherwood, but also rural villages in Mansfield, Rushcliffe and Gedling. Offences predominantly comprise theft and vandalism, but can also include wildlife crime, heritage crime and anything else that affects the non-urban residents of Nottinghamshire. Offences of this nature can have a significant impact upon the local environment and livelihoods of their victims in these areas.

Although only comprising around 1% of all crime recorded within the Nottinghamshire, the number of crimes recorded in rural areas has increased by around 8% in the last year – largely driven by increases in criminal damage (+17%), vehicle theft (+45%), burglary (+9%) and other theft offences (+9%).

By contrast, the Home Office Commercial Victimisation survey indicates that the proportion of local agriculture, forestry and fishing premises experiencing crime in the region fell by around 15% between 2013 and 2014, while the 2015 Rural Crime Survey (NFU) also reported the overall cost of rural crime to have fallen by around 15% nationally since its peak in 2013. While the survey found tractor theft to be in continued decline as a result of improvements in inbuilt security and insurance discounts, the survey did identify a significant rise in the theft of quad bikes nationally.

The NFU survey also indicates that rural crime continues to become more sophisticated, while offences such as theft of livestock are being increasingly targeted at the most vulnerable communities. Offenders in Nottinghamshire are thought to operate across borders into neighbouring Forces, which means collaborative working is required to properly address the risk.

## Business Crime

The Commercial Victimisation Survey (CVS) indicates that crimes against businesses continue to fall in the area, having reduced by a further 21% between 2013 and 2014. Reductions were most notable in the categories of fraud (-42%), theft by customers (-33%) and burglary (-32%). Self-reported incidents of on-line crime against businesses also fell by around 19% in 2014, largely due to a reduction in successful computer virus attacks (-24%). Crimes against businesses and shoplifting offences recorded by Nottinghamshire Police, meanwhile, increased by around 5% and 4% respectively in 2014/15, continuing the upward trend seen since 2010/11. Shoplifting now accounts for around 11% of all recorded crimes.

## 4.5 Changing Patterns of Offending

### Substance Misuse

Substance misuse remains a significant factor linked to offending. The proportion of new receptions to HMP Nottingham Prison that are identified as having a substance misuse problem (28%) is considerably greater than the general population (5.5%). The prevalence of Synthetic Cannabinoids (Spice) is also increasing and remains high within prison establishments where its use is becoming increasingly difficult to manage and linked to a rise in violence amongst inmates. The on-going risks associated with addiction and release into the community is likely to result in an increased demand for these substances.

There are risks, however, that the recent increase in the purity of and treatment presentations for heroin and crack cocaine will impact upon the nature and prevalence of acquisitive crime over the coming year.

### Offender Management

Prolific offending has been in steady decline at a local and national level over recent years, due in part to improvements in the management of prolific offenders, reductions in problematic drug use and a multi-agency focus on tackling factors most commonly linked to their offending. The number of prolific offenders being managed statutorily through the Integrated Offender Management Programme is relatively evenly split across the City and County. Prolific offenders are more likely to exhibit needs relating to relationships, thinking and behaviour, alcohol and drug misuse. It has been recognised that housing services are also increasingly unable to meet the growing demand and complex needs of offenders as a result of limited resources and the impact of changes in housing legislation and benefits.

The number of MAPPA[41] eligible individuals identified with complex needs has been increasing over recent years. There were 1,511 MAPPA-eligible offenders in Nottinghamshire at the end of March 2015, marking a 12% increase on the previous year. While the number of Registered Sex Offenders remained relatively static at around 1,024, the number of violent offenders being managed locally via the MAPPA process increased by almost 50% to 487.

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[41] Multi-agency public protection arrangements (MAPPA)

National evidence[42] indicates that the average age of perpetrators of sexual offending is getting younger.

## Organised Criminality

A number of organised crime groups (OCGs) continue to be actively monitored and targeted across Nottinghamshire on account of the risk they present to local communities. OCGs affect multiple many communities across Nottinghamshire and beyond and their criminal activities are often well known and feared within those communities. While the number of OCGs subject to monitoring has increased over the last year, the number of OCGs assessed as 'High Risk' has fallen by almost a third. Known groups are relatively evenly distributed between the City and County areas; however larger groups are more commonly based in the City.

OCG activity can be diverse in scope and geographic coverage. Offences can include drug supply, human trafficking, and organised illegal immigration, grooming and sexual exploitation of children and young girls and economic crime such as high value fraud. Investigations are often highly complex and resource intensive, requiring new investigative skills and techniques.

There are indications that the resilience of local organised crime groups may be increasing as traditional communication methods, such as mobile phone networks, are being replaced by online communications which present investigatory challenges. There has also been evidence of OCGs interacting to achieve common aims, although disputes between OCGs still occur and can lead to an escalated risk of serious violence and retribution taking place - sometimes in public areas.

Cyber criminals operate across international borders and the UK is threatened from many locations in many countries, which makes it extremely complicated to tackle. The increasing globalisation of fraud, in particular, continues with much of it driven by enhanced communications infrastructure, in particular the increased availability of high speed internet access and low levels of regulation and law enforcement capabilities in some countries. Cyber criminals are organised, highly skilled and increasingly numerous and there is a recognised need to promote greater understanding of the threat and equip law enforcement agencies with the skills and capability to respond effectively.

## Urban Street Gangs (USGs)[43]

USGs are generally more visible at a local level than higher tier organised crime groups but there are often connections between in that urban gang members may engage in street drug dealing on behalf of organised criminals and aspire to become organised crime groups in their own right.

USGs have a noticeable presence within the communities they affect and therefore have the potential to cause community harm. The threat from USGs is closely connected to tensions, threats of violence and retribution between rival groups and individuals which can manifest in serious violence, sometimes involving the use of firearms.

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[42] Child Exploitation and Online Protection Agency (CEOP)

[43] There is a distinction between OCGs and USGs, the differences are primarily about the level of criminality, organisation, planning and control - Home Office (2011) Ending Gang and youth Violence

## 4.6 Public Perception and Community Engagement

In addition to the information contained in the following sections a report has been produced which consolidates findings from local consultation and engagement activity during 2015 to inform precept setting, planning and policy making for 2016/17 and beyond.[44]

### Neighbourhood Perceptions

Nottinghamshire's Annual Satisfaction Survey 2015 found that around 82% of residents in the County feeling very or fairly satisfied with their area as a place to live – a figure that has been increasing steadily over the previous two years. Average satisfaction can vary, however, from around 74% in Ashfield to 93% in Newark and Sherwood.

The CSEW indicates that the percentage of residents perceiving ASB to be a very or fairly big problem in Nottinghamshire has remained relatively static over the previous three years at around 8% and marginally below the England and Wales average of 10%. Within this category, however, the perception that drug use and dealing is a problem[45] (20%) and teenagers hanging around are a problem (13%) have been falling steadily over the previous two years, reflecting national trends.

Perceptions that rubbish and litter (34%), people being drunk or rowdy in public (16%) and noisy neighbours[46] (12%) are a problem in the area, however, have shown a steady upward trend over the previous year. Furthermore, the perception that rubbish and litter is a problem in the area remains notably higher than the England and Wales average of 27%.

### Community Cohesion

Nottingham's[47] Strategic Assessment 2015 highlights that while Nottingham is generally a city where people get on, 'specific challenges exist in regard to East European migration that has seen the emergence of new communities with little or no community infrastructure to support integration or to assist with individual or community problems'. In Nottinghamshire, just under half of residents consulted (48%) via the Resident Survey feel that their area is a place where people from different ethnic backgrounds get on well together. Given the lower levels of ethnic diversity, around 32% feel that either they do not know whether people from different ethnic backgrounds get on well or there is not enough ethnic diversity in their local area to be able to comment.

### Feelings of Safety

Around 74% of residents in the County report feeling safe in the area that they live after dark; however this was markedly lower in Ashfield (68%) and Bassetlaw (68%) and amongst disabled respondents and people aged 75 and over (62%). By contrast, feelings of safety after dark are generally highest in the Newark and Sherwood area (84%). The majority of respondents to the

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[44] Nottinghamshire Police and Crime Plan Priorities and Budget Consultation 2015/16

[45] Trend also reflected via the Nottinghamshire Annual Satisfaction Survey

[46] Trend also reflected via the Nottinghamshire Annual Satisfaction Survey

[47] Nottingham Crime and Drugs Partnership

County satisfaction survey feel safe in their local area by day (95%) and when home alone at night (89%), marking no significant change on previous years.

City Respect Survey Results need to be included after 25th Jan 2016 when known

## Public Priorities and Focus Groups

National longitudinal surveys of public opinion indicate that the extent to which the general public feel crime, law and order are important issues facing Britain has deteriorated significantly since 2008, while concerns regarding NHS / Health care and Immigration have been rising markedly since 2013. It should be noted, however, that increased national debate regarding the UKs policing capacity and capability - particularly in light of the November 2015 Paris attacks – is likely to have a marked impact upon this trend.

The chart below produced from Ipsos Mori data (2004 to 2015) shows this trend and on face value appears to correlate with the falling crime levels reported at section 4.3 above.



**What do you see as the most important issues facing Britain Today?** (Unprompted)
Source: Ipsos Mori 2004-2015
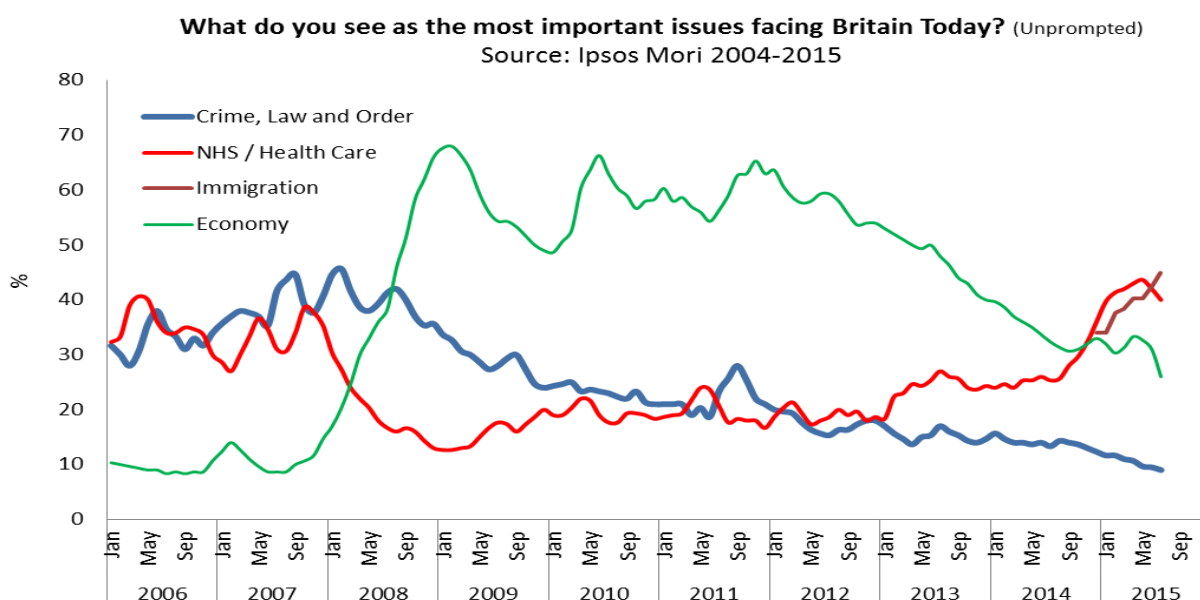
Despite 'Crime, Law and Order' reducing as the most important issue since January 2008, local[48] and national[49] analyses have found that the public's expectation of the Police service has not changed significantly over time.

## Focus Group Consultation

Focus group activity was undertaken by Nottinghamshire Police during 2015. The main findings identified as being important to local communities within Nottinghamshire were:

[48] Police and Crime Plan Priorities and Precept – Consultation Report, December 2015, Nottinghamshire Police

[49] 'Engaging Communities in Fighting Crime' report, Louise Casey, 2008

- Visibility of Policing seen as a high priority - participants felt that such visibility would act as a deterrent.

- CCTV - In circumstances where there wasn't the availability of officers to visibly patrol, participants felt that should be utilised/increased in order to continue the deterrent effect.

- Funding - participants would contribute more towards policing on the proviso that there was transparency in where the additional funding was spent and it was to support 'front line policing'.

- Regionalisation and collaborative working - was seen as an efficient way of working with a view to reducing hierarchy and senior managers.

- Increased utilisation of technology - investment in technology was deemed to be efficient if it could be demonstrated that such investment would save money and reduce bureaucracy in the long term.

- Focus should be - on the requirement to respond to vulnerable victims of crime; focus on violent crime and domestic abuse; dealing with repeat crimes and anti-social behaviour; manage substance misuse; prioritise serious & organised crime and cyber-crime.

## County and City Surveys

In addition, to the findings reported above, participants surveyed during November and December 2015, in both City and County reported the following to be priorities:

- Appropriate Response - Provide a timely response to requests for service and be accessible and attend when needed.

- Protecting, supporting and responding to victims, witnesses and vulnerable people - was identified as the most important priority for the Commissioner (County, 36% and City 41%).

- In terms of crime types, Nottingham City's annual Respect survey[50] has consistently identified burglary as the most highly ranked crime-related concern (35% of respondents), followed by alcohol-related violence and disorder (16%). This is despite burglary reducing significantly during the year.

- Funding – of the 1,552 participants surveyed in the County, and 1,081 in the City, 36.7% (County) and 49% (City) said they would be prepared to pay more towards policing. A further 19.3% (County) and 19% (City) said they may or were not sure. A minority of respondents (County, 44% and City, 32%) said they were not prepared to pay more toward policing. These findings correlate to the Focus Group reported above.

## Trust and Confidence

The Crime Survey for England and Wales indicates that public confidence in the Police in Nottinghamshire has been rising steadily since 2010, reaching the highest level ever recorded during 2014 (75%) and narrowing the gap between Nottinghamshire and the average for England

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[50] Over 2,500 responses via a random sampling methodology

and Wales (75%).  This is despite increases in recording crime levels in the last few years. The chart below illustrates the trend.

**Nottinghamshire – Indicators of Public Perception: CSEW 2008-2015**
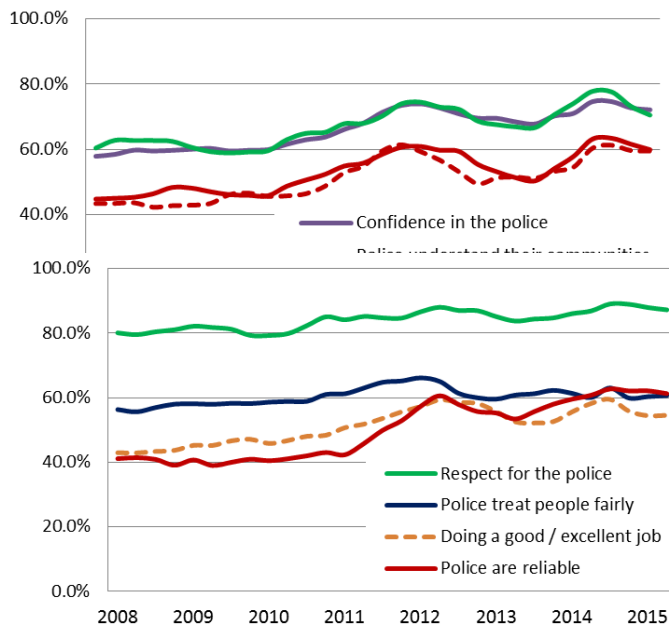
As seen in the Chart (left), the proportion of residents feeling that the Police understand their communities has followed a similar upward trend and is now also in line with the England and Wales average at around 70%.

In addition, the proportion of residents feeling Police treat people fairly as seen in the lower Chart (61%) or are doing a good or excellent job (55%) has, however,  plateaued since 2012 and remain lower than the national averages of 66% and 62% respectively.

## Police Complaints

The number of complaints made against the Police in Nottinghamshire has increased over the previous year and remain higher than the England and Wales average per 1,000 population. This is considered to be in part a reflection of the improvements made in recording practices and processes over the previous year.

## Direct Consultation and Engagement by Commissioner and Deputy

Throughout the year, the Commissioner and his Deputy have listened to Partners, stakeholders, communities and most importantly many victims of crime. They have learned of their concerns and have sought to better understand how improvements can be made. They have undertaken extensive public consultation on policing and crime and this has been vital to help shape the decisions that have been made during the Commissioner's third year of delivering his Police and Crime Plan.

Some engagement activities include:

- Consulting with the Chairs of Strategic Partnerships
- Walkabouts - in high crime areas across the City and the County
- Public Stakeholder Forums
- Monthly engagement with the Commissioner's BME Steering Group
- The Commissioner's website

- Commissioned focus groups

- Personal Meetings with Members of the Public and Stakeholders

- Police User Satisfaction Survey

- Crime Survey for England and Wales

- Neighbourhood Satisfaction Surveys

- Annual Residents Survey (Nottinghamshire County Council)

- Respect Survey (Nottingham City Council / Nottingham Crime and Drugs Partnership)

- Neighbourhood Priority Surveys (Nottinghamshire Police)

- Social Media (run through Corporate Communications)

- Face to Face and Public Engagements - (through Corporate Communications and also Neighbourhood Policing.)

Consultation and engagement with stakeholders and members of the public helps inform the Commissioner's priorities and activities to be delivered in his Police and Crime Plan. Crime figures and reported incidents alone cannot be the sole basis upon which resources are deployed.

### Summer and Winter Events

During the summer and winter each year the Commissioner his Deputy and staff hold a number of events and make direct contact with the general public e.g. the Emergency Services, Pride, Caribbean carnival, the Newark Show and events held at key shopping centres. Members of the public were asked to complete a short questionnaire which asked four specific questions one concerning funding. For example, of the 593 questionnaires completed 44% felt that they would be prepared to pay more than £134.54 a year towards policing, only 20% would not be prepared to pay more and 36% were unsure. These findings are similar to the results obtained in the City and County surveys already reported.

The Commissioner has taken into account all of the findings arising from perception and satisfaction surveys and other consultation into consideration and where possible has included activities in his Delivery Plan shown as **Appendix B**.

# 5  Partnership Priorities

The Police Reform and Social Responsibility Act 2011[51] places a mutual duty on the Commissioner and responsible authorities in the Community Safety Partnerships (CSPs) to cooperate to reduce crime, disorder and reoffending. There is also a similar reciprocal duty on the Commissioner and Criminal Justice bodies to cooperate.

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[51]  Police Reform and Social Responsibility Act 2011

## 5.1 Nottingham Crime and Drugs Partnership (CDP) Priorities

Locally the Force is innovative in how it works with the City Council, through joint management of council employees, officers and police staff to tackle anti-social behaviour and prevent crime. The CDP priorities are to tackle:

- Violence (including Domestic Violence, 'Other' Violence and Night Time Economy Violence
- Sexual Offences
- Serious and Organised Crime (including Ending Gang and Youth Violence and Weapon Enabled Offences)
- Burglary
- Drug and Alcohol Misuse
- Anti-Social Behaviour

The CDP will focus on:

- High Impact Neighbourhoods. (These are the priority problem places, premises and people for partnership focus through locality working and problem solving).
- The CDP will also monitor Hate Crime through the existing arrangements in the City. This will enable the Board to be sighted on concerns and issues on a regular basis and to consider where the Board can add value as required.

## 5.2 Safer Nottinghamshire Board (SNB) Priorities

The SNB priorities are to tackle:

- Vulnerable localities
- Vulnerable people (and the two are strongly correlated)
- Hate crime (including work around preventing violent extremism)
- Domestic and Sexual abuse
- Serious and/or organised crime (including some work around CSE)
- Substance misuse

The SNB will focus on:

Developing strategic approaches to those areas and issues within the County that present the greatest threat, harm and risk, clustered around the headings listed above. Aligned to this will be improved working within targeted areas of the County, building on the outcomes of the review of Partnership Plus Areas, including more effective locality working. Whenever possible, a preventative approach will be adopted, tackling issues as early as possible.

# 6 Strategic Policing Requirement (SPR)

There are some aspects of policing that require a national response, balancing between localism and national requirements. The Strategic Policing Requirement (SPR), sets out the national threats and the appropriate national policing capabilities that are required to counter those threats.[52] The Commissioner and the Chief Constable are required to have due regard to the SPR.[53]

The Commissioner is required to have regard to this SPR when issuing or varying his Police and Crime Plan. He must keep his plan under review in light of any changes made to the SPR by the Home Secretary. The Chief Constable must have regard to both the Police and Crime Plan and the SPR when exercising his function and the Commissioner will hold him to account for doing so. The following threats are identified as:

- Terrorism

- Serious and Organised Crime (which demand a national coordinated response)

- A National Cyber Security Incident

- Threats to public order or public safety (involving more than one force)

- Civil emergencies (that require an aggregated response across police force boundaries)

- Child sexual abuse (if it is a threat of national importance)

# 7 Delivering Our Strategic Priorities

Victimisation surveys indicate that the overall prevalence of crime and ASB continues to fall across Nottinghamshire and is forecast to fall further over the next four years[54]. Despite this trend, the level of violent crime, safeguarding and 'hidden harm' being captured by the Police is increasing significantly. This increase in what can be highly resource intensive demand is largely due to improvements in risk management processes, compliance with crime recording standards, greater Police and Partnership pro-activity and increasing levels of identified complex need.

Fraud and pure cybercrime (such as hacking and computer viruses) could account for a further 69% of crime, which until 2015 had not been captured via national self-victimisation surveys. While overall levels of acquisitive crime are in decline, recorded shoplifting offences have been increasing steadily over the previous two years, while theft offences in rural areas of County are also increasing.

There are indications that the risks associated with problematic drug use (prevalence and purity) may be increasing and have the potential to impact upon acquisitive crime levels in the area.

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[52] Section 77 of the Police Reform and Social Responsibility Act 2011 requires the Home Secretary to issue a strategic policing requirement.

[53] https://www.gov.uk/government/uploads/system/uploads/attachment_data/file/417116/The_Strategic_Policing_Requirement.pdf

[54] Self-reported victimisation survey data are not currently available to reliably determine historic or future trends in fraud, pure cybercrime, hate crime or sexual offences

New Psychoactive Substances (NPS) remain readily accessible locally and online and while use is increasing and while little is known about the risks they present to local communities present, synthetic cannabinoids remain a problematic driver of violent and erratic behaviour within local prison establishments. Alcohol also remains a significant factor linked to anti-social behaviour, violent crime, vulnerability and long term health risks.

Personally targeted cyber-enabled crimes experienced or facilitated on-line represent one of the fastest growing areas of identified vulnerability. Although evidence suggests that the levels of hidden harm being identified are increasing, domestic, sexual and other personally targeted abuse, including Child Sexual Exploitation (CSE) and Modern Slavery continue to present a significant risk to vulnerable victims. The longer term challenge of managing and reducing complex demand as public sector resources reduce remains a critical risk.

While levels of offending appear in decline, developments in technology and social media continue to present new opportunities for organised and personally targeted offending. On-line offending in particular is presents an increasing challenge for enforcement agencies on account of the anonymity often afforded by to perpetrators and the technical capabilities often required in response.

Although the impact and threat linked to Urban Street Gangs in the area has diminished over recent years, there remains significant potential for new gangs to become established.

The international terrorism threat has escalated over the previous year and the risk locally and nationally of vulnerable individuals becoming subject to radicalisation and extremist ideologies remains high. The Home Office, however, have not identified Nottinghamshire as a priority area for additional counter terrorism activity.

Systematic[55] assessments of threat, risk and harm undertaken by Nottinghamshire Police and local Partnerships has identified a number of key threats which present a significant risk to local communities based on their likelihood and impact. These include domestic and sexual abuse, violence, Urban Street Gangs, organised crime - including sexual exploitation and modern slavery - fraud, terrorism and extremism.

Research indicates that the issues of greatest concern to local communities are generally reflective of the national profile in Nottinghamshire, with residents wanting the Police to; be visible and active in their communities, respond when needed, keep people informed, tackle the issues that matter most to local people and prevent crime and ASB.

Public confidence in the Police locally has been rising steadily since 2010, coupled with increase in the proportion of residents feeling that the Police understand their communities. The proportion of residents feeling that the Police 'treat people fairly' and 'do a good or excellent job', however, has plateaued over the last year. Performance across these indicators also remains below average when compared to the national picture.

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[55] Factors prioritised via a structured victim-centric approach which assesses the impact of issues on the basis of Threat, Harm, Risk, Investigation opportunities, Vulnerability of victim and Engagement level required to resolve the issue

Although levels of complex and resource intensive demand presenting to crime and community safety agencies are increasing, the central government funding available to meet demand is expected to remain static over the next four years. Building upon the Aurora II Programme, agencies will therefore be required to fundamentally review their delivery structures, priorities and levels service to ensure that they remain both effective and sustainable.

The challenge and implications of meeting future demand will need to form the basis of extensive public, Partner and stakeholder engagement over the coming year while local, regional and national approaches to collaboration, strategic alliance and devolution continue to be explored.

Taking account of the performance challenges and risks identified in the Police and Crime Needs Assessment 2015 (PCNA) and feedback received from the consultation and engagement exercises, the strategic priorities remain the same. The recommendations arising from the PCPNA are summarised in the following sections in relation to each of the seven strategic themes. In response to these recommendations, in order to tackle or mitigate the risks identified, a number of additional activities will be undertaken. These will be monitored and reported on a quarterly basis.

**Appendix B** provides a detailed overview of the Commissioner's Strategic Framework, outlining the priorities and their supporting actions to be delivered.

# 8 Measuring How Well We Are Doing

The Commissioner has been working with the Force and Partners to identify the measures and targets that will monitor the delivery of the Police and Crime Plan and demonstrate efficient and effective policing in Nottinghamshire. The targets and performance indicators are shown in the following tables listed under the Commissioner's seven strategic themes.

| Strategic Priority Theme 1: Protect, support and respond to victims, witnesses and vulnerable people | | | |
|---|---|---|---|
| Measure | | Objective | Target |
| 1 | Percentage of victims of crime that are completely, very or fairly satisfied with the service they have received from the Police | A year-on-year improvement in satisfaction levels | 90% of victims completely, very or fairly satisfied |
| 2 | Percentage of victims and witnesses satisfied with the services provided in court | A year-on-year improvement in satisfaction levels | An increase in the percentage of victims and witnesses satisfied compared to 2015-16. |
| 3 | Percentage of people who agree that the Police and council are dealing with local anti-social behaviour (ASB) and other crime issues | A year-on-year improvement in agreement levels | 60% agreement by 2016-17 |

| | | | |
|---|---|---|---|
| 4 | Percentage reduction of people that have been repeat victims within the previous 12 months | Reduce the number of repeat victims of domestic violence, hate crime and ASB | a) A reduction in the number of repeat victims of domestic violence compared to 2015-16<br><br>b) Monitor High Risk Repeats<br><br>c) Monitor Medium/Standard Risk |
| | | | d) A reduction in the number of repeat victims of hate crime compared to 2015-16 |
| | | | e) To monitor repeat victims of anti-social behaviour incidents |
| | | | f) To monitor the number of domestic abuse incidents and crimes and proportion which are repeats. |
| 5 | Public confidence in reporting offences to the Police | i) Encourage the increased reporting of serious sexual offences and sexual offences as a whole | To monitor the number of Serious Sexual and sexual offences as a whole |
| | | ii) Encourage the increased reporting of domestic abuse (incidents and offences) | To monitor satisfaction levels of victims of domestic abuse through the Force Victim Surveys |
| | | iii) Encourage the increased reporting and identification of Hate Crime | To monitor the number of Hate Crimes and proportion which are repeats.[56] |
| 6 | The number of people Killed or Seriously Injured (KSIs) on Nottinghamshire's roads | i) 40% reduction in all KSI RTCs by 2020 (from 2005-09 average) | To maintain a reduction in the number of persons KSI on Nottinghamshire's roads, in-line with the Nottinghamshire Road Safety Partnership target of a 50% reduction by 2020 (from the 2005-2009 baseline).[57] |
| | | ii) Monitor KSIs for 0-15 year olds | The number of KSIs for 0-15 year olds |
| 7 | The number of non-crime related mental health patients detained in custody suites | Reduce the number of non-crime related mental health patients detained in custody suites | A reduction in the number of non-crime related mental health patients detained in custody suites compared to 2015-16 |
| 8 | The number of children being detained in police custody overnight[58] | To reduce the number of children being detained in police custody overnight | A reduction in the number of children detained in police custody overnight compared to 2015-16 |

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[56] It is expected that first time reports of Hate Crime will increase and repeat Hate Crimes will reduce.

[57] This can be monitored according to an annualised (calendar year) target, which will be calculated at the start of each year

[58] HMIC has raised concerns that too many children are detained overnight. This measure is included this year so that more robust action is taken to work with local authorities to provide alternative accommodation.

| | Measure | Objective | Target |
|---|---|---|---|
| 9 | Percentage of incidents responded to within the target time | Ensure that demand for service is responded to appropriately by reducing demand and attending Grade 1 and 2 calls quickly | To monitor the percentage of Grade 1 and Grade 2 Incidents attended within the prescribed timescales.<br>a) Rural<br>b) Urban |

**Why is it important?**

Surveys identify getting back to victims and keeping them informed is a priority for improving satisfaction.

Supporting victims and witnesses improves sure and swift justice.

Community engagement and consultation identifies a need to improve accessibility and visibility of the Police in local communities.

Performance figures identify high levels of repeat victims. The Commissioner's focus is that victims are the most important part of any crime. New measures are introduced in this year's plan to monitor repeat victimisation for both high risk and medium/standard risk.

Domestic violence accounts for 40% of the reported violence against a person; a significant proportion is repeat victimisation.

There are a high number of people killed or seriously injured on Nottinghamshire's roads.

It's important to ensure that any changes to the Police operating model does not adversely impact response times especially in rural areas. Rural and Urban response times will be monitored.

| **Strategic Priority Theme 2:** (Subject to Change when CJ Performance Framework Approved)<br>**Improve the efficiency, accessibility and effectiveness of the criminal justice process** | | |
|---|---|---|
| **Measure** | **Objective** | **Target** |
| 1 | Percentage of Crown Court files to be submitted by the Police to the Crown Prosecution Service on time and without errors | A continued improvement in the quality and timeliness of files submitted by the Police to the Crown Prosecution Service | An improvement in the quality of files as monitored through the 6 weekly audit of files by the Operational Business Support Unit, with good performance and areas for development reported through the Crime and Justice Operational Performance review and PCC delivery Plan. |
| 2 | Crown Court and Magistrates conviction rates | A continued improvement in the conviction rates for the Crown Court and Magistrates Court | To record a conviction rate in line with the national average |
| 3 | Early Guilty Plea Rate for the Crown Court and Magistrates Court | The Police and CPS to effect continued improvement in the Early Guilty Plea rate for the Crown Court and Magistrates Court | a) An increase in the Early Guilty Plea rate compared to 2015-16.<br>b) To be better than the national average |
| 4 | Percentage of effective trials in the Magistrates' and Crown Courts (HMCTS Measure) | The Police and CPS to effect continued improvement in the Effective Trial Rate for the Crown Court and Magistrates Court | a) Reduce % ineffective trials due to prosecution team reasons compared to 2015-16. |

| | | | b) | Achieve a year on year improvement in effective trial rates. |
|---|---|---|---|---|

**Why is it important?**

Partnership working to improve an efficient and effective criminal justice system.

Improving efficiency and effectiveness in the criminal justice system for positive outcomes for victims and witnesses.

The Commissioner is focused on the needs of victims, and supporting them to take an active role in restorative justice.

| Strategic Priority Theme 3: |
|---|
| **Focus on those priority crime types and local areas that are most affected by crime and anti-social behaviour** |

| | Measure | Objective | Target |
|---|---|---|---|
| 1 | Reduction in 'All Crime' across the Force | i) Reduce Crime in Nottinghamshire with a focus on reducing offences which have a high victim impact and reducing offences in those local areas which experience a high level of crime. | a) A reduction in All Crime compared to 2015-16.[59] |
| | | | b) A reduction in the number of victim-based crimes compared to 2015-16.[60] |
| | | | c) To monitor the number of offences in those local areas which experience a high level of crime.[61] |
| | | ii) To ensure that rural crime does not increase | To reduce the levels of rural crime compared to 2015-16 and report on: a) Rural[62] b) Urban |
| 2 | Reduction in anti-social behaviour (ASB) incidents across the Force | Reduce ASB incidents in Nottinghamshire with a focus on those local areas which experience a high level of ASB | A reduction in ASB incidents compared to 2015-16 and report on: a) Personal b) Nuisance c) Environmental |

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[59] It is recognised that first time reports of DV, Hate Crime and serious sexual crime will increase. However, by taking positive action to reduce repeat victimisation overall crime should still reduce.

[60] In support of this target, Burglary Dwelling, Robbery and Violence with Injury will be priority areas.

[61] PPA Locality areas targeted in the County and High Impact Areas in the City

[62] Force to provide breakdown on Rural Towns and fringes and Rural Villages when monitoring this measure

| | | | |
|---|---|---|---|
| 3 | The detection rate (including Positive Outcomes) for Victim-Based Crime | i) An improvement in the detection rate (including positive outcomes) for victim-based offences | a) An increase in the detection rate for victim-based crime where Threat, Harm or Risk is high e.g. serious sexual crime.[63] <br><br> b) To monitor Detection rate for Total Crime.[64] |
| | | ii) To ensure the appropriate and effective use of Community Resolution disposals | a) To monitor the proportion of Community Resolution disposals. |

**Why is it important?**

There is a national target to reduce crime.

Priority focus on prevention to reduce demand, with continuing multi-agency action to tackle anti-social behaviour and manage high volume offenders to reduce the number of victims.

The Commissioner is now responsible for commissioning victim services.

It's important that any changes to the Police operating model does not have any adverse impact on rural communities. Further monitoring of hamlets, towns and villages will be undertaking in this year's plan.

A range of activities will be undertaken to encourage increased reporting of DV, Hate Crime and sexual crime. Increased public confidence will lead to increased reporting levels.

Greater emphasis is placed on increasing the detection levels for victim based crimes where threat, harm and risk are high.

## Strategic Priority Theme 4:
## Reduce the impact of drugs and alcohol on levels of crime and anti-social behaviour

| Measure | | Objective | Target |
|---|---|---|---|
| 1 | The number of Alcohol-related crimes | Reducing alcohol related crime and ASB[65] | a) To monitor the number of crimes and ASB which appear to be alcohol-related <br><br> b) To monitor the proportion of alcohol-related violent crime |
| | | Reduce alcohol related crime and ASB in the Night Time Economy (NTE) | To monitor the number of violent crimes and ASB which appear to be alcohol-related in the NTE |
| 2 | Reoffending of drug fuelled offenders in the Force IOM cohort | An evidenced improvement in reoffending levels and seriousness of offences committed by drug-fuelled offenders in the IOM cohort | To monitor the number and seriousness of offences committed by drug-fuelled offenders in the IOM cohort (2 cohorts throughout the year will be monitored quarterly) |

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[63] Force to determine crime categories where Threat, Harm and Risk is considered high

[64] New monitoring arrangements will be introduced in the PCC Delivery plan for crimes where a suspect has been identified (especially for violence and sexual crimes) to ensure that all possible enforcement action is being taken.

[65] The PCC Delivery Plan will monitor data quality in order to better understand the nature of alcohol-related crime.

> **Why is it important?**
>
> Alcohol misuse has been linked to more than 1 million crimes in the UK each year, particularly violent crime and disorder.
>
> The Commissioner's Alcohol Strategy and Action Plan identifies key activities to tackle alcohol-related crime.
>
> Consultation has indicated that alcohol-related violence, anti-social behaviour, and drug dealing are major concerns for local people.
>
> The introduction of the Anti-social Behaviour, Crime and Policing Act has introduced new powers for policing and community safety. The number of times the new ASB Powers are utilised will be monitored through the PCC Delivery Plan.[66]
>
> Improving data quality will help managers better understand the problem and help determine where to deploy resources and more importantly learn what works.

## Strategic Priority Theme 5:
## Reduce the threat from organised crime

| | Measure | Objective | Target |
|---|---|---|---|
| 1 | The number of Proceeds of Crime Act (POCA) confiscation and forfeiture orders | To improve the POCA process and maximise opportunities to publicise successful POCA operations in order to improve public confidence | A 10% increase in the number of orders compared to 2015-16<br><br>A 10% increase in the total value of all orders compared to 2015-16[67] |
| 2 | Force threat, harm and risk (THR) assessment level | To meet the Strategic Policing requirements of capability and capacity | To reduce the Threat, Harm and Risk below the 2015-16 level |
| 3 | Reported drug offences | To encourage the increased reporting of offences of the production and supply of drugs | To monitor the number of production and supply of drugs offences |
| 4 | The number of Cybercrimes | To better understand and tackle cybercrime through identification and monitoring cybercrime[68] levels. | Monitor the number of Cybercrimes in 2016-17. |

**Why is it important?**

There are further opportunities to generate income from those involved in organised crime under the Proceeds of Crime Act. Whilst the number of orders has increased during 2015-16, the value of orders has fallen. Increasing the value of POCA will further frustrate criminal activity and provide further income to tackle other criminals.

The threat of an increase in organised crime is highlighted as a national risk, and under the Strategic Policing Requirement (SPR) the Commissioner and the Chief Constable are required to maintain sufficient capacity and capability to support the national Organised Crime Strategy.

Cybercrime is increasing and affecting more and more victims, it's important to increase our understanding to protect victims.

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[66] ASB Powers: Community Remedy, Community Trigger, Civil injunction, Criminal behaviour order, Dispersal power, Community protection notice, Public spaces protection order, Closure power.

[67] Whilst the numbers of POCA orders have increased during the year the overall value is reducing. This new measure will help monitoring progress in this area.

[68] 'Cybercrime' is a term used to define any crime that takes place online or where a where a digital system is targeted by means of a criminal attack

| Strategic Priority Theme 6: | | |
|---|---|---|
| **Prevention, early intervention and reduction in re-offending**[69] | | |
| Measure | Objective | Target |
| 1   Reoffending of offenders in the Force IOM cohort | An evidenced improvement in reoffending levels and seriousness of offending from offenders in the IOM cohort | Monitor the number and seriousness of offences committed by offenders in the IOM cohort (2 cohorts throughout the year will be monitored quarterly) |
| 2   Youth Offender reoffending rates | To better understand youth reoffending and to create a baseline for future performance monitoring | To monitor reoffending rates and offending levels of youth offenders in the Youth Justice System |
| 3   Community Resolutions for Youth Offenders | To better understand recidivism in Youth Offenders following a Community Resolution disposal, and to create a baseline for future performance monitoring | To monitor reoffending in Youth Offenders who have received a community resolution |

**Why is it important?**

Current figures for proven reoffending show that the percentage of offenders who go on to commit a further offence within 12 months needs reducing.

The Commissioner will focus on prevention to reduce demand, securing justice for victims and reducing reoffending to reassure the public and improve confidence in policing.

It's important to understand how effective out of court Disposals especially community Remedy and other Restorative Justice outcomes.


| Strategic Priority Theme 7: | | |
|---|---|---|
| **Spending your money wisely** | | |
| Measure | Objective | Target |
| 1   Make efficiency savings | Make savings in line with MTFP by the end of each financial year<br><br>Ensure that detailed plans are in place to ensure the savings target is met. | £12m (to be confirmed following PCP meeting on 1st Feb 2016) |
| 2   Total number of days lost to sickness | Reduce the number of days lost to sickness to ensure that the Force remains in line with national trends | a)   3.7% for officers (8.2 days)<br>b)   3.7 % for staff (8.2 days) |

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[69] The recidivism rate of persistent shoplifters will be monitored through the PCC Delivery Plan. Also, the recidivism rate for offenders subject to Community Remedy will be monitored.

| 3 | BME representation | To reduce the gap in current BME representation within the Force and local BME community representation in respect of:<br><br>Recruitment for officers and staff to reflect the local community | Increase BME representation within the Force to reflect the BME community [70] |
|---|---|---|---|
| 4 | Improve data quality [71] and compliance with national recording standards. | To improve the quality and integrity of data recording to ensure that crime is better understood, ethically recorded and responded to. | Compliance rate with national recording standard in respect of Total Crime. [72] |
| 5 | Manage Demand for Service with partners | Reduce Unnecessary Demand for Service | Monitor the number of:<br>a) Total Calls received at Control Room<br>b) 999 calls per 100k Population |

**Why is it important?**

The Commissioner has a legal requirement to provide a balanced budget and monitor actual spend against budget for Police and crime.

Sickness monitoring contributes to providing an effective and efficient workforce.

The Commissioner aims to ensure that Nottinghamshire Police is an employer that reflects the communities it serves.

The public need to be assured that they can rely on Police crime figures and in order to build trust and confidence its importance to publish the results.

With diminishing resources, managing demand by reducing unnecessary calls for Police service is more important now *than it's ever been so that resources are available to respond to incidents which carry a high Threat, Harm or Risk to people living, working or visiting Nottinghamshire. HMIC Value for Money Profiles 2015 identifies that Nottingham has one of the highest 999 calls per 1000 population nationally.*

# 9  Accountability

The Police and Crime Plan sets out the Commissioner's governance and accountability arrangements; these are further outlined in the Commissioner's Governance Framework.[73] The Commissioner has produced his Annual Governance Statement, reporting against the 'Delivering Good Governance' principles. There has been an annual governance review and the production of the Group Statement of Accounts for 2014-2015[74] which identifies that savings of £42m (or 20% of the budget) have been saved over the past three years. There has also been the production of the Code of Corporate Governance which sets out the standard that the Commissioner and the Chief Constable will govern as separate corporations sole.

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[70]   The overall objective is for the Force to represent the community it serves. The county BME population is 11.2%.

[71]   Data Quality to be monitored through the PCC Delivery Plan to evidence that quality is improving.

[72]   Performance for Violent crime, Sexual Crime and compliance rates prior to intervention to be monitored through the PCC Delivery Plan.

[73]   http://www.nottinghamshire.pcc.police.uk/Document-Library/Public-Information/Policies-and-Procedures/Governance-Framework.pdf

[74]   http://www.nottinghamshire.pcc.police.uk/Document-Library/Our-Money/Annual-Accounts/2014-2015/The-Nottinghamshire-Office-of-the-Police-and-Crime-Commissioner-Group-Signed-version-24.9.15.pdf

# 10 Resourcing Our Priorities

Needs updating

## 10.1 Police Employees

To be updated once Budget Report finalised and discussed at Panel on 1st Feb 2016

Insert Table and narrative

.

## 10.2 Efficiency Savings

Update tables from budget Report once discussed at Panel meeting on 1st Feb 2016

In order to continue delivering the required efficiencies the Force is developing ….

| PLANNED EFFICIENCY SAVINGS | 2016-17 | 2017-18 | 2018-19 | 2019-20 |
|---|---|---|---|---|
| | £m | £m | £m | £m |
| Business & Finance | | | | |
| EMSCU Income Generation | | | | |
| EMSCU Procurement Related | | | | |
| Estates/Facilities | | | | |
| Transport | | | | |
| HR | | | | |
| IS | | | | |
| Other | | | | |
| Total Corporate Services | | | | |
| | | | | |
| Local Policing | | | | |
| Specialist Services | | | | |
| PCC | | | | |
| Other | | | | |
| Total efficiency savings | | | | |

There will be a focus on the Force's efficiency savings programme which will be monitored by the Commissioner and reported to the Joint Audit and Scrutiny Panel to demonstrate delivering improved value for money policing.

The estimated funding for the Commissioner over the next four years is as follows:

| FUNDING AVAILABLE | 2016-17 £m | 2017-18 £m | 2018-19 £m | 2019-20 £m |
|---|---|---|---|---|
| Police & Crime Grant | | | | |

| | | | | |
|---|---|---|---|---|
| Council Tax Legacy Grant | | | | |
| Precept | | | | |
| Collection fund surplus/(deficit) | | | | |
| TOTAL | | | | |

<mark>Collection fund balances are unknown at this stage with declarations from billing authorities not being due until 31st January. If there is a net surplus this will be transferred to the Grants and Commissioning Reserve.</mark>

<mark>The net expenditure requirements are provided below:</mark>

| EXPENDITURE SUMMARY | 2016-17 £m | 2017-18 £m | 2018-19 £m | 2019-20 £m |
|---|---|---|---|---|
| Previous year net expenditure | | | | |
| Net changes for pressures | | | | |
| Net expenditure requirement | | | | |

The summary financial position is detailed below:

| TOTAL NET EXPENDITURE | 2016-17 £m | 2017-18 £m | 2018-19 £m | 2019-20 £m |
|---|---|---|---|---|
| Policing element | | | | |
| Net Expenditure | | | | |
| Savings efficiencies & reserves | | | | |
| Sub-total | | | | |
| | | | | |
| Grants & Commissioning | | | | |
| Net Expenditure | | | | |
| Savings efficiencies & reserves | | | | |
| Sub-total | | | | |
| | | | | |
| Total Net Expenditure | | | | |
| | | | | |
| Financing Available | | | | |
| Grants | | | | |
| Precept | | | | |
| TOTAL FINANCING | | | | |
| | | | | |
| Contribution (from) Reserves | | | | |
| Further (savings) required | | | | |
| | | | | |

The Commissioner recognises that achieving these levels of efficiencies will be challenging, but he has mapped out a robust programme of work and monitoring with the Force.

# 11 Delivering Value for Money

<mark>To be updated once budget Report is discussed at Panel meeting on 1st Feb 2016</mark>

# 12 Smart Commissioning

## Community Safety Fund

The Commissioner commissions the majority of community safety work through City and County Community Safety Partnerships (CSPs), which bring together local stakeholders who are well placed to understand local need and priorities.  In addition, he supports grassroots community safety activity by grant funding third sector organisations through his Community Safety Fund.[75]

In 2015-6 the Commissioner awarded £273,323 in grants to 26 third sector organisations as part of the Community Safety Fund.  Diverse initiatives are funded, including diversionary work with young people to prevent anti-social behaviour and further offending, work with young people to build their trust and confidence in the Police, support for a campaign to end female genital mutilation, specialist support for young survivors of sexual abuse and practical help for disabled people experiencing hate crime.

The Commissioner launched his Community Safety Fund (2016-17) in December 2015.  New projects will begin in April 2016.  Priorities for funding include support for survivors of sexual abuse, help for vulnerable people who have complex needs and risk victimisation, initiatives aimed at driving down rural crime, innovative BME-led projects and those initiatives which support new and emerging communities to establish positive relationships with the Police.

## Victim Services

The Commissioner became responsible for commissioning local victim support services in 2014, a role previously held by Ministry of Justice (MoJ).  His vision is that:

> *"Victims and survivors in Nottinghamshire are resilient and less likely to be re-victimised; empowered to cope and recover from crime and anti-social behaviour by timely and effective victim-centred support from local services, families and communities".*

To realise his vision, the Commissioner has commissioned a range of generic and specialist services. To ensure that all victims of crime, anti-social behaviour, identity theft and hate incidents have access to support, he part-awarded a contract to Victim Support to deliver an integrated support service which is fully delivered within Nottinghamshire.  The Commissioner also commissioned Remedi to deliver victim-initiated restorative justice support and grant funded services to support specific groups of very vulnerable victims such as victims with mental ill health and complex needs.

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[75]  http://www.nottinghamshire.pcc.police.uk/Our-Money/Grants-and-Funding/Community-Safety-Fund-2016-17.aspx

The Commissioner is committed to ensuring that victims who need the most help are easily able to access services. He therefore recently commissioned an independent review of victims' services, to gain feedback and to identify how victims of unreported crime with protected characteristics prefer to access services. Also the review will consider future demand for support and will recommend a new delivery model. The findings of the review will be disseminated, and the new model will be consulted on at a stakeholder event in March 2016.

To ensure that survivors of domestic and sexual abuse have access to effective specialist support, the Commissioner has led the way in working with the County and City Councils and Nottingham Clinical Commissioning Group to pool funding and co-commission integrated services. In the County contracts to deliver an integrated domestic violence support service have been awarded to Nottinghamshire Women's Aid for the north and WAIS for the south. The new services began in October 2015. Further discussions are on-going with the County Council and clinical commissioning groups in the County to explore co-commissioning sexual violence support. In the City new domestic and sexual violence support contracts will be awarded in early January 2016, with new services beginning in April 2016.

# Appendix A: Commissioner's Key Performance Achievements

| Objective 1 | Objective 2 | Objective 3 | Objective 4 | Objective 5 | Objective 6 | Objective 7 |
|---|---|---|---|---|---|---|
| **Protect, support and respond to victims, witnesses and vulnerable people** | **Improve the efficiency, accessibility and effectiveness of the criminal justice process** | **Focus on priority crime types and those local areas that are most affected by crime and anti-social behaviour (ASB)** | **Reduce the impact of drugs and alcohol on levels of crime and anti-social behaviour** | **Reduce the threat from organised crime** | **Prevention, early intervention and reduction in reoffending** | **Spending your money wisely** |
| **Activities** | **Activities** | **Activities** | **Activities** | **Activities** | **Activities** | **Activities** |
| • Commissioned universal and targeted services for victims.<br>• Co-commissioned with City and County Councils domestic violence and co-commissioned sexual violence services in the City<br>• Supported multi-agency action to increase the reporting of hate crime and provided dedicated resources to support victims.<br>• Provided £306k new funding to protect girls better and reduce violence to young women through specialist support, school based and other awareness raising campaigns, research and targeted work with emerging perpetrators<br>• PCC has invested over £200k since 2011/12 to ensure victims of anti-social behaviour get help, no matter where they live in the city or county. | • Provided leadership to ensure criminal justice partners implement victims code<br>• Commissioned successful restorative justice service<br>• With other PCCs introduced a regional criminal justice service and board in region<br>• Improved the proportionate use of stop and search<br>• Improved the scrutiny on crime recording and data quality<br>• Worked with other PCCs and Chief Constables to establish a regional Police Criminal Justice System | • Reviewed and provided dedicated funding to reduce crime and ASB in priority neighbourhoods<br>• Implemented a housing security scheme with Nottinghamshire County Council to reduce burglary<br>• Supported Nottinghamshire Police to reduce crime and tackle priority crimes<br>• Introduced Rural special proactive crime team, community road safety programmes and wild life enforcement campaigns<br>• A Range of Activity to reduce crime and ASB<br>• Invested nearly £3m in community safety funding to support partnership activities | • Co-commissioned substance services for Nottingham and Nottinghamshire<br>• Implemented an alcohol action plan with partners to reduce crime in the night time economy and improve health and well being:<br>  ◦ Implement Operation Promote in the City Centre and County for drugs and weapons<br>  ◦ Renew Drinkaware to provide Club Hosts in major venues<br>  ◦ Promote Purple Flag and Best Bar None schemes in NTE<br>  ◦ Initiate projects to tackle street drinking in the Arboretum | • With other PCCs provided on going to support to East Midlands Serious and Organised Crime Unit. Considered to be best practice by HMIC.<br>• Supported Nottinghamshire Police to fully utilise POCA powers more effectively for criminal investigation.<br>• Provided funding to utilise automatic number plate (ANPR) technology to deny criminals use of the road.<br>• Establish a Serious and Organised Crime Board and fund interventions to combat gangs and youth violence. | • Work with partners to sign up to Mental health concordat and establish an implementation board.<br>• Work in partnership to introduce mental health street triage scheme and ensured that 'vulnerable adults and young people are dealt with more appropriately outside of custody.<br>• Funded positive activities for young people and other targeted youth support schemes to divert from offending<br>• Successfully used GPS tags to manage offenders involved in shop theft and serious offences<br>• Introduced with Public Health England's a 'Liaison and Diversion scheme. | • Collaborated with other Police Forces to help protect frontline policing<br>• Delivered an efficiency programme to meet required savings and achieve a balance budget.<br>• Proactively submitted funding bids to Home Office to maximise additional income for policing<br>• Led for the National Association of Police and Crime Commissioners a strong case for a better CSR funding outcome for policing nationally and for Nottinghamshire<br>• Led action to improve BME recruitment and representation in the police workforce |
| **Outcome** | **Outcome** | **Outcome** | **Outcome** | **Outcome** | **Outcome** | **Outcome** |
| • More victims are reporting sexual crime (+17.8%), hate crime (+17%), and domestic violence (+9.3%) as of 21 Dec 15 compared to previous year.<br>• 9 in every 10 Domestic Abuse victims are satisfied with the whole Police experience.<br>• Just under 300 girls and young women have reported that they feel safer, more confident and are recovering from domestic abuse<br>• Over 4,000 young people have benefited from schools based initiatives to help them understand healthy relationships better, their rights about consent and where to go for help<br>• Almost 2,000 sexual violence survivors have reported increased feelings of safety and/or greater confidence<br>• Well over 2,000 domestic abuse survivors have reported they feel safer and/or have recovered from crime<br>• Almost 3,000 victims of non DSV crimes were supported between Oct 2014 and Dec 2015, and over 95% were satisfied or very satisfied<br>• Almost 600 ASB victims supported by the PCC's commissioned service since 2013 no longer require help, either because their situation is resolved or victims feel empowered to resolve the case themselves. | • Compliance with Victims Code has improved month on month since April 2015 (from 50% in City and County close to 90% in November 2015).<br>• Around 98% of victims and witnesses are satisfied or very satisfied with the services provided in Court (to Mar 15)<br>• Stop and Searches are much more proportionate for BME communities (reduced disproportionality by 22%).<br>• Compliance with the National Crime Recording Standard has improved from 88% in 2012 to 98% in 2015.<br>• Integrated Restorative Justice (RJ) Service in Nottinghamshire (Remedi) established and 112 referrals received (as of Nov 15).<br>• Over 50% of victims contacted agreed to participate in the RJ process of which 100% were satisfied | • Crime is predicted to have reduced between 3% and 5% at the end of 2015-16 compared to 2011-12.<br>• ASB is predicted to have reduced 38.5% at the end of 2015-16 compared to 2011-12.<br>• More people agree that the Police and local councils are dealing with Anti-Social Behaviour and other crime issues (59.5%, June 15).<br>• The number of repeat victims of ASB has reduced (-6%, Oct 15).<br>• Burglary dwelling will have reduced by 26.5% at the end of 2015-16 compared to 2011-12. Currently ranked 3rd best reduction nationally (year to date to Nov-15)<br>• Robbery will have reduced by 22.4% at the end of 2015-16 compared to 2011-12. Currently ranked 3rd best reduction nationally (year to date to Nov-15)<br>• Theft From Person will have reduced by 45.2% at the end of 2015-16 compared to 2011-12.<br>• A new locality working model piloted in Ashfield (New Cross) has contributed to reductions in demand for service (-7%), ASB (-17%), serious acquisitive crime (-34%) and criminal damage (-21%). | • The proportion of Alcohol-Related Violence has reduced and is less than half that is estimated nationally.<br>• The number of Alcohol-Related violent crimes in the NTE (Night time Economy) has also reduced (-11.7%).<br>• Violence in the City Centre's NTE has fallen 23.4% since 2011<br>• 55% of people feel safe in the City Centre after dark which is the highest level surveyed<br>• ASB Perception: Since 2012, there is long term downward trend in the number of people being drunk or rowdy.<br>• In the County, fewer people perceive people using or dealing drugs to be a problem (2014=20%, 2015=18%)<br>• Nottingham has successfully retained its Purple flag status for the sixth consecutive year and the County awarded flag in 2015<br>• Notts PCC contributing to a national project to develop guidance to promote more effective practice with street drinkers | • The number of organised crime groups are assessed as 'High Risk' has gone down by over a third (-39.8%).<br>• POCA orders have increased 69% (Dec 12 to Mar 15)<br>• A greater number of production drug offences have been detected. Also, Trafficking of Drugs will have increased 13.2% at the end of 2015-16 compared to 2011-12 through proactive operations.<br>• Nottingham the 2nd highest performer in the Core City group for successful completions (35%) re substance misuse (drugs and alcohol)<br>• Funded interventions to combat gangs and youth violence being implemented<br>• The number of people Killed or Seriously Injured (KSIs) on Nottinghamshire's roads has reduced by 39.8% fore adults and 45.4% compared to the 2005-09 average baseline. | • £927K funding provided over 3 years to partners to undertake positive activities for young people which has contributed to reduced ASB and crime.<br>• ASB Perception: Since 2012, there is long term downward trend in the number of teenagers hanging around.<br>• The youth reoffending rate in the City and County (23.4%) is much better than the national average (35.5%).<br>• Less people suffering mental impairment are detained in custody suites - down 80% compared to 2014/15.<br>• Less people suffering mental impairment are detained in S136 Suites - down 30% compared to 2014/15.<br>• GPS tags were successfully used for shoplifters. In addition, there are numerous examples where tags have successfully been used to manage dangerous, sex offenders and serious acquisitive crime offenders.<br>• Successful completions of Alcohol Treatment Requirements and Drug Rehabilitation have increased from 11% to 14% in the City. | • Since 2010-11 over £42m in efficiency savings have been made through collaboration and Delivering the Future Program.<br>• PCC Office Costs is less than former Police Authority & 24% less than national average (i.e. £0.83 per head of population compared to £1.03)<br>• £5.7m Successful Bids to Home Office Innovation fund 2014-15 (some joint):<br>  1. Body Warn Video - £1.68m<br>  2. Virtual Courts - £0.4m<br>  3. Single, Interoperable Crime and Justice Platform - £2.9m<br>  4. Rapid DNA Technology - £0.09m<br>  5. Mental Health - £164k<br>  6. Imara - £109,434<br>  7. Prevention - £331,087<br>• Police officer sickness has improved (in 2012 was 4.9%, in 2015 4.3%).<br>• BME applications increased by 60% in 2014<br>• BME recruitment increased from 4.69% in 2013 to 15.62% in 2014<br>• BME representation has increased from 3.9% to 7.5% for Special Constables |

# Appendix B: Strategic Framework

## BUILDING SOCIAL CAPITAL – Refreshed Police and Crime Plan 2016 – 2018

| The Vision 'The People's Commissioner' | …giving victims and citizens a bigger VOICE in policing to achieve a safer Nottingham and Nottinghamshire… | To achieve outcomes of: | To achieve objectives of: | To be measured by demonstrating: |
|---|---|---|---|---|
| | | • Safer communities <br> • Improved trust and confidence in policing <br> • Delivering value for money policing services | • Reduced crime and anti-social behaviour <br> • Fairer treatment of victims and citizens <br> • Better use of resources | • Ranked in the top 10 Police Forces for reducing crime <br> • Ranked in the top 5 Forces for victims satisfaction <br> • Efficient and effective use of budget and resources <br> • Increased representation of BME through recruitment |

## REDUCING CRIME AND ANTI-SOCIAL BEHAVIOUR BY WORKING WITH COMMUNITIES, BUSINESSES, PARTNERS, VOUNTARY AND THIRD SECTOR

| Pledges | 1. Campaign against Government funding cuts to Nottinghamshire's Police budget <br> 2. Improve Community Policing across Nottinghamshire by taking on 150 extra Police Officers and 100 PCSOs <br> 3. Work in Partnership to reduce anti-social behaviour by 50% | 4. Give extra priority and resources to domestic violence and crimes against girls and women <br> 5. Ensure that victims of crime are treated as people, not cases, and Victim Support is properly funded <br> 6. Be fair, honest and protect taxpayers' money |
|---|---|---|

## COMMUNITY ENGAGEMENT AND CONSULTATION

| We Value | **Victims** – by listening and taking action to protect and safeguard vulnerable people | **Openness** – by putting victims and the public at the heart of open and transparent decision-making | **Inclusiveness** – by working effectively with communities and businesses to tackle crime and anti-social behaviour | **Communities** – by ensuring fairness, respect and accountability to victims and communities | **Empowering** – by engaging with victims and communities to help shape policing services and build stronger Partnerships | DELIVERING GOOD GOVERNANCE |
|---|---|---|---|---|---|---|

## STRATEGIC THEMES AND KEY ACTIVITIES FOR THE DELIVERY PLAN

| 1. Protect, support and respond to victims, witnesses and vulnerable people | 2. Improve the efficiency, accessibility and effectiveness of the criminal justice process | 3. Focus on priority crime types and those local areas that are most affected by crime and anti-social behaviour | 4. Reduce the impact of drugs and alcohol on levels of crime and anti-social behaviour | 5. Reduce the threat from organised crime | 6. Prevention, early intervention and reduction in reoffending | 7. Spending your money wisely | Principle 1: Focusing on the purpose of the PCC and the Force, and on outcomes for the community, and creating and implementing a vision for the local area. |
|---|---|---|---|---|---|---|---|
| C1 Re-commission victim services based upon the findings from the needs assessment. <br><br> C2 Continue to improve BME community experience of policing and implementation of the 'Commissioner's research recommendations'. <br><br> C3 Better understand and respond with partners to protect victims from human trafficking. <br><br> C4 Work with safeguarding partners to increase awareness and understanding of child sexual exploitation, missing children, hidden harm. <br><br> C5 Support targeted engagement with new and emerging communities to improve understanding, trust and confidence. <br><br> C6 Prepare for new powers and public complaints responsibility being provided to PCCs under new legislation. <br><br> C7 Ensure victims historic sexual abuse in residential care receive attention, support and protection. <br><br> F1 Develop local capability to provide specialist advice and support on | C1 Continue to provide leadership to ensure partners compliance with victim's code. <br><br> C2 Re-commission and improve take up of restorative justice services by victims. <br><br> C3 Undertake regular dip samples of victims impact statement to improve quality. <br><br> F1 Implement domestic violence 'live' links project with CPS and Courts. <br><br> F2 Set up regional data quality team to support the roll out of NICHE. <br><br> F3 Continue to use to stop and search power in a necessary and proportionate manner; sharing data and encouraging greater scrutiny. | C1 Continue to support partnership working in high crime neighbourhoods in the City and County. <br><br> C2 Review and integrate strategic assessment planning and analytical support and rationalise analytical performance products. <br><br> C3 Support and use new technology to prevent and reduce crime – ANPR, GPS tags and mobile CCTV. <br><br> C4 Work with Partners and Force to better understand and respond to wildlife crime in rural areas. <br><br> C5 Continue to provide leadership to roll out E-CINS case management system. <br><br> C6 Develop a robust outcome framework and guidance for commissioned services, which is a proportionate approach to evaluating outcomes for small grants. <br><br> C7 Review and update PCC and Force public engagement strategy, exploring the use of | C1 Refresh and implement a new alcohol action plan. <br><br> C2 Improve the awareness, understanding and response to new psychoactive substances. <br><br> C3 Support national work on 'Street Drinking' and help develop national guidelines. <br><br> F1 Reduce the demand for the supply of illegal drugs, tackling class A drug trafficking, closing crack houses and disrupt cannabis cultivation. <br><br> F2 Continue to implement multi-faceted Partnership problem solving plans for each for the key night time economies (NTEs). <br><br> F3 Ensure a smooth transition to NHS | C1 Ensure partnership structures are in place in City and County (including Trading Standards) to tackle serious and organised crime; notably cybercrime; illicit tobacco, drugs, fraud, money laundering sexual exploitation and human trafficking. <br><br> C2 Promote and support Partnership work between colleges, schools, prisons and councils to prevent people being drawn into terrorism. <br><br> C3 Support and provide funding to the regional unit on serious and organised crime. <br><br> F1 Publicise the identification of people convicted of serious and organised crimes and successes in seizing their assets. | C1 Continue to provide mental health street triage and to be funded through mainstream resources. <br><br> C2 PCC to grant aid positive activities for young people most at risk of getting involved in offending not provided elsewhere. <br><br> C3 Support the use of GPS tags to reduce re-offending by priority offenders. <br><br> C4 Set up dedicated pro-active violent crime team and provide resources to support action to reduce knife crime. <br><br> F1 Adopt an integrated partnership to prevent demand for public, private and third sector. <br><br> F2 Support multi-agency public protection | C1 Provide leadership and active support for the development of a strategic alliance with Leicestershire and Northamptonshire Police. <br><br> C2 Ensure the Force achieves a balance budget and delivers the required efficiency savings. <br><br> C3 Achieve greater financial savings and improve service delivery through collaboration with other Forces and organisations. <br><br> C4 Produce a commissioning framework with clear outcomes, which supports social responsibility strategies. <br><br> C5 Submit bids to maximise funding opportunities nationally. <br><br> C6 Actively support and work with partners to develop a business case and develop an appropriate relationship | Principle 2: Leaders, officers and Partners working together to achieve a common purpose with clearly defined functions and roles. <br><br> Principle 3: Promoting values for the PCC and demonstrating the values of good governance through upholding high standards of conduct and behaviour. <br><br> Principle 4: |

| | | | | | | | |
|---|---|---|---|---|---|---|---|
| modern slavery and organised illegal immigration.<br><br>F2 Chief Constable to consider reviewing staffing arrangements with DTF model to ensure sufficient resources are available in SEIU.<br><br>F3 Review existing DA information sharing protocols to ensure real time information sharing.<br><br>F4 Develop an IT system to enable direct real time submission and sharing of DASH risk forms.<br><br>F5 Development of domestic abuse HR policy for staff and officers<br><br>P1 Embed City and County domestic violence and sexual violence services.<br><br>P2 Establish a sexual offences task and finish group to review and improve partnership response (CDRP).<br><br>P3 Increase reporting of hate crime and continue to provide dedicated resources to support victims.<br><br>P4 Implementation of mental health concordat action plan.<br><br>P5 Work with partners to reduce the number of children detained in police custody overnight. | F4 Improve the quality and timeliness of files submitted by the Police to the CPS.<br><br>P1 Undertake a review of 'community remedy' document to ensure clear pathways with Youth Offending services.<br><br>P2 Work with regional partners to implement and support the criminal justice efficiency programme.<br><br>P3 Define, agree and implement a new partnership integrated offender management model. | social media and Alert system to inform the public about changes to neighbourhood policing.<br><br>C8 Instigate a 'One Punch' media campaign locally and raise the profile nationally.<br><br>F1 Implement operational control strategies for priority crime types.<br><br>F2 Ensure NICHE is able to continue to identify record and monitor rural crime and incidents.<br><br>F3 Plan, participate and deliver partnership cross-border days of action (rural crime).<br><br>F4 Chief Constable to consider introducing dedicated police teams, drugs and alcohol testing and working closely with schools and mental health institutions.<br><br>F5 Review and support target hardening to prevent and detect crime.<br><br>P1 Continue to support and revitalise different integrated Neighbourhood working models'<br><br>P2 Implement Aurora 2 and consider how the conurbation and county partners can benefit. | England of Custody Health Provision.<br><br>F4 Develop effective means for drugs and alcohol testing of violent crime offenders and ensure signposting for diversionary tactics.<br><br>F5 Ensure Neighbourhood policing teams actively manage licenced premises using the full range of powers together with Partners.<br><br>P1 City and Districts ensure the robust enforcement of licensing conditions for pubs and clubs causing the most concerns.<br><br>P2 Investigate changing drugs profile and achieve better results for alcohol users.<br><br>P3 Utilise new tools and powers to ensure robust enforcement. | F2 Continue to develop a range of enforcement tactics against organised crime gangs, particularly focusing on enforcement.<br><br>F3 Develop the Force's physical, people and cyber measures to combat organised crime.<br><br>F4 Improve monitoring and checking of foreign National offenders and involvement in organised crime.<br><br>F5 Deliver tasking co-ordination process, which involves partner agencies.<br><br>P1 Funding to support activity and interventions to combat gang and youth violence.<br><br>P2 Ensure that the 6 new Government Ending Gang Violence & Exploitation priorities are incorporated into Partnership EGV Action Plan | arrangements (MAPPA) to manage the most dangerous violent and sexual offenders.<br><br>F3 Work in Partnership and take steps to enhance intelligence gathering e.g. communities, rural crime and cybercrime.<br><br>F4 Reduce the impact of economic and Cybercrime by dealing effectively with on-going criminality.<br><br>P1 Focus on those family and individuals that cause the most demand to public organisations.<br><br>P2 Ensure 'Preventing Demand Programme' successor is integrated with existing programmes and mainstream activities.<br><br>P3 Ensure all youth and youth violence is subject to safeguarding referral, assessment and appropriate interventions. | between the future Mayor and PCC, subject to local consent.<br><br>C7 Review regional governance structure to align with strategic alliance 'single operating model'<br><br>F1 Recruit more volunteers (especially BME) to support policing.<br><br>F2 Provide operational leadership to progress the Strategic Alliance subject to the business case.<br><br>P1 Greater commissioning, pooling budgets and integration of services to achieve greater efficiency and to deliver service improvement.<br><br>P2 Ensure there are practical information sharing agreements in place to support multi-agency and locality working.<br><br>P3 Provide enhanced leadership and decision making through reviewing the role and function of SNB. | Taking informed and transparent decisions which are subject to effective scrutiny and managing risk.<br><br>Principle 5:<br><br>Developing the capacity and capability of the PCC, officers of the PCC and the Force to be effective.<br><br>Principle 6:<br><br>Engaging with local people and other stakeholders to ensure robust public accountability. |

**PERFORMANCE MANAGEMENT (BALANCED SCORECARD)**

| | | | | | | | |
|---|---|---|---|---|---|---|---|
| • Improve satisfaction for victims and witnesses in policing and court<br>• Improve confidence with anti-social behaviour and crime<br>• Reduce number of repeat victims<br>• Reduce number of people killed or seriously injured on our roads | • Improve timeliness and quality of court files<br>• Improve Magistrates and Crown Courts conviction rates<br>• Improve effective trials | • Reduce 'All Crime' across the Force<br>• Reduce anti-social behaviour<br>• Improve detection | • Reduce the number of alcohol-related crimes<br>• Reduce drug related reoffending<br>• Encourage reporting drug related offences | • Improve the number of Proceeds of Crime Act (POCA) confiscation and forfeiture orders<br>• Reduce threat, harm and risk (THR) | • Reduce reoffending<br>• Improve understanding of youth offending<br>• Improve understanding of recidivism in youth offenders following community resolution | • Make efficiency savings<br>• Monitor total number of days lost due to sickness<br>• Improve BME representation | |

| For Information, Consideration and Decision | |
|---|---|
| Public/Non Public* | Public |
| Report to: | Police & Crime Panel |
| Date of Meeting: | 1st February 2016 |
| Report of: | Chief Finance Officer |
| Other Contacts: | Director of Finance (Strategic Alliance) |
| Agenda Item: | 7 |

## Precept and Budget reports 2016-17

### 1.   Purpose of the Report

1.1   For Members to consider the budget proposals in support of the Precept setting report and its recommendations.

### 2.   Recommendations

2.1   Members are requested to:
    2.1.1   Consider the revenue and capital budget reports provided
    2.1.2   Support the request to increase the precept by 1.99%

### 3.   Reasons for Recommendations

3.1   This report and its accompanying documents comply with Legislation and Financial Regulations.

### 4.   Summary of Key Points

4.1   The Police & Crime Panel is required to provide or decline its support for the proposed increase in the Policing element of the precept.

4.2   The reports appended to this covering report include the following:
- **The Precept Report 2016-17**. This provides information on the Council Taxbase and the effect that a 1.99% increase will make to the funding of Policing in Nottinghamshire in 2016-17. It should be noted that only a draft report based upon estimates from the Billing Authorities has been provided and an updated **final report** with final declarations in relation to the tax base and collection fund balances **will be tabled** on the day of the meeting.
- **The budget Report 2016-17**. This report provides a breakdown of the budget for 2016-17. It includes details on the additional cost pressures and steps being taken to deliver the required efficiencies to ensure a balanced budget.
- **The Medium Term Financial Plan (MTFP)**. This report provides a longer term view on the finding available and related expenditure.
- **Reserves Strategy**. This report details the levels of reserves held by the Police & Crime Commissioner. It provides a risk assessment for the General Reserves and detail on what the earmarked reserves can be

used for. The level of reserves held are themselves a risk and have therefore been entered onto the Strategic Risk Register and plans in the medium term to start replacing the reserves used over the last few years are in place.

- **Capital Programme**. This report details the proposed capital programme for 2016-17 and outlines the potential capital programmes up to 2019-20.
- **Treasury Management Strategy**. This details the financial strategy to support the capital programme. And provides details on the prudential and treasury indicators in compliance with the prudential code.

4.3    The Commissioner together with the Chief Constable has agreed to enter into a Strategic Alliance with Leicestershire and Northamptonshire. This alliance will redesign how the service is provided across the 3 counties and deliver significant savings for future budgets. The final business case for this alliance is expected in March 2016 and therefore a revised budget will be presented to this panel in June.

## 5.    Financial Implications and Budget Provision

5.1    As detailed within the attached reports.

## 6.    Human Resources Implications

6.1    As detailed within the attached reports.

## 7.    Equality Implications

7.1    None as a direct result of this report.

## 8.    Risk Management

8.1    As identified within the attached reports.

## 9.    Policy Implications and links to the Police and Crime Plan Priorities

9.1    None. This budget supports all Police and Crime Plan priorities.

## 10.    Changes in Legislation or other Legal Considerations

10.1    None

## 11.    Details of outcome of consultation

11.1    Details of the consultation in relation to the budget have been summarised in the executive summary of the Precept Report. A full report on consultation of the budget and the Police & Crime Plan is on today's agenda.

## 12. Appendices

A – Precept Report 2016-17
B – Budget Report 2016-17
C – Medium Term Financial Plan 2016-17 to 2019-20
D – Reserves Strategy 2016-17
E – Capital Programme 2016-2020
F – Treasury Management Strategy 2016-17

Nottinghamshire
**POLICE & CRIME COMMISSIONER**

# *DRAFT*
# *Precept 2016-17*

January 2016

# The Police & Crime Commissioner's

# Precept 2016-17

## Introduction

The Nottinghamshire Police & Crime Commissioner is proposing a precept increase of 1.99% for the 2016-17 financial year.

This supports the budget report and the commitment to Rural Crime initiatives and Victims Services, a duty transferred to the Commissioner by the Ministry of Justice during 2014-15. Further priorities include crime prevention and partnership working, both vital to community safety.

## Government Assumptions

In providing the grant settlement figure in December the Government has made certain assumptions in relation to the total funding available for Policing.

Included within the Governments definition of no cuts to total funding in Real Terms the Government has already assumed the following:

- Precept will increase by 2% each year (slightly more for the bottom 10 precepting PCC's)

- The Council Tax base will increase by 0.5% each year

In broad terms this means if our tax base and precept increase following the above assumptions, there would be no cut or increase in our total funding.

However, there will be slight decreases in our actual allocation of main grant as there will be a shift in the proportion available at a national level to reflect the increase in top slicing for NICC, Counter Terrorism and other initiatives ran centrally, some of which can be bid for.

## Future outlook

The current Comprehensive Spending Review (CSR) period has been difficult with major cuts in grant funding, whilst costs continue to increase. Whilst the Government plans over the CSR to 2020 are better than anticipated, we still have a lot to achieve.

Costs continue to increase whilst funding reduces slightly. Together with the under delivery against the 2015-16 budget plans this requires significant savings to balance the 2016-17 budget. And for the two years following further efficiencies will be required to reduce base expenditure.

**Strategic Alliance**

At a meeting of PCCs and Chief Constables on Thursday 17 December, it was agreed that there is a real potential for the creation of a single policing model for three forces – Nottinghamshire, Leicestershire and Northamptonshire.

As a result it was agreed that a more detailed business case will now be developed to define what such an Alliance could constitute, with an intention to introduce unified leadership, a single way of working, uniformity in systems, training, policy and procedures, to ensure a consistently high quality standard of service across the three forces.

The first phase of the Strategic Alliance will look at early alignment across the contact management departments by June 2017 and if the detailed business case proves viable, a full Alliance could be in place by 2020.

Where possible, the budgets for Leicestershire, Northamptonshire and Nottinghamshire have been prepared on common assumptions for Pay Awards, and inflation, creating a common baseline. Discussions continue nationally with the Home Office, PACCTS and the three forces/PCCs to determine common grant assumptions.

Work on the full Business Case which will be completed in Spring 2016 and this will include detailed work on the costs and timings of the Strategic Alliance, together with a preferred funding methodology.

Given these timescales, and that some investment is also subject to Innovation Fund Bids, it is not possible to include this information within the three PCC budgets or Precept reports for 2016/17. Therefore, in respect of Nottinghamshire, costs for Strategic Alliance work will be met from the Capital Programme once identified by the full Business Case and it is intended that an update will be provided on the Treasury Management Strategy and Capital Programme (including revenue consequences) to the June 2016 Police and Crime Panel meeting.


**Supporting Reports**

The Budget Report and the Medium Term Financial Report on today's agenda details further the plans for 2016-17 and beyond.

The detailed budget for 2016-17, the Medium Term Financial Plan, the Reserves Strategy, the 4 Year Capital Programme and the Treasury Management Strategy are provided for information purposes to the Police & Crime Panel. These have been drawn together to support the Police and Crime Plan, which has been refreshed and which the panel have received and which is currently out for consultation.

**This report is a DRAFT REPORT based upon estimated data.**

**The City and District Councils are required by law to provide actual data on the tax base and the Collection Fund Surplus/Deficit for their area by 31st January.**

**The Final Settlement of Grant funding will not be confirmed until the 3rd February at the earliest.**

**This report is written based upon the latest available estimates at the time of writing the report.**

**Where actual data is made available this will be tabled at the Police and Crime Panel meeting on 1st February 2016 and in the decision record that follows that meeting.**

**Process**

When setting the budget and capital programme for the forthcoming financial year the Police and Crime Commissioner must be satisfied that adequate consideration has been given to the following:

- **The Government policy on police spending** – the current economic climate is improving and the forecast is better than anticipated. However, further efficiencies are required.
- **The medium term implications of the budget and capital programme** - the separate report sets out the Medium Term Financial Plan, which is regularly received and updated.
- **The CIPFA Prudential Code** - the separate Treasury Management Strategy report covers the CIPFA Prudential Code, which evaluates whether the capital programme and its revenue implications are prudent, affordable and sustainable. The implications of borrowing to finance the unsupported element of the capital programme are incorporated within the proposed revenue Budget for 2016-17 and the Medium Term Financial Plan.
- **The size and adequacy of general and specific earmarked reserves** - the current forecast of the general reserves at 31 March 2016 is £7 million. This is higher than the minimum 2% level in the approved reserves strategy and is considered by the Chief Finance Officer to be an adequate level for the year ahead. The Chief Finance Officer considers that all of the earmarked reserves set out in the Reserves Strategy, whilst not excessive are currently adequate to cover the purposes for which they are held and provide some robustness against the risks identified within the budget. It is noted that Nottinghamshire's reserves are the third lowest in the country.
  The Chief Finance Officer also confirms that the budgeted insurance provision is fully adequate to meet outstanding claims.
- **Whether the proposal represents a balanced budget for the year** - the assurances about the robustness of the estimates are covered in **Section 8** of this report. The proposals within this report do represent a balanced budget based upon an assumed 1.99% maximum increase in the Police & Crime Precept on the Council Tax.
- **The impact on Council Tax** - this is covered in **Section 7** of this report.
- **The risk of referendum** – the limit set for requiring a referendum is a 2% increase on the precept for all Police and Crime Commissioners. The proposed increase of up to 1.99% is just below the limit set (further detail is provided in **Section 6**).

4

1.    **COUNCIL TAX BASE**

For 2016-17 the Billing Authorities continue with the local Council Tax Support Schemes introduced in 2013-14. There have not been any significant changes affecting the individual schemes, although collection rates continue to be higher than anticipated

The Billing Authorities are working hard to keep collection rates up and as a consequence all have seen an increase in estimated tax bases. This is also partly due to an increase in the number of new properties in each area.

The estimated tax base as notified by the unitary and district councils (Billing Authorities) has increased by 1.84% overall, constant with last year's increase of 1.83%. This information has to be confirmed in writing by 31 January, the statutory deadline.

| Tax base | Band D Properties 2015-16 No | Band D Properties 2016-17 No ESTIMATED | Change % |
|---|---|---|---|
| Ashfield | 31,052.20 | 31,856.00 | 2.59 |
| Bassetlaw | 32,545.35 | 33,140.00 | 1.83 |
| Broxtowe | 32,400.60 | 33,048.61 | 2.00 |
| Gedling | 35,610.06 | 35,760.06 | 0.42 |
| Mansfield | 27,751.40 | 28,028.91 | 1.00 |
| Newark & Sherwood | 36,770.96 | 37,690.40 | 2.50 |
| Nottingham City | 61,047.00 | 62,091.00 | 1.71 |
| Rushcliffe | 39,923.10 | 40,960.00 | 2.60 |
| **Total** | 297,100.67 | 302,574.98 | **1.84** |

It is intended that any impact from a change between the estimated tax base and the actual tax base will be met from or will contribute to reserves.

5

## 2.  COLLECTION FUND POSITION

Each billing authority uses a Collection Fund to manage the collection of the Council Tax. For 2016-17 the surplus continues to increase as collection rates are better than anticipated. A breakdown is provided in the table below:

|  | Collection Fund | |
| --- | --- | --- |
| Surplus/(deficit) | **2015-16**<br>**£** | **2016-17**<br>ESTIMATED<br>**£** |
| Ashfield | 114,087 | |
| Bassetlaw | 105,189 | |
| Broxtowe | 30,472 | |
| Gedling | 83,253 | |
| Mansfield | 46,542 | |
| Newark & Sherwood | 0 | |
| Nottingham City | 252,916 | |
| Rushcliffe | 80,186 | |
| **Total** | 712,645 | **TBC** |

It is intended that the surplus will be transferred to balances to contribute towards the reserves.

## 3.  COUNCIL TAX FREEZE GRANT

For 2016-17 the Government has not offered a freeze grant equivalent to a 1.0% increase in the council tax. It has assumed that there will be a 2% increase in precepts across the Country.

4.   **COUNCIL TAX LEGACY GRANT**

Council Tax Legacy Grant is received by Commissioners for each Policing area.

There is no change in the Legacy Grant for 2016-17 at £9.7m. This grant will be considered as part of the Funding Formula Review.

5.   **CONSULTATION**

**APPROACH**

The Police and Crime Commissioner has a wide remit to cut crime and improve community safety in Nottingham and Nottinghamshire. Various consultation and engagement exercises were conducted in 2015/16 in line with the Commissioner's duty to consult local communities on their priorities and perceptions. This report presents a consolidated picture of the consultation and research methods employed and their headline findings in order to inform the Police and Crime Plan 2016/18, setting of the 2016/17 precept for policing and broader policy and planning activity.

**The consultation activities have included:**

- Evidence collected through the Nottingham City Council and the City's Crime and Drugs Partnership Annual Respect Survey and the Nottinghamshire County Council Annual residents Satisfaction Survey 2015.
- The Commissioner's online consultation questionnaire and public opinion poll.
- Focus groups commissioned in Nottingham (City), North Nottinghamshire (Worksop) and Nottinghamshire (Mansfield).
- Additional local public engagement activity in Nottingham and Nottinghamshire.

**KEY FINDINGS**

Public consultation and engagement activity undertaken in 2015 indicates that the proportion of residents supporting a rise in the council tax precept for policing remains marginally higher than the proportion that do not.

Around a quarter of respondents, however, were not sure whether they supported an increase in the precept or not. Residents aged 18 to 24 appear most uncertain as to whether they support increase.

Reflecting findings from previous years, Nottingham City residents are marginally more likely to not support an increase in their council tax precept. Those that do not support an increase predominantly feel that they already pay enough or cannot afford to pay more.

7

Qualitative research indicates that while many residents are prepared to pay more for policing, they also require greater transparency is required with regard to spending, service delivery and value for money.

Many residents also feel that that any rise in precept should be used to protect and increase visible local policing and improve efficiency and effectiveness.

While around three quarters of all respondents to local authority level surveys felt unsure as to where future financial savings to the police service should be made, there appears to be a commonly held view that efficiencies can be made through better prioritisation, reducing bureaucracy, improving the workforce balance and reducing the senior ranks/pay.

A significant proportion of respondents also supported reductions in the cost and role of the Police and Crime Commissioner/Office, better use of specials and volunteers and exploring opportunities for fundraising and revenue.

Reflecting national findings, burglary, youth-related ASB and drug use and dealing remain the most prevalent crime and community safety related concerns for local residents.

Support for the Police and Crime Commissioner's strategic priorities appears strong – most notably with regard to the priority of protecting, supporting and responding to victims, witnesses and vulnerable people.


**KEY RECOMMENDATIONS**

The Police and OPCC should:

•	Continue to inform, consult and engage local communities with regard to more detailed savings plans and their implications and understand the views of those who are most likely to feel unsure as to whether they would be prepared to pay more for policing (e.g. people aged 18 to 24).

•	Further develop the profile of community issues and concerns, particularly through the use of segmentation tools and findings form other local engagement activity and neighbourhood level priority setting.

•	Ensure community issues and concerns identified are used to inform approach to community reassurance and engagement, particularly in providing residents with the information and advice that they need to be safe and feel safe.

•	Continue to ensure openness and transparency in demonstrating how value for money is being delivered.  This appears to be key factor in securing public support for rises in the local council tax precept for policing.

- Continue to provide feedback to communities on the feasibility and cost/benefit of different saving options and planned activity, informed by public views presented via the 2015 consultation.

- Maximise opportunities to raise public awareness and understanding with regard to community and volunteering roles and opportunities, the role, activity and outcomes of the Police and Crime Commissioner and the way in which policing resources are used and prioritised.

- Consider opportunities to:
  o Develop understanding of the level of increase that local residents support and explore views in respect of the referendum implications of a precept rise exceeding 1.99%

  o Standardise question sets and develop a structured programme of public consultation and engagement activity in partnership with other agencies.

  o Develop, co-ordinate and where possible consolidate research that explores fear and perception of crime and ASB and community priorities in order to deliver economies of scale and benchmarking opportunities.

9

## 6. COUNCIL TAX REFERENDUMS

The Localism Act 2011 requires authorities including Police & Crime Commissioners to determine whether their 'relevant basic amount of council tax' for a year is excessive, as excessive increases trigger a council tax referendum. From 2012-13 onwards, the Secretary of State is required to set out principles annually, determining what increase is excessive. For 2016-17 the principles state that, for Police and Crime Commissioners, an increase of more than 2% in the basic amount of council tax between 2015-16 and 2016-17 is excessive.

For 2016-17 the relevant basic amount is calculated as follows:

Formula:

Council Tax Requirement
Total tax base for police authority area          = Relevant basic amount of council tax

Nottinghamshire 2016-17 estimated calculation:

£54,436,264.65          = £179.91
302,574.98              (1.99%)

With a 2% increase the Band D equivalent charge would be £179.93.

This year the Referendum limit has been announced at the time of settlement notifications. It has been set at 2% for 2016-17.

## 7. RECOMMENDATION ON THE LEVEL OF POLICE & CRIME PRECEPT ON THE COUNCIL TAX

As discussed in the Budget report resources have been allocated to support the police and crime plan. In assessing appropriate spending levels, consideration has been given to the significant unavoidable commitments facing the Police & Crime Commissioner including pay awards, and pension liabilities. Due regard has been given to the overall cost to the local council tax payer. Consideration has also been given to the projected value of the available reserves and balances and the medium term financial assessment (both reported separately).

The Commissioners proposed spending plans for 2016-17 result in a Police & Crime Precept on the Council Tax of £179.91 for a Band D property, representing an increase of 1.99%.

For comparison purposes the Council Tax for Precepting Authorities is always quoted for a Band D property. In Nottinghamshire by far the largest numbers of properties are in Band A.

To achieve a balanced budget with reduced grant income an increase in the Police & Crime Precept has been required. This is on top of significant budget reductions and efficiencies to be achieved in year.

The calculation of the Police & Crime Precept on the Council Tax is as follows:

| | 2015-16 Budget £m | | 2016-17 Budget £m | | Increase/ Decrease £m | |
|---|---|---|---|---|---|---|
| Budget | 191.2 | | 190.2 | | 1.0 | (-) |
| External Income | 136.5 | (-) | 135.8 | (-) | 0.7 | (-) |
| Collection Surplus | 0.7 | (-) | Tbc* | (-) | | (-) |
| Reserves | 1.6 | (-) | tbc** | (-) | | (-) |
| **Precept** | **52.4** | **(-)** | **54.4** | **(-)** | **2.0** | **(-)** |
| | | | | | | |
| Council Tax Base | 297,100 | | 302,574 | | 5,474 | |
| Council Tax Band D | £176.40 | | £179.91 | | £3.51 | |
| Council Tax Band A | £117.60 | | £119.94 | | £2.34 | |

'* Collection fund surplus/deficit total unconfirmed at time of the panel meeting transferred to reserves
** £0.0m requested to balance the budget.

The overall Police & Crime Precept to be collected on behalf of the Police & Crime Commissioner for 2016-17 is:

|  | £m |  |
| --- | --- | --- |
| Budgeted Expenditure | 190.2 | + |
| Less income from: |  |  |
| Police & Crime Grant | 126.1 | (-) |
| Legacy Council Tax Grant | 9.7 | (-) |
| Collection Fund surplus | tbc | (-) |
| Net contribution to/from Balances | tbc | (-) |
| Police & Crime Precept on the Council Tax | 54.4 | (-) |

The resulting precept and Council Tax levels derived from the measures contained in this report are detailed below:

**Police & Crime element of the Council Tax**

| Band | 2015-16 £ | 2016-17 £ |
| --- | --- | --- |
| A | 117.60 | 119.94 |
| B | 137.20 | 139.93 |
| C | 156.80 | 159.93 |
| **D** | **176.40** | **179.91** |
| E | 215.60 | 219.89 |
| F | 254.80 | 259.87 |
| G | 294.00 | 299.85 |
| H | 352.80 | 359.82 |

12

Amounts to be raised from Council Tax in each billing authority area 2016-17:

| | ESTIMATED Precept amount to be collected £ | Collection Fund Surplus/(Deficit) £ | Total amount due £ |
|---|---|---|---|
| Ashfield | 5,731,212.98 | | 5,731,212.98 |
| Bassetlaw | 5,962,217.40 | | 5,962,217.40 |
| Broxtowe | 5,945,775.43 | | 5,945,775.43 |
| Gedling | 6,433,592.39 | | 6,433,592.39 |
| Mansfield | 5,042,681.20 | | 5,042,681.20 |
| Newark & Sherwood | 6,780,879.86 | | 6,780,879.86 |
| Nottingham City | 11,170,791.81 | | 11,170,791.81 |
| Rushcliffe | 7,369,113.60 | | 7,369,113.60 |
| **Total** | **54,436,264.65** | **TBC** | **54,436,264.65** |

## Collection Dates

The dates, by which the Commissioners bank account must receive the credit in equal instalments, otherwise interest will be charged.

|  | £ |
|---|---|
| **2016** | |
| 20 April | 5,443,626.46 |
| 26 May | 5,443,626.46 |
| 01 July | 5,443,626.46 |
| 05 August | 5,443,626.46 |
| 12 September | 5,443,626.46 |
| 17 October | 5,443,626.46 |
| 21 November | 5,443,626.46 |
| | |
| **2017** | |
| 03 January | 5,443,626.46 |
| 02 February | 5,443,626.46 |
| 09 March | 5,443,626.51 |
| | **54,436,264.65** |

13

8.  **ROBUSTNESS OF THE ESTIMATES**

The Chief Finance Officer to the Police & Crime Commissioner has worked closely with Director of Finance (Strategic Alliance) to ensure assurance on the accuracy of the estimates can be provided. There have been weekly meetings between the Commissioner, Chief Constable and their professional officers.

2015-16 has proven to be a hard year in achieving the balanced budget set in February 2015. Errors in estimated budgets have been identified as the main cause for concern and therefore new controls have been required to ensure such errors would not recur in the future. Internal Audit has reviewed the problems that have occurred and the processes subsequently put in place by way of control.

The budget proposed within this report represents a balanced budget. To achieve this, the force has provided detail on how efficiencies and savings will be delivered. There are some potential risks to the full amount of savings being achieved and this will be monitored monthly, with alternative savings needing to be identified if the initial plans cannot be delivered. There are insufficient reserves to provide relief should the efficiency plan fail to be delivered.

The balanced budget is based upon the recommended 1.99% increase in Council Tax for 2016-17.

# *DRAFT*
# *Budget 2016-17*

January 2016

# INTRODUCTION

Since setting his first budget for 2013-14, which was itself challenging, the pressure on the Commissioner's budget has increased substantially. Over the last four years efficiency savings of £42.6m have been needed to deliver annual balanced budgets.

In 2012-13 and 2013-14 achieving efficiencies was comparatively easy and underspends in other areas also developed. But 2014-15 saw the start of it becoming increasingly difficult to achieve the required savings programme and an additional £2m was used from reserves (total over £4m) to balance the budget by the end of the year.

2015-16 has proved to be the toughest year to date. Efficiency programmes have not been delivered in full and in addition to this errors in the budget were identified during the year. This has resulted in an estimated £9.3m being required from reserves to balance the budget. This does not include any costs associated with the Voluntary Redundancy Scheme where payments may be required by the end of the year for which there is no budget provision or saving to offset.

2016-17 was always going to be a challenging year, not only were we expecting grant cuts against a picture of increasing usual costs (e.g. pay awards and price inflation), we were also planning for an estimated £3.5m cost pressure from the change in National Insurance contributions.

The Government Provisional Grant settlement was announced in December and this was much better than we had been planning for. The Final Settlement report will be lodged with Parliament on the 3rd February with debate in the House on the 10th. It will be the one of first occasions where English Votes for English Laws (EVEL) is applied.

In creating the budget for 2016-17 additional cost pressures of £11m have been identified and an efficiency plan of £12m has been developed. This is less than originally anticipated due to the better settlement and in part due to the increase in the council tax base which delivered £1m more than estimated.

Despite this much has been achieved and continues to be delivered:

- Real progress is being made with the implementation and review of plans to tackle challenging areas of performance.
- Reductions continue in key areas such as burglary, robbery and vehicle crime.
- The Force is implementing its far-reaching 'Delivering the Future' change programme, focusing on how it can improve every area of the business to become more efficient and effective.
- The Commissioner and Force have been working closely with regional forces and local partners to reduce cost and maintain service provision. Pivotal to this is the development of a Strategic Alliance with Leicestershire and Northamptonshire.

1

- Previous success at bidding for additional Innovation funding has resulted in 3 key projects being bid for 2016. These include the Strategic Alliance, E-Cins link to NICHE and Public Private Partnership Intelligence Collaboration (3PIC).
- Performance continues to improve and is on target for a small reduction by the end of 2015-16 compared with 2014-15.
- Resources provided to local partners and third sector organisations via the Commissioner's own funding streams are delivering real improvements in the support provided to victims; tackling issues such as domestic abuse, sexual exploitation of young people, hate crime and alcohol-related problems; and the reduction of crime and ASB within our communities.
- For the 2015-6 year the PCC had previously awarded contracts to Victim Support and Remedi to provide cope and recover support and restorative justice for victims. In addition, he awarded grants to Age UK and Integritas to support specific groups of vulnerable victims.
- For the 2015-6 year the PCC had previously awarded contracts to Victim Support and Remedi to provide cope and recover support and restorative justice for victims. In addition, he awarded grants to Age UK and Integritas to support specific groups of vulnerable victims.
- During 2015-6 the PCC co-commissioned new domestic abuse support services with Nottinghamshire County Council, awarding contracts to Nottinghamshire Women's Aid and WAIS. The new contracts began on 1 October 2016 and will run for three years.
- He also co-commissioned new domestic and sexual abuse support services in the city with Nottingham City Council and Nottingham Clinical Commissioning Group. Contracts have been awarded to WAIS, Equation and Nottingham Rape Crisis.
- The PCC is working closely with the clinical commissioning groups in the county and Nottinghamshire County Council with the aim of co-commissioning new sexual abuse support services in the county during 2016.
- A focus on early intervention and crime prevention is designed to see demand for services reduced.
- Rural crime continues to be a priority for the Commissioner and during the year a proactive Rural Crime Team of Special Constables was established and trained in specialist knowledge on how to tackle wildlife and rural crime issues. The Community Road Safety Programme has been extended to rural areas to tackle speeding problems and Automatic Number Plate Recognition (ANPR) cameras installed in Ashfield and imminently in Bassetlaw. The Commissioner has also developed a dedicated rural crime web site to help people who live in rural crime areas. Operations Traverse and Nabraska 3 are dedicated operations to tackling rural crime issues. Furthermore, the Commissioner has introduced rural crime performance measures and police response times so that he can be assured that residents living in rural communities are not disproportionately affected by any changes to police operating response models

- The importance of appropriate care for those in mental health crisis has been acknowledged by a wide range of partners, all of whom have signed up to the Mental Health Concordat. Fewer people suffering mental impairment are detained in custody suites - down 80% compared to 2014/15.
- Almost three quarters (74%) of all respondents to the Nottinghamshire Residents Satisfaction Survey reported feeling safe (either very or fairly safe) in their local area when outside after dark.
- Plans to redesign the police estate to make it more suitable for modern day needs are being implemented, reducing overheads and driving modernisation. In turn this work will increase officer visibility as the adoption of new technology becomes more widespread.

Throughout the year the Commissioner and the Deputy PCC have been out and about throughout the City and the County meeting and listening to members of the public, stakeholders and partners. The feedback from these visits helps to shape the refreshing of the Commissioner's Police and Crime Plan, for which this budget seeks to provide the appropriate resources.

The budget gap of £12m is being met through efficiencies identified by the force, which also include savings from regional collaboration, and the transformational change programme 'Delivering the Future'.

While a large percentage of these savings will be delivered in-year, more work is needed. The risks relating to the delivery of these efficiencies relate to dependency on regional partners; the rate at which change can be delivered; and the ability of the force to drive the full level of efficiencies needed in-house. Later on in this report, the proposed way forward is discussed in more detail.

# 1. <u>BUDGET 2016-17</u>

The Commissioner welcomed the new Comprehensive Spending Review and following Provisional Settlement announcement. The protection being given to policing by the Chancellor in the Settlement meant that the anticipate cuts in funding of 25-40% have not emerged.

However, there is still much to do. A standstill in funding means that savings are required to meet day to day increases in prices and pay. On top of this Nottinghamshire has to tackle the continuing impact of the 2015-16 budget shortfall.

## 1.1. Funding Levels

The provisional funding levels have been set by the Home Office and the Department of Communities and Local Government. This anticipated funding is shown below.

| Funding 2016-17 | 2016-17 £m |
|---|---|
| **Core Grants and Funding** | |
| Police & Crime Grant | (126.1) |
| Council Tax Legacy Grant | (9.7) |
| **Sub-total Core Grants** | **(135.8)** |
| **Precept** | **(54.4)** |
| Collection Fund (surplus)/deficit | () |
| **Total Funding available** | **(190.2)** |

Final confirmation of grant settlement will be laid before Parliament in February.

The Referendum Limit was announced at the same time as the provisional settlement and is set at 2% for 2016-17.

No estimate for the use of reserves has been planned for 2016-17 as the levels of reserves held are becoming a risk to the financial viability of the organisation.

Collection fund surplus/deficits have yet to be declared by Billing Authorities and the tax base used to calculate the precept amount is based upon December estimates which may vary.

4

The precept figure above assumes that the Police & Crime Panel support the Commissioners decision to increase precept by 1.99%. The Home Office has assumed that there will be a 0.5% increase in the tax base and a 2% increase in the precept in calculating the grant amount.

The Home Office has indicated that further detail on the split between main grant for policing and top slicing will be made available for future years. This will assist greatly in planning further ahead. The Commissioner has led on making representations for multi-year settlements.

**1.2** **Summary Expenditure**

The Commissioner is required to set a balanced budget each year for the following financial year.

With a reduction in grant income and increased pressures from inflation, pay awards and new responsibilities this inevitable means efficiencies have to be identified and delivered in order to balance the budget.

| Expenditure 2016-17 | 2016-17 £m |
|---|---|
| Previous Expenditure | 191.2 |
| In year increases | 11.0 |
| **Sub-total Expenditure** | **202.2** |
| | |
| Efficiencies | (12.0) |
| Use of Reserves | 0 |
| | |
| **Total Net Expenditure** | **190.2** |

National Insurance changes account for £3.5m and inflation increases account for £2m of the in year increases above. This is detailed further in the sections relating to expenditure.

Further detail on expenditure and efficiencies is provided later within this report.

At the time of writing this report we had submitted bids for Innovation Fund financing from the Home Office, building on successful bids in the previous three years and the transformational work underway. We will be notified in March as whether our local and regional submissions have been successful.

## 2. Budget breakdown

Annex 1 details the proposed expenditure budget for 2016-17. The proposed revenue budget is £190.2m.

| Net Expenditure Budget | 2016-17 £m | Note |
|---|---:|:---:|
| Employee | 156.8 | 2.1 |
| Premises | 6.0 | 2.2 |
| Transport | 6.5 | 2.3 |
| Supplies & Services | 14.9 | 2.4 |
| Agency & Contract Services | 13.1 | 2.5 |
| Pensions | 4.0 | 2.6 |
| Capital Financing | 5.7 | 2.7 |
| Income | (4.8) | 2.9 |
| Efficiencies | (12.0) | 3.2 |
| Net Use of Reserves | 0.0 | 2.8 |
| **Total Net Expenditure** | **190.2** | **Annex 1** |

### 2.1 Employee Related Expenditure

2014-15 saw the first year of a full recruitment freeze across police staff, PCSO's and Police Staff. This Freeze will continue into 2016-17. This means that the implementation of the change programme "Delivering the Future" becomes key to the way in which we will work and the way in which we will deliver the service.

A pay award has been included in the budget at 1% payable from 1st September each year. Employee expenditure accounts for approximately 80% of the total expenditure budget.

Annex 2 details the budgeted staff movement between the current year and 2016-17. Annex 3 details the budgeted police officer, police staff and PCSO numbers for 2016-17.

### 2.2 Premises Related Expenditure

Over the past few years the Commissioners estate has been reduced in order to achieve efficiencies, but also to ensure resources are allocated based upon need and to facilitate planned changes in working arrangements. Such

6

changes will include remote working through better technologies ensuring officers are in the communities and not stations and hot-desking to ensure optimal use of the space available.

Premises related expenditure includes the provision of utility services to those properties and these are elements of the budget that are adversely affected by inflation. For 2016-17 inflation for gas and electricity has been budgeted at 2.0%.

## 2.3 Transport Related Expenditure

The Force has in place a Public Finance Initiative (PFI) for the provision of police vehicles. This agreement ensures that there is always the required number of vehicles and driver slots. However, this is an expensive agreement and requires careful management to ensure the most advantageous service is obtained from the supplier. This continues to be monitored and efficiencies delivered.

## 2.4 Supplies and Services Expenditure

This category of expenditure captures most of the remaining items such as insurance, printing, communications, information technology (IT) and equipment.

Some of the IT systems that the Force uses are provided through national contracts that the Home Office recharge the Force for. A recent notification from the Home Office sees the total cost of these systems increasing substantially again and we have been informed that total police grant will be top sliced in future for this expenditure.

For all other expenditure an inflation factor of 2.0% has been applied in 2016-17.

## 2.5 Agency & Contract Services

This category of expenditure includes agency costs for the provision of staff, professional services such as internal and external audit and treasury management, and the costs associated with regional collaboration.

A breakdown of the costs associated with this classification is summarised below:

| Analysis of Agency & Contracted Services | 2016-17 £m |
|---|---|
| Agency Costs | 0.4 |
| Collaboration Contributions | 8.6 |
| Community Safety Grant | 3.4 |
| Other partnership costs | 0.6 |
| **TOTAL** | **13.0** |

7

The costs associated with the use of agency staff have been a concern for sometime and going forward will need to be very carefully managed and reduced.

Regional collaboration is shown as a joint authority as this is the basis of the collaboration agreements. The region has been challenged to deliver savings from across those projects already in place. Nottinghamshire's element of the regional budget is £8.6m for 2016-17. No savings have been assumed within this budget for collaboration or Innovation Projects.

The most significant area of transformation is the Strategic Alliance. This started initially as a transformation for business services with Northamptonshire and has expanded to include all parts of the service not currently within a collaboration arrangement and now includes Leicestershire.

The final business case for this major transformation is due in March and therefore any required changes to either the revenue or capital budget as a result of this will be reported within the first quarter of 2016-17.

## 2.6 Pensions

This category includes the employer contributions to the two Police Pension Schemes in place and to the Local Government Pension Scheme (LGPS) for police staff.

There are two areas of increasing costs in relation to pensions. These are the employer contribution to the LGPS and the increasing number of medical retirements of police officers.

The impact of the change to employers' national insurance contribution rates for the state pension changes, have been included at £3.5m.

The budgeting for medical retirements remains an issue with the number of medical retirements and the associated costs increasing significantly above the original budget.

For 2016-17 there has been a cost pressure for the increase following the Actuarials report this totalled £463k and is incorporated within the figures given above.

## 2.7 Capital Financing Costs

This relates directly to the value of the capital expenditure in previous years. The proposed capital programme for 2016-17 has been limited and the 2015-16 programme reduced in year. Priority has been given to projects where collaborative commitment has been made (e.g. Innovation fund projects).

This will assist in managing down the capital costs in the future. Slippage from this financial year will also need to be prioritised.

Currently, market rates are favourable and therefore the cost of borrowing is low. However, our advisors predict an increase in rates commencing in 2016-17.

In 2015-16 we undertook a review of the methodology for calculating MRP charges and this resulted in a significant saving in years and into 2016-17. This is included within the efficiencies.

### 2.8    Use of Reserves

This has been used to finance transformational change and the cost of redundancy in the past few years. Now reserves themselves are becoming a scarce resource and these costs need to be met from the efficiency programmes themselves.

### 2.9    Income

This is not a major activity for the Force. Income is currently received from other grants (e.g. PFI and Counter Terrorism), re-imbursement for mutual aid (where the Force has provided officers and resources to other Forces), some fees and charges (such as football matches and other large events that the public pay to attend) and from investment of bank balances short term.

# 3.    Efficiencies

During the last CSR period the force needed to deliver £42.6m in efficiencies. It is estimated that by the end of this financial year £32.7m will have been achieved. As reserves are now significantly low for an organisation of our size it is essential that efficiency targets are achieved particularly in 2016-17.

### 3.1    2015-16 Efficiencies

As part of the 2015-16 budget the following efficiencies were required in order to set a balanced budget.

Each year achieving cuts in expenditure becomes harder and this year the prediction is that there will be a shortfall of just under £7.7m against the required savings. Any shortfall will need to be met from budget underspends or reserves.

9

The table below details the efficiencies planned and the forecast position for 2015-16:

| Efficiencies 2015-16 | Original £m | Forecast £m |
|---|---|---|
| Collaboration | 1.8 | 1.0 |
| Procurement | 0.8 | 0.0 |
| Estates & Fleet | 1.2 | 0.2 |
| Corporate Services | 2.7 | 2.9 |
| Operational Efficiencies | 3.3 | 3.2 |
| Income Generation | 0.4 | 0.0 |
| Commissioners Office | 0.1 | 0.0 |
| Other | 0.7 | 0.2 |
| **TOTAL** | **11.0** | **7.5** |

The savings for the Commissioner's Office were offset in year by the transfer of budget from the Force for MARAC, the SARC and Prevent.

The total amount of efficiencies not being achieved is £3.5m. In addition to this additional cost pressures totalling £4.2m were identified during the year.

## 3.2    2016-17 Efficiencies

In order to balance the budget for 2016-17 savings and efficiencies of £12.0m need to be delivered.

The efficiencies identified to deliver a balanced budget in 2016-17 are summarised in the table below:

| Efficiencies 2015-16 | £m |
|---|---|
| MRP | 1.0 |
| Reduction of officers and staff | 5.0 |
| Non Pay savings | 1.7 |
| Overtime reduction | 0.3 |
| Reduction of Acting Up | 0.5 |
| VR, DTF and shift review | 3.5 |
| **Total** | **12.0** |

**3.3**   The Commissioner is of the view that achieving these efficiencies will be challenging.  He has mapped out a programme of work and monitoring with the Force.

**3.4**   If these targets are not met the Commissioner will require the force to provide alternative in year savings plans.

**3.5**   The work on the Strategic Alliance has yet to be factored into these budget figures. However, it is anticipated from the initial business case that significant savings can be delivered, with a payback period of 3.8years.

# 4.   External Funding

There is an assessment of the financial risk in respect of external funding currently provided.  In 2016/17 30 officers and 63 staff are funded externally and are not added within the expenditure and workforce plans.  This could be an additional pressure in future years as funding pressures mount for partners.

If this external funding was to cease the Commissioner and the Chief Constable would consider the necessity for these posts and may decide not to fund from the already pressured revenue budgets.

In addition to these we have 44 Police Officers seconded out of the organisation in 2016-17. This compares with 47 seconded officers in 2015-16.

## 2016-17 Commissioner's Total Budget (£m)

| | Total Budget 2016-17 |
|---|---|
| **Payroll** | |
| Police Pay & Allowances | 102.0 |
| Police Overtime | 3.3 |
| Police Staff Pay & Allowances | 49.9 |
| Police Staff - Overtime | 0.6 |
| Other Employee Expenses | 1.0 |
| | **156.8** |
| **Other Operating Expenses** | |
| Premises Running Expenses | 6.0 |
| Transport | 6.5 |
| Equipment, Furniture & Materials Expenses | 0.5 |
| Clothing, Uniform & Laundry | 0.5 |
| Printing & Stationery | |
| Comms & Computing | 7.8 |
| Miscellaneous Expenses | 4.2 |
| Supplies & Services | 5.3 |
| Agency & Contract Services | 9.7 |
| Pensions | 4.0 |
| Capital Financing | 5.7 |
| | **50.2** |
| **Total Expenditure** | **207.0** |
| **Income** | |
| Special Services | (0.3) |
| Fees, Reports & Charges | (0.3) |
| Other Income | (4.1) |
| Other Operating Income | (0.1) |
| | **(4.8)** |
| **Efficiencies** | **(12.0)** |
| **Net Use of Reserves** | |
| | |
| **Total** | **190.2** |

# Workforce Movements Budget 2015-16 v Budget 2016-17

|  | 2015-16 Budgeted Total FTE's | 2016-17 Budgeted Total FTE's | Movements FTE's |
|---|---|---|---|
| **Police Officers** |  |  |  |
| Local Policing | 1,306 | 1,269 | (37) |
| Specialist Services | 493 | 454 | (39) |
| Corporate Services | 42 | 39 | (3) |
| Region | 81 | 128 | 47 |
|  | **1,922** | **1,841** | **(81)** |
|  |  |  |  |
| **Police Staff** |  |  |  |
| PCSO | 253 | 228 | (25) |
| Other Police Staff | 1,221 | 1,312 | 91 |
|  | **1,474** | **1,540** | **66** |
| **TOTAL** | **3,396** | **3,381** | **(15)** |

The above table implies a recruitment position for Police Staff however, this is not the case.

When the 2015-16 budget was prepared the Force was planning an alliance with Northamptonshire Police for all business service functions. This assumed 47 members of staff would retire or take redundancy. The PBS project was put on hold when the decision to consider a Strategic Alliance with Leicestershire and Northamptonshire started to be developed.

A decision was also taken to commence earlier than planned the recruitment of PIO's prior to the recruitment freeze. These were not included in the budget workforce at the time of the budget report in 2015 and were financed by the reduction in Police Officers.

# Workforce Plan FTE's

| | 2016-17 | | | | |
| --- | --- | --- | --- | --- | --- |
| | **Local Policing FTE's** | **Specialist Services FTE's** | **Corporate Services FTE's** | **Region FTE's** | **Total FTE's** |
| **Police Officers** | | | | | |
| Opening balance | 1,306 | 493 | 42 | 81 | **1,922** |
| Restructure | | | | | |
| Retirement / Leavers | (37) | (39) | (3) | (2) | **(81)** |
| Recruitment | | | | | |
| | **1,269** | **454** | **39** | **79** | **1,841** |
| **Police Staff** | | | | | |
| Opening balance | 380 | 465 | 349 | 27 | **1,221** |
| Restructure | 21 | 23 | 47 | | **91** |
| Recruitment | | | | | |
| | **401** | **488** | **396** | **27** | **1,312** |
| **PCSOs** | | | | | |
| Opening balance | 253 | | | | **253** |
| Recruitment/ Leavers | (25) | | | | **(25)** |
| | **228** | | | | **228** |
| Opening Balance | 1,939 | 958 | 391 | 108 | **3,396** |
| Movement | (41) | (16) | 44 | (2) | **(15)** |
| Closing Balance | **1,898** | **942** | **435** | **106** | **3,381** |

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# *Medium Term Financial Plan*

# *2016-17 to 2019-20*

**January 2016**

# *Commissioners*

# *Medium Term Financial Plan*

## Introduction

This document is part of the overall financial framework of the Police & Crime Commissioner. It builds on the budget proposed for 2016-17 and incorporates plans to meet changes in available financing with the need to meet current and future commitments.

Within the current economic climate the Government has made significant reductions in public sector finances.

The previous Comprehensive Spending Review (CSR) Nottinghamshire needed to deliver £42million in efficiencies in order to balance the budget and improve performance. Continuous achievement of these substantial cuts is proving more difficult as time progresses and 2014-15 and 2015-16 will see the efficiency targets not being achieved. The latest CSR announcement is better than had been anticipated, but still leaves much to be done to continue delivering a service within a balanced budget.

Whilst the cuts to grant funding are relatively small, costs continue to increase and with salary increases the pressure to deliver savings continues. For 2016-17 Nottinghamshire faces some significant pressures from changes in employer contributions for National Insurance and making up the budget gap from 2015-16, where reserves are being used to bridge a significant gap in achieving a balanced budget.

The settlement announcement covering next year and indicating funding over this CSR, includes assumptions in relation to precept increases and council tax base increases. The amounts that these increase by will be mirrored by a reduction in main grant. This is defined as being no reduction in real terms. However, in cash terms grant will reduce as the total amount available for main police grant is being reduced to finance Top Sliced expenditure (e.g. NPAS, NICC and Counter Terrorism) and Home Office new funding initiatives such as Police Transformation Fund.

A funding formula review had been started with the intention to bring a simplified approach to police funding in place for April 2016. However, this has now been delayed and will not be in place before April 2017.

Under the existing funding formula Nottinghamshire continues to lose over £10m per year. As the formula itself has never been fully implemented. Over the past 10 years this amounts to over £100m that the Home Office formula says should have come to Nottinghamshire, but to protect those that would lose significantly has been used to protect over funded forces from significant loss. Therefore, any new formula needs to be clear from the onset as to when it would be fully implemented and all forces work towards what the formula indicates as being appropriate level of funding for the police area.

The latest settlement announcement assumes that Council Tax Precept will increase by 2% per annum and that the Tax Base itself will also increase by 0.5% per annum over the CSR period.

The Police & Crime Commissioner has produced a Police & Crime plan, which has been refreshed to include the feedback and comments made by stakeholders, partners and the public over the last 12 months.

The Police & Crime Plan is built upon the following 7 strategic priorities:
- Protect, support and respond to victims, witnesses and vulnerable people.
- Improve the efficiency, accessibility and effectiveness of the criminal justice process.
- Focus on those priority Crime types and local areas that are most affected by crime and anti-social behaviour.
- Reduce the impact of drugs and alcohol on levels of crime and anti-social behaviour.
- Reduce the threat from organised crime.
- Prevention, early intervention and reduction in re-offending.
- Spending your money wisely.


At the time of writing this report there was no clarity on the split between main grant and Top Slicing in the Home Office budget for policing. However, the Home Office has said that they are working on this and hope to provide clarity on the next 4 years shortly. This may be available when the final confirmation of the settlement is laid before Parliament in February.

# Funding

This year remains a significant challenge to funding for policing in Nottinghamshire. These are summarised as follows:

1. The amount of grant funding is reduced by £0.7m.
2. The Home Office assumption after accounting for a 2% precept increase and 0.5% tax base increase is that our total core funding available is £189.5m. The estimates within the precept report show that the tax base increase is just over 1.8% resulting in total funding available of £190.2m.
3. However, the cost pressures that we are also seeing are also having an adverse effect (i.e. pay wards of 1%, inflation at just over 1% and the impact of national insurance changes for the state pension estimated at £3.5m) especially as the funding available continues to reduce.
4. 2015-16 is the second year that the force has had difficulty in achieving a balanced budget, as a result of not achieving the efficiency plans. This shows how increasingly difficult it is becoming to deliver on average over £10m in savings each year. There is a possibility that the MTFP reserve will need to be utilised in full for 2015-16. This has a consequential impact on the budget for 2016-17.
5. At the time of writing this report the all but two of billing authorities had yet to declare their final and actual tax base for 2016-17.
6. At the time of writing this report the billing authorities had yet to declare any surplus or deficit on the collection fund accounts.
7. The Commissioner at a local level and regional level continues to bid for additional funding being allocated by the Home Office from the Innovation Fund. We have previously been successful in relation to bidding for this additional funding. The criterion for such funding continues to tighten.
8. A Police Funding Formula Review is underway and the results of this will be incorporated from 2017-18 onwards.

The estimated funding for the Police & Crime Commissioner over the next four years (and compared with this year) is as follows:

| Funding Available | 2015-16 £m | 2016-17 £m | 2017-18 £m | 2018-19 £m | 2019-20 £m |
|---|---|---|---|---|---|
| Police & Crime Grant | 126.8 | 126.1 | 123.4 | 120.7 | 118.1 |
| Council Tax Legacy Grant* | 9.7 | 9.7 | 9.7 | 9.7 | 9.7 |
| Precept | 52.4 | 54.4 | 55.8 | 57.2 | 58.6 |
| Collection fund surplus/(deficit) | 0.7 | | | | |
| TOTAL | 189.6 | 190.2 | 188.9 | 187.6 | 186.4 |

*Legacy Grant is subject to review as part of the funding formula review

## Investment

The Police & Crime Commissioner has continued to support investment in many collaborative projects which should deliver significant savings or improve and change the way in which the policing service is provided.

Nottinghamshire is a significant partner in all regional collaborations and collaborations which go outside of the region. More recently the Commissioners of Nottinghamshire, Leicestershire and Northamptonshire have agreed to form a Strategic Alliance for all policing and support functions.

Key to many of the changes has been the need for significant investment in technology. This will ensure an on-going visible presence in neighbourhood policing and provide the training and equipment to meet the needs for all cyber related crime detection.

Investment continues to be made at a regional level and collaboration is well established within the East Midlands. Many specialist policing services such as major crime, roads policing and serious and organised crime are provided through regional teams.

The Commissioner has reduced the size of the police estate and invested in IT to ensure officers are out within our communities for longer.

Under the Commissioners wider remit of "and Crime" and Victims Services the Commissioner is investing in new ways of service delivery and crime prevention.

## Savings and efficiencies

The settlement this year and indications for the CSR period is better than anticipated. However, 2016-17 has significant pressures which need to be made in order to balance the budget.

Funding itself remains broadly at a standstill position although costs and salaries continue to increase and additional burdens from national insurance changes all total £10m approximately in new costs to be covered.

In addition to this pressures from 2015-16 will impact on 2016-17 also and these have been estimated as totalling £11m.

Further efficiencies will need to be delivered as the level of reserves diminishes and could affect financial viability. We currently hold the third lowest level of reserves across policing in England and Wales.

The table below summarises the savings plans currently in place for the next financial year:

| Efficiencies | 2016-17 £m |
|---|---|
| MRP | 1.0 |
| Reduction of Officers and Staff (DTF) | 5.0 |
| Non Pay savings | 1.7 |
| Reduction in acting up | 0.5 |
| Voluntary redundancy, DTF Business cases, Shift review | 3.5 |
| **Internal Efficiencies** | **12.0** |

The Commissioner is conscious of the risks associated should the efficiencies and savings identified not be achieved in the year that they are required and that achieving them will be a challenge.

The Commissioner is mindful that should there be some slippage in implementing these efficiencies then further savings will need to be identified and delivered in year.

Following the estimated requirement for £9.3m of reserves in 2015-16 there is insufficient reserves available should the efficiency programme not be delivered in full. Plans to replace the reserves utilised over recent years are planned to commence in 2018-19.


# **Risks in the Medium Term**

# **Collaboration and Innovation**

As a region we have been collaborating for a numbers of years. This has provided resilience to teams so small it becomes difficult to deliver and effective service and in later years has delivered significant savings. As we continue to collaborate savings will continue to be generated. The budgeted figures include the costs of collaboration, but do not include and savings currently. This will continue to be monitored and updated as the true level of savings becomes known.

We have also been successful in obtaining Innovation Grant Funding to pump prime new areas of collaborations and new ways of working that will generate future savings. The costs associated with Innovation Projects have been included, but no savings have been estimated at this stage. This will continue to be monitored and updated as the level of potentials savings is realised.

# Devolution

At a local level the Commissioner is supportive of the Devolution agenda. However, the elections in May 2016 will be appointing a PCC for a further 4 years. How this is then incorporated into a timetable for devolution will need to be planned for appropriately.

# Strategic Alliance

The Commissioner and Chief Constables across three force areas: Nottinghamshire, Leicestershire and Northamptonshire; have agreed to enter into a Strategic Alliance for all of the elements of the service that are not currently within a collaboration agreement.

It is envisaged that this will bring a significant change to the way in which Policing is provided across the three counties and deliver the needed savings to balance future year's budgets.

The final business case for the Strategic Alliance is being prepared and will be available in March. There is much work from the financial view that needs to be done to support this and each Commissioner may need to finance their contribution in different ways (e.g. reserves/capital contributions/revenue contributions) the final plan will then require revised budgets to support this.

# Funding Formula Review

As mentioned previously the current funding formula review has been delayed and will not be in place before April 2017. It would not be prudent to assume that the indicative grant allocations provided in the Autumn 2015 will reflect the revised funding allocations in 2017. In fact because of the error made there will probably be a significant change.

Nottinghamshire has not seen a full implementation of the current funding formula and has had over £10m per annum withheld from the calculated amount of grant due (equivalent to £100m over the 10 years it has been in place). The Commissioner will continue to make the case that no matter what the finally agreed formula calculates; that there needs to be a clearly defined period for transition to full implementation.

# Ministry Of Justice Funding

At the time of writing the report we still awaiting confirmation of the allocation of funding for Victims for 2016-17. The Ministry is one of the smallest central Government departments and is having to deliver a 15% saving across all of its budget. In our budget we have assumed that the Victims budget will also be cut by 15%, but there is a risk that it could be higher in order to protect other parts of the Department.

# Emergency Services Network

The Home Office has been working on the costs associated with the new network, but there still remains a lack of clarity as to what it will mean at an individual force area.

We do know that:
- This is a long term project planned over 16 years with total costs of £4.9bn and projected savings of £3.3bn.
- The Police service will pick up 75% of the costs for England and Wales.
- The core element will cost £80m in 2016-17. It is anticipated that Forces will pay this and claim back through specific grants.
- Local costs for data connection, devices, installation in vehicles and transition costs will fall on the force.
- Dual running of Airwave until the system is functional will result in continued Airwaves costs. It does not pay to be one of the last forces to see the new system implemented.

This is an uncalculated impact on our budgets in future years.

# Capital Grant

Capital Grant allocations have not been provided to date. It is expected that the 40% reduction referred to in the provisional settlement announcement will be lower when finally settled.

# Allocations of other Grants

The allocations of other grants are still being worked on:
- Transformation fund might not be a bidding process
- Fire Arms – a national board has been set up and is assessing threat and Risk before the start of the financial year.
- Counter Terrorism allocations are being pressed for.

# **Expenditure**

Traditionally expenditure budgets are incrementally changed from the previous year's net expenditure to allow for inflation and savings. During 2013-14 the Commissioner had an independent review of the base budget undertaken. This review identified some areas where further efficiencies might be delivered and provided assurance on the areas that the force was already reviewing. During 2015 this review has been revisited and further recommendations have been made. If the settlement had been as estimated we would have had to see a significant reduction in staff and officers in order to balance the budget.

The expenditure requirements of the Force and the Office of the Police & Crime Commissioner are continuously reviewed and monitored to ensure value for money. The role and responsibility of the Commissioner is to set a balanced budget assured that the force has robust systems in place for producing a full budget.

During 2015-16 it became apparent that the force was not going to deliver a balanced budget and there would be a need for significant additional use of reserves at year end. At the time of writing this report further work was being undertaken to reduce the deficit in year, but the need for reserves to meet the budget gap is currently estimated at £9.3m.

Officers, staff and PCSO's account for almost 80% of budgeted net expenditure and as such are a major asset for the organisation. The pace at which police officers, PCSO's and staff leave the organisation can fluctuate year on year, but this is budgeted for.

There has also been a recruitment freeze in place since the summer of 2015. The revenue budget report details the assumptions made for budgeting purposes.

Inflation and pay awards provide a significant cost pressure. This is constantly reviewed for accuracy.

Total Net Expenditure requirements are provided below:

| **Expenditure Summary** | 2015-16 £m | 2016-17 £m | 2017-18 £m | 2018-19 £m | 2019-20 £m |
|---|---|---|---|---|---|
| Previous year net expenditure | 193.8 | 191.2 | 190.2 | 188.9 | 186.4 |
| Net changes for pressures | 8.4 | 11.0 | 3.3 | 2.8 | 3.0 |
| **Net expenditure requirement** | **202.2** | **202.2** | **193.5** | **191.7** | **189.4** |

# Summary

In conclusion there are robust plans in place to deliver savings both locally and regionally.

There is still work to do to achieve the required savings plans through to 2020, but the work started on transformation should enable balanced budgets to be set.

There is still a lack of clarity in relation to future budgets and the amount that would be top sliced before allocation to the individual forces. The amount of top slicing has been increasing significantly over recent years and between 2015-16 and 2016-17 is increasing from £159.6m to £218.4m.

The budgeted summary financial position is as detailed below:

|  | 2015-16 £m | 2016-17 £m | 2017-18 £m | 2018-19 £m | 2019-20 £m |
|---|---|---|---|---|---|
| **Policing element** |  |  |  |  |  |
| Net Expenditure | 197.7 | 197.6 | 188.9 | 187.1 | 184.8 |
| Savings efficiencies & reserves | (10.9) | (12.0) | (3.9) | (4.5) | (4.8) |
| **sub-total** | **186.8** | **185.6** | **185.0** | **182.6** | **180.0** |
|  |  |  |  |  |  |
| **Grants and Commissioning** |  |  |  |  |  |
| Net Expenditure | 4.5 | 4.6 | 4.6 | 4.6 | 4.6 |
| Savings efficiencies & reserves | (0.1) |  |  |  |  |
| **sub-total** | **4.4** | **4.6** | **4.6** | **4.6** | **4.6** |
| **Total net expenditure** | **191.2** | **190.2** | **189.6** | **187.2** | **184.6** |
|  |  |  |  |  |  |
| Grants | 136.5 | 135.8 | 133.1 | 130.4 | 127.8 |
| Precept | 52.4 | 54.4 | 55.8 | 57.2 | 58.6 |
| **Total Financing** | **189.6** | **190.2** | **188.9** | **187.6** | **186.4** |
|  |  |  |  |  |  |
| Contribution (from)/to Reserves incl above | (9.3)* |  |  |  |  |
| Further (savings) required |  |  | 0.7 | (0.4) | (1.8) |

\* The original budget for 2015-16 assumed a contribution from reserves of £1.6m. During the year the pressures have built and errors in budgeting identified. At the time of writing this report it is estimated that there will need to be a £9.3m contribution from reserves to balance to the budget. It could be slightly higher than this with an element being repaid in April 2016.

The Grants and Commissioning budget has now been increased by £219,000, being the transfer of service from the Force budget to the Commissioning budget for MARAC, SARC and Prevent.

# Opinion

The Commissioner is of the view that achieving the levels of efficiencies shown above will be challenging. It is planned that there will be monthly monitoring of performance against these targets. Any slippage in the achievement can no longer be met from reserves and new in year savings will be required in order to balance the budget. There are insufficient levels of reserves available to smooth budget shortfalls in year.

Where reserves are used it is expected that these would be repaid over the medium term. The Medium Term Financial Plan assumes repayment for the use of reserves to date will begin with £3m in 2018-19 and 2019-20.

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## _Reserves Strategy 2016-17_

January 2016

# Reserves Strategy 2016-17

## Background

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

2. In England and Wales, earmarked reserves remain legally part of the General Reserve, although they are accounted for separately.

3. There are other safeguards in place that help to prevent Police & Crime Commissioners over-committing themselves financially. These include:
   - The balanced budget requirement (Local Government Act 1992 s32 and s43).
   - Chief Finance Officers duty to report on the robustness of estimates and adequacy of reserves (Local Government Act 2003 s25) when the Police & Crime Commissioner is considering the budget requirement.
   - Legislative requirement for each Police & Crime Commissioner to make arrangements for the proper administration of their financial affairs and that the Chief Finance Officer has responsibility for the administration of those affairs (section 151 of the Local Government Act 1972).
   - The requirements of the Prudential Code
   - Auditors will consider whether audited bodies have established adequate arrangements to ensure that their financial position is soundly based.

4. These requirements are reinforced by section 114 of the Local Government Finance Act 1988, which requires the Chief Finance Officer to report to the Police & Crime Commissioner if there is likely to be unlawful expenditure or an unbalanced budget. This would include situations where reserves have become seriously depleted and it is forecast that the Commissioner will not have the resources to meet its expenditure in a particular financial year. The issue of a section 114 notice cannot be taken lightly and has serious operational implications. Indeed, the Police & Crime Commissioner must consider the s114 notice within 21 days and during that period the Force is prohibited from entering into new agreements involving the incurring of expenditure

January 2016

5.    Whilst it is primarily the responsibility of the Police & Crime Commissioner and its Chief Finance Officer to maintain a sound financial position, external auditors will, as part of their wider responsibilities, consider whether audited bodies have established adequate arrangements to ensure that their financial position is soundly based. However, it is not the responsibility of auditors to prescribe the optimum or minimum level of reserves for individual Police and Crime Commissioners or authorities in general.

6.    CIPFA's Prudential Code requires the Chief Finance Officers to have full regard to affordability when making recommendations about the Commissioners future capital programme. Such consideration includes the level of long-term revenue commitments. Indeed, in considering the affordability of its capital plans, the Commissioner is required to consider all of the resources available to it/estimated for the future, together with the totality of its capital plans and revenue forecasts for the forthcoming year and the following two years. There is a requirement for three-year revenue forecasts across the public sector and this is achieved through the Medium Term Financial Plan (MTFP). The Comprehensive Spending Review (CSR) has provided the Commissioner with details of proposed revenue grant for one year and capital grant settlement has yet to be announced. This provides limited ability to focus on the levels of reserves and application of balances and reserves.

7.    CIPFA and the Local Authority Accounting Panel do not accept that there is a case for introducing a generally acceptable minimum level of reserves. Commissioners on the advice of their Chief Finance Officers should make their own judgements on such matters taking into account all relevant local circumstances. Such circumstances will vary between local policing areas. A well-managed organisation, for example, with a prudent approach to budgeting should be able to operate with a level of general reserves appropriate for the risks (both internal and external) to which it is exposed. In assessing the appropriate level of reserves, a well-managed organisation will ensure that the reserves are not only adequate, but also are necessary.

8.    Section 26 of the Local Government Act 2003 gives Ministers in England and Wales a general power to set a minimum level of reserves for authorities. However, the government has undertaken to apply this only to individual authorities in the circumstances where the authority does not act prudently, disregards the advice of its Chief Finance Officer and is heading for serious financial difficulty. This would also apply to Police & Crime Commissioners. This accords with CIPFA's view that a generally applicable minimum level is appropriate, as a minimum level of reserve will be imposed where an authority is not following best financial practice.

January 2016

## Current Financial Climate

9.   The pressures on public finances are currently forecast as improving. However, at the local level reducing expenditure to an affordable base whilst maintaining service at an acceptable level remains a challenge. Therefore, the ability to retain reserves for unforeseen events and circumstances becomes not only difficult, but something that requires careful consideration.

10.  Whilst plans to reduce the base expenditure in line with the reduced income were initiated from 2008 the use of and level of reserves have fluctuated. The reserves increased when savings plans were being delivered ahead of the plan and recently have decreased as the need to use them to balance the budget has increased. Since 2014-15 the pressure to deliver the efficiencies required has increased and resulted in additional reserves being needed to balance the budget by the end of the financial year. In 2014-15 a further £2m was required and for 2015-16 it is estimated that a further £9.3m will be needed to balance the budget.

11.  Nottinghamshire currently has the third lowest level of reserves for policing in England and Wales. Nottinghamshire has never been cash rich with in excess of £10m per annum being withheld in the funding formula floors mechanism.

12.  The Medium Term Financial Plan identifies risks in achieving the required savings to ensure balanced budgets over future years.

## Types of Reserve

13.  When reviewing the medium term financial plans and preparing the annual budgets the Commissioner should consider the establishment and maintenance of reserves. These can be held for four main purposes:
     - A working balance to help cushion the impact of uneven cash flows and avoid unnecessary temporary borrowing – this forms part of general reserves.
     - A contingency to cushion the impact of unexpected events or emergencies – this also forms part of general reserves.
     - A means of building up funds often referred to as earmarked reserves, to meet known or predicted requirements; earmarked reserves are accounted for separately, but remain legally part of the general reserve.
     - The economic climate and the safety of the Commissioner's financial assets. This would link closely with the Treasury Management and Prudential Code Strategy.

14. The Commissioner also holds other reserves that arise out of the interaction of legislation and proper accounting practice. These reserves are not resource-backed and cannot be used for any other purpose, are described below:

- The Pensions Reserve – this is a specific accounting mechanism used to reconcile the payments made for the year to various statutory pension schemes.

- The Revaluation Reserve – this is a reserve that records unrealised gains in the value of fixed assets. The reserve increases when assets are revalued upwards, and decreases as assets are depreciated or revalued downwards or disposed of.

- The Capital Adjustment Account – this is a specific accounting mechanism used to reconcile the different rates at which assets are depreciated under proper accounting practice and are financed through the capital controls system.

- The Available-for-Sale Financial Instruments Reserve – this is a reserve that records unrealised revaluation gains arising from holding available-for-sale investments, plus any unrealised losses that have not arisen from impairment of the assets.

- The Financial Instruments Adjustment Reserve – this is a specific accounting mechanism used to reconcile the different rates at which gains and losses (such as premiums on the early repayment of debt) are recognised under proper accounting practice and are required by statute to be met from the General Fund.

- The Unequal Pay Back Pay Account – this is a specific accounting mechanism used to reconcile the different rates at which payments in relation to compensation for previous unequal pay are recognised under proper accounting practice and are required by statute to be met from the general fund.

- Collection Fund Adjustment account – this is specific to the changes in accounting entries relating to the Collection Fund Accounts held by the Billing Authorities.

- Accumulated Absences Account – this account came into being with the implementation of IFRS and represents the value of outstanding annual leave and time off in lieu as at 31$^{st}$ March each year.

15. Other such reserves may be created in future where developments in local authority accounting result in timing differences between the recognition of income and expenditure under proper accounting practice and under statute or regulation, such as the Capital Grants Unapplied.

16. In addition the Commissioner will hold a Capital Receipts Reserve. This reserve holds the proceeds from the sale of assets, and can only be used for capital purposes in accordance with the regulations.

17. For each earmarked reserve held by the Commissioner there should be a clear protocol setting out:
    - The reason for/purpose of the reserve
    - How and when the reserve can be used
    - Procedures for the reserves management and control
    - A process and timescale for review of the reserve to ensure continuing relevance and adequacy

18. When establishing reserves, The Commissioner needs to ensure compliance with the Code of Practice on Local Authority Accounting and in particular the need to distinguish between reserves and provisions.


## Nottinghamshire Police & Crime Commissioner's Reserves

19. This document aims to provide an over-arching strategy that defines the boundaries within which the approved budget and Medium Term Financial Plan (MTFP) operate.

### The General Reserve

20. It has previously been established that General Reserves will be maintained at a level above the minimum of 2.0% of the total net budget.

21. The purpose of this reserve is to provide for any unexpected expenditure that cannot be managed within existing budgets. Such expenditure would be one-off and resulting from an extraordinary event.

22. Similarly the General Reserve should be set at a prudent and not excessive level, as holding high level of reserves can impact on resources and performance. As such the maximum level of General Reserves is 5.0% of the total net budget.

23. Authorisation to finance such expenditure must be obtained in advance from the Commissioners Chief Finance Officer, in accordance with the scheme of delegation and the protocol between the Chief Constable and the Chief Finance Officer. Where time permits the request should be supported by a business case.

24. As the net budget position changes the level of General Reserve must be monitored to ensure the minimum level is maintained.

25. **Appendix A** details the elements that make up the current General Reserves balance and the levels of risk attached to each of these elements. These are indicative and may not be exhaustive as new risks emerge. This does not include the Jointly Controlled Operations general reserve of £0.075m.


**Earmarked Reserves**

26. Unlike General Reserves earmarked reserves have been identified for specific areas of expenditure where there are anticipated costs that can only be estimated. It is therefore prudent for the Commissioner to identify such areas of expenditure and set aside amounts that limit future risk exposure (e.g. balancing budget shortfalls in the MTFP).

27. Such expenditure usually arises out of changes in policy or where the organisation is working in collaboration with other forces to provide a specific service (for example Private Finance Initiative (PFI)).

28. Expenditure relating to earmarked reserves has to specifically relate to the purpose of the reserve.

29. **Appendix B** details for each of the earmarked reserves that existed at the start of the 2015-16 financial year and their estimated balance by 31st March 2016.

    Details of those available for use in 2016-17 are given below:


**Medium Term Financial Plan (MTFP) Reserve**

30. The medium term financial plan of the Commissioner is under constant review and changes as new and reliable information becomes available.

31. The original purpose of this reserve was to alleviate financial pressure on the budgets in future years.

32.     The support from this reserve is only one-off support and as such cannot be used to finance on-going commitments.

33.     The use of this reserve has been reviewed following the Comprehensive Spending Review and it now be utilised to finance the cost of organisational changes and as an investment to facilitate new savings. In addition to this the reserve will also be utilised smooth budget pressures as they arise. Any costs associated with A19 will also be met from this reserve.

34.     The Precept and Budget Reports that will be approved in February 2016 show an estimated need of £9.3m from reserves to balance the budget in 2015-16 including the agreed use of reserves of £1.6m. It is agreed that the MTFP reserve would meet the additional expenditure pressures in 2015-16. This puts the organisation at serious financial risk.

35.     In addition to this there will be a slight timing difference in relation to the Voluntary Redundancy Scheme currently in place. Some payments will need to be made in March 2015 which should be financed from the savings that will be generated. The savings themselves will not be realised until the new financial year. It has been agreed that reserves will meet the cost of these redundancies and pension strains in this financial year. The equivalent value of savings generated in 2016-17 will be transferred back to reserves in April.

36.     All reserves will be utilised with the agreement of the Police & Crime Commissioner in the ways identified in this strategy and supported by a detailed business case.

37.     It is expected that the use of reserves will be paid back over the medium term, although until now this has proved difficult to achieve. Plans have estimated that payback of reserves will commence in 2018-19 at £3m per annum.

38.     The Medium Term Financial Plan has a risk assessment in relation to achieving the efficiencies identified.  As such this reserve may be used for balancing the accounts should the efficiencies not be realised.

39.     **Appendix C** shows how the remainder of this reserve has been initially allocated over the next four years. It should be noted that there is a potential shortfall between budget and funds available in 2017-18, 2018-19 and 2019-20, depending on the level of further savings that can be achieved. No estimate has been included at this stage.


**Private Finance Initiative (PFI) Reserve**

40.     This is a reserve for the equalisation of expenditure over the life of the contract. This is a statutory reserve to maintain.

7

January 2016

**PCC Reserve**

41.   Initially, this reserve (PCC Transition) was set up as a prudent measure to cover the costs known and unknown associated with the transition from Police Authority governance to governance by the Police & Crime Commissioner. The costs were kept to a minimum and totalled £54k.

42.   Subsequently, this reserve was used for Stage 2 transition costs. These amounted to £41k.

43.   This reserve has now been earmarked for any cost associated with the PCC election in 2016 and any costs arising from Devolution over the next 4 years.

**Grants & Commissioning Reserve**

44.   It is intended that underspends on the OPCC budget and the Grants and Commissioning budget are transferred to here to provide for future needs in this growing area of work.

**Drug Fund**

45.   This minor reserve is received from court awards in drugs cases and is only used for initiatives that reduce drug related crime.

**Jointly Controlled Operations (Regional Collaboration) Reserve**

46.   There are a growing number of areas where collaborative working is undertaken with other Regional Policing areas. EMSOU is providing collaboration for specialised policing services, such as Major Crime and Forensics. Collaboration has also extended beyond Police Operation Services to include areas such as Legal Services, Procurement and Learning and Development.

47.   The Police & Crime Commissioners meet to make decisions and agree further areas of collaboration. They would also approve the use of this reserve for regional activity.

48.   The reserve exists to finance activities of regional collaboration above those identified within the annual budget.

**Property Act Fund Reserve**

49.   This reserve relates to the value of property sold where the Commissioner can retain the income for use in accordance with the Property Act.

**Animal Welfare Reserve**

50.     This reserve was established to support the policy for the welfare of animals specifically police dogs on retirement as working animals. There is a panel which meet with representatives from the Vets and the Force and to approve any claims against this fund. Any approved expenditure relating to on-going welfare as a result of work related injuries can then be paid from this fund. This reserve is for the Animal Welfare Retired Dogs Scheme and is for costs associated with the running of that scheme

**Tax Base Reserve**

51.     Due to the timing differences between the PCC's budget being approved and the deadline for the Billing Authorities to notify us of the final tax base and any Collection Fund Surplus or deficit this fund has been created.

52.     This reserve will be utilised where the tax base reduces from the estimated figures provided by Billing Authorities to the declaration of the actual tax base, as this would create a shortfall in overall total funding.

53.     This reserve will also be used to cover the PCC's portion of costs associated with the Single Occupier Discount Reviews undertaken periodically across the City and the County.

**Revenue Grants**

54.     This reserve combines the small amounts of grant income on completed projects where the grant conditions do not require repayment. Cumulatively they create a sizeable reserve. The use of this reserve will be subject to evaluation of any risk of repayment and the submission of a business case.

55.     This reserve is also used for on-going projects such as the Camera Safety Partnership Project.

**VAT Reserve**

56.     This reserve was for a potential VAT liability in relation to a premises transaction. This reserve is no longer required and the balance will be transferred back to the MTFP reserve.

**Joint Operations Capital Reserve**

57.     The region currently maintains a capital reserve of £0.249m. This cannot be used for revenue purposes.

**Procedure for Use of Reserves**

59.    The use of reserves requires approval of the Chief Finance Officer to the Commissioner and the Commissioner.

60.    All requests should be supported by a business case unless there is an approved process for use, such as the Animal Welfare Reserve.

61.    On occasion where an urgent request is being made this should comply with the protocol between the Chief Constable and the Chief Finance Officer to the Commissioner.

**Monitoring**

62.    The level of Reserves is kept under continuous review. The Commissioner receives reports on the levels of reserves as part of the Medium Term Financial Plan updates together with the Annual strategy in January and the out-turn position in June each year.

**Risk Analysis**

63.    Any recommendations that change the planned use of Reserves reported within the Annual Budget and Precept Reports will take account of the need for operational policing balanced against the need to retain prudent levels of Reserves.

64.    However, there are significant risks, which affect the level of reserves to be maintained, and it is for this reason that a minimum level of 2% (with a maximum level of 5%) of total net budget has been set for the General Reserve.

65.    The significant risks that have been considered, but which will also be kept under review are:

  o  Current Employment Tribunals relating to A19.
  o  The budget monitoring report highlights potential risks in being able to achieve the required efficiencies and savings during 2015-16. This may need to be supplemented by the use of reserves to smooth budget pressure.
  o  The ability to seek financial assistance from the Home Office for major incidents has been diminished and can no longer be relied upon.

o The need to finance organisational change and redundancies will have an impact on the use of reserves, although this is also reducing in value and risk.
o The ability to recover significant overspends by divisions and departments would be very difficult in the current financial climate.
o The instability of the Financial Markets means that the investments we make with balances are currently exposed to greater risk. This is negated by the Treasury Management Strategy, but returns on investment have reduced significantly.
o There remains a gap in funding for the next 3 years and potentially beyond this.
o Should the Commissioner and Force be faced with two or more of the above issues at the same time then the reserves may be needed in full.
o Once utilised there is very little opportunity for reimbursing the level of reserves through precept due to referendum limits or grant, due to the impact it would have operationally.

## **CFO Opinion**

It is my opinion that the current level of reserves are not excessive especially when compared with the averages level of reserves held within all local authorities and within the police and crime sector. In fact, the need to use significant reserves in 2015-16 is a significant concern and this strategy now requires repayment of reserves from 2018-19 onwards.

The CLG has published local authority data on levels of reserves as part of the LA Revenue Expenditure and Financing England series. This is shown below and compared with Police & Crime Reserves and Nottinghamshire Police & Crime Reserves.

| Type | Highest | | NOPCC 2016-17 |
|---|---|---|---|
| General Reserves | Met 6% | Average all types of LA 5% | 3.7% |
| Earmarked Reserves | Average all types of LA 16% | Shire OPCC 11% | 4.1% |

Until recently small levels of overspend were smoothed through the use of reserves to finance them. But this is not sustainable and the force will need to work hard to deliver against the programme of efficiencies.

Once the total of earmarked reserves have been utilised the financial stability of the force becomes a significant risk.

January 2016

**STRATEGY REVIEW**


This strategy will be reviewed annually and the Police & Crime Commissioners approval sought.

During the year changes may occur in the MTFP, which affect this strategy. Such changes will be monitored by the Chief Finance Officer and reported to the Commissioner for approval.


**Charlotte Radford (CPFA)**
**Chief Finance Officer**

**Reserves Risk Assessment**
**2015-16**

**GENERAL RESERVE**

| RISK | IMPACT | PROBABILITY | Min £m | Max £m | Proposed for 2015-16 £m |
|---|---|---|---|---|---|
| Major Incident(s) Unbudgeted expenditure | Any amount under 1% of net budget is to be funded by the authority. Amounts over 1% of net budget are subject to Home Office application approval | Single Incident amounting to less than 1% of net budget. **Medium** Multiple incidents amounting to over 1% of net budget. **Medium** Single incident amounting to over 1% of net budget. **Low** | 2.1 | 4.2 | 4.2 |
| Major Disaster (e.g. natural) | Operation policing affected and resources diverted. (e.g. through building being inaccessible and disaster recovery plan being auctioned) | **LOW** | 0.5 | 1.0 | 0.5 |
| Partnership Support | Funding for posts and PCSO's withdrawn. This has also been risk assessed as part of the budget assumptions. | **Medium to HIGH** | 0.5 | 4.6 | 1.2 |
| Counterparty failure | If invested balances were tied up in a process to recovery there would be an immediate impact on the revenue budget (possibly short term). | **LOW** | 0.5 | 5.0 | 0.5 |
| Employment Tribunals and other litigation | Direct impact on revenue budgets | **LOW** (A19 will be met from the MTFP Reserve) | 0.1 | 0.5 | 0.1 |
| Insurance | Emerging Risks and late reported claims | To date no claims of this type have affected the accounts. **Low to MEDIUM** | 0.3 | 0.7 | 0.5 |
| **TOTAL** | | | | | **7.0** |

January 2016

## Earmarked Reserves Assessment

| RISK/RESERVE | PURPOSE | HOW AND WHEN IT WILL BE USED | Management and control | Review | Estimated Balance at 31.03.16 £m |
|---|---|---|---|---|---|
| Medium Term Financial Plan (MTFP) | To provide against financial shortfalls identified within the MTFP | Smoothing peaks and troughs in financing the MTFP | Chief Finance Officer & Commissioner | Minimum twice annually | 2.000 |
| PCC Reserve | To cover cost associated with PCC transition and Stage 2 transition | During the year cost will be charged to a separate cost centre and will be charged to the reserve at year end. | Chie Finance Officer | On-going | 0.487 |
| Grants & Commissioning | To collate small balances within revenue accounts to provide funding for this growing area of work. | To meet specific requirements relating to Grants and Commissioning. | Chief Finance Officer | On-going | 1.022 |
| PFI reserve | To fund PFI related expenditure | Life cycle equalisation | Chief Finance Officer | Annually | 0.330 |
| JCO – Jointly Controlled Operations | To provide for unexpected expenditure relating to regional collaboration. | Decisions relating to the use of this fund follow the regional governance arrangements. | EM meeting of the PCC's. | Annually | 1.277 |

January 2016

| | | | | | |
|---|---|---|---|---|---|
| Property Act Fund | Income from the sale of property act confiscations | To be determined by the Police & Crime Commissioner | PCC and CFO | Annually | 0.123 |
| Drug Fund | For use in reducing drug related crime | To be determined by the Police & Crime Commissioner | PCC and CFO | Annually | 0.071 |
| Revenue Grants | Balances on grants not required to be repaid | To be determined by the Police & Crime Commissioner | PCC and CFO | Annually | 2.286 |
| Animal Welfare | To set up a scheme for animal welfare on retirement as working animals | Scheme to be established in 2013-14 | Set up November 2012. | During the year | 0.019 |
| Tax Base | To iron out fluctuations caused between estimated and actual tax base data. Also to assist with risk relating to the removal of redistributed business rates in future years. | Annually to balance the budget. Every 3-4 years to finance Single Person Discount Review | Chief Finance Officer | Annually | 0.230 |
| VAT | For a potential VAT liability now passed | Will be returned to the MTFP Reserve. | Chief Finance Officer | Annually | 0.036 |
| **TOTAL** | | | | | **7.881** |

## Tables to show the use of General Reserves

| | 2016-17 | | | 2017-18 | | | 2018-19 | | | 2019-20 | | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|
| | 01.04.16 balance £m | Use in year £m | 01.04.17 balance £m | 01.04.17 balance £m | Use in year £m | 01.04.18 balance £m | 01.04.18 balance £m | Use in year £m | 01.04.19 balance £m | 01.04.19 balance £m | Use in year £m | 01.04.20 balance £m |
| **General Reserve** | **7.000** | **0** | **7.000** | **7.000** | **0** | **7.000** | **7.000** | **0** | **7.000** | **7.000** | **0** | **7.000** |
| **EMSOU general reserve** | 0.075 | | 0.074 | 0.074 | | 0.074 | 0.074 | | 0.074 | 0.074 | | 0.074 |
| *% of net budget* | *3.7%* | | | *3.7%* | | | *3.7%* | | | *3.8%* | | |

January 2016

## Tables to show the estimated use of Earmarked Reserves

| Earmarked Reserves | 2016-17 | | | 2017-18 | | | 2018-19 | | | 2019-20 | | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|
| | 01.04.16 balance £m | Use in year £m | 31.03.17 balance £m | 01.04.17 balance £m | Use in year £m | 31.03.18 balance £m | 01.04.18 balance £m | Use in year £m | 31.03.19 balance £m | 01.04.19 balance £m | Use in year £m | 31.03.20 balance £m |
| MTFP | 2.000 | (3.500) | (1.500) | (1.500) | | (1.500) | (1.500) | 3.000** (0.003) | 1.497 | 1.497 | 3.000** | 4.497 |
| PCC Reserve | 0.487 | (0.100) | 0.387 | 0.387 | | 0.387 | 0.387 | | 0.387 | 0.387 | | 0.387 |
| Grants & Commissioning | 1.022 | | 1.022 | 1.022 | | 1.022 | 1.022 | | 1.022 | 1.022 | | 1.022 |
| PFI | 0.330 | 0.036 | 0.366 | 0.366 | 0.036 | 0.402 | 0.402 | 0.036 | 0.438 | 0.438 | 0.036 | 0.474 |
| JCO | 1.277 | | 1.277 | 1.277 | | 1.277 | 1.277 | | 1.277 | 1.277 | | 1.277 |
| Property Act Fund | 0.123 | 0.028 | 0.151 | 0.151 | | 0.151 | 0.151 | | 0.151 | 0.151 | | 0.151 |
| Drug Fund | 0.071 | 0.010 | 0.081 | 0.081 | | 0.081 | 0.081 | | 0.081 | 0.081 | | 0.081 |
| Revenue Grants | 2.286 | | 2.286 | 2.286 | | 2.286 | 2.286 | | 2.286 | 2.286 | | 2.286 |
| Animal welfare | 0.019 | (0.001) | 0.018 | 0.018 | (0.001) | 0.017 | 0.017 | 0.003 | 0.020 | 0.020 | (0.001) | 0.019 |
| Tax Base | 0.230 | | 0.230 | 0.230 | | 0.230 | 0.230 | | 0.230 | 0.230 | | 0.230 |
| VAT | 0.036 | | 0.036 | 0.036 | | 0.036 | 0.036 | | 0.036 | 0.036 | | 0.036 |
| **TOTAL** | **7.881** | **(3.527)** | **4.354** | **4.354** | **0.035** | **4.389** | **4.389** | **3.036** | **7.425** | **7.425** | **3.035** | **10.460** |

'* Assumes payment will be met from remaining earmarked reserves until repayment is made.

'** Assumes repayment of reserves

The above estimates show the MTFP reserve potentially being negative. This means that the other reserves will need to be utilised to meet the shortfall.

January 2016

# Nottinghamshire
# POLICE & CRIME COMMISSIONER

# *4 Year Capital Programme*
# *2016-2020*

January 2016

# 1.   <u>Introduction</u>

The Commissioner is supportive of capital expenditure which improves the efficiency and effectiveness of the service provided to the public of Nottinghamshire.

The majority of capital expenditure relates to the buildings and IT systems.

There is however, recognition that better purchasing power and consistency of capital purchases can be achieved through regional collaboration. Over the past few years this is one area that has developed. This has been supported by the Home Office with capital and revenue funding being made available through the Innovation Fund.

**Strategic Alliance**

In December 2015 the Commissioner's and Chief Constables of 3 regional forces agreed to create a Strategic Alliance.  An initial business case outlined the potential operations and financial benefits that would arise from Alliance.

A final business case will detail the costs and benefits, with greater clarity on how each Commissioner will meet its required level of investment.  Initial consideration of this is that Nottinghamshire would potentially prefer to make the majority of its contribution (42%) of the total investment from capital, but this will also depend on what preferences Leicestershire and Northamptonshire have.

The Capital Programme provided for 2016-17, whilst more detailed than the following years, is subject to change once the final business case is known and priority is given to the Strategic Alliance.

The costs of the Strategic Alliance have not been included in the programme attached.

## 2.  Capital Programme 2016-17

This programme is built upon the current priorities within the Force.  Ensuring premises and equipment are fit for purpose, appropriately maintained and replaced at the end of their useful life.

It is currently estimated that there will be approximately £4million slippage from 2015-16 capital programme into 2016-17.  The total programme in April will need to be prioritised against the need to finance the Strategic Alliance.

The proposed programme for 2016-17 is provided in Appendix A.

3. **4 Year Capital Programme**

It is normal practice to provide an indication of the capital programme for 2016-18 to 2019-20.  With the understanding that this part of the programme will be subject to change following a detailed business case and affordability assessment.

Because the final Business Case for the Strategic Alliance will be the priority, departmental heads have only been asked to identify what they considers to be a priority in 2017-18.  The assumption is that 100% of the capital programme in 2018-19 and 2019-20 will be prioritised to the Alliance Programme.

However, in the supporting Treasury Management Strategy it has been assumed that £4m per annum will be needed for capital purposes and that this will probably be for IT or short-life assets.

A proposed programme for the 4 years is provided in Appendix A.

4. **Financing**

Capital expenditure is financed from capital grant, capital receipts, internal and external borrowing.

Capital grant has been reduced by 40% between 2015-16 and 2016-17 and it is estimated that this will be phased out completely over the next few years.

Capital receipts fluctuate depending on which property is for sale and how desirable the building is.  Capital receipts are utilised to reduce MRP changes to the revenue account, therefore are offset against shortfall assets in the year after receipt.

Borrowing makes up the majority of capital financing.  Some of this borrowing is "internal" from balances (eg reserves and provisions), but this is reducing as a greater demand is made to use reserves to meet revenue expenditure requirements.

External borrowing is taken at the best time to take advantage of low interest rates and based upon advice of our Treasury Management advisors.  It is currently anticipated that rates will increase in the Winter of 2016.  This is

included in the Treasury Management Strategy, which is provided as a separate report on today's agenda.

## 5. Revenue Implications

Capital Expenditure does have revenue implications; generally these have the greatest impact in the year after the capital expenditure has been incurred. These costs reflect a depreciation cost and a cost of borrowing. Currently, the cost of borrowing is interest only, but at some point in the future the capital sum will need to be repaid. Depreciation is allocated over the life of the asset.

The Revenue budget for 2016-17 includes the estimated Minimum Revenue Pensions (MRP) based on expenditure prior to 1st April 2016, including an estimated cost of borrowing for existing borrowing and new borrowing planned in 2016-17.

The MTFP makes adjustments for significant changes in MRP and interest costs.

## Capital 4 Year Plan <span align="right">APPENDIX A</span>

### 2016-17 to 2019-20

| Estates Projects | 2016/17 Proposed Budget £000 | 2017/18 Proposed Budget £000 | 2018/19 Proposed Budget £000 | 2019/20 Proposed Budget £000 | Total Project Cost (inc prior years) £000 |
|---|---|---|---|---|---|
| Automatic Gates/Barriers - various | 200 | | | | 200 |
| Bridewell Refurbishment | 500 | 3,500 | | | 4,100 |
| Building Management replacement system | 370 | | | | 370 |
| Bulwell Refurbishment | 150 | | | | 150 |
| Bunkered Fuel Tank Works | 225 | | | | 225 |
| Carlton - East Mids Ambulance Service Community Station | 100 | | | | 100 |
| Custody Improvements | 25 | 25 | | | 1,445 |
| Digital Investigation Unit (DIU)/Cyber | 180 | | | | 305 |
| Eastwood Police Station Replacement | 870 | | | | 898 |
| FHQ Kennels | 431 | | | | 638 |
| Lift replacement - Mansfield & Radford Road | 55 | | | | 121 |
| Mansfield - Create open plan space | 800 | | | | 800 |
| Newark - create open plan space | 600 | | | | 600 |
| Oxclose Lane Refurbishment | 400 | | | | 850 |
| West Bridgford 1st floor refurbishment | 290 | | | | 301 |
| | 5,196 | 3,525 | | | 11,103 |

### 2016-17 to 2019-20

| IS Projects | 2016/17 Proposed Budget £000 | 2017/18 Proposed Budget £000 | 2018/19 Proposed Budget £000 | 2019/20 Proposed Budget £000 | Total Project Cost (inc prior years) £000 |
|---|---|---|---|---|---|
| Integrated Command & Control System (ICCS) Replacement | 500 | | | | 500 |
| Improvements to Digital Investigation Storage | 200 | | | | 486 |
| Mobile Data Remote Working | 350 | | | | 1,147 |
| Network Infrastructure Improvements | 350 | | | | 776 |
| Regional Agile Working | 350 | | | | 860 |
| Regional ANPR | 99 | | | | 99 |
| Regional LAN Desk Merger development | 258 | | | | 628 |
| Ring of Steel ANPR Cameras | 210 | | | | 210 |
| Sharepoint Portal | | 50 | | | 250 |
| Storage Solutions | 100 | | | | 357 |
| | 2,417 | 50 | | | 5,313 |

### 2016-17 to 2019-20

| Other Projects | 2016/17 Revised Budget £000 | 2017/18 Revised Budget £000 | 2018/19 Proposed Budget £000 | 2019/20 Proposed Budget £000 | Total Project Cost (inc prior years) £000 |
|---|---|---|---|---|---|
| Bassetlaw/Broxtowe ANPR provision | 25 | | | | 50 |
| Chief Officer Team vehicles | 30 | | | | 198 |
| Firearms Cabinets & Access Storage | 50 | | | | 150 |
| Northern Property Store Increased Storage | 300 | | | | 300 |
| | 405 | 0 | | | 698 |
| Potential Programme in future years subject to BC | | | 4,000 | 4,000 | 8,000 |
| **Total Programme** | 8,018 | 3,575 | 4,000 | 4,000 | 25,114 |

**The Nottinghamshire Office of the Police & Crime Commissioner**

**Treasury Management Strategy Statement**

Minimum Revenue Provision Policy Statement and Annual Investment Strategy

2016-2017

# Contents

# 1.    INTRODUCTION

## 1.1    Background

The Nottinghamshire Office of the Police and Crime Commissioner (The Commissioner's Office) is required to operate a balanced budget, which broadly means that cash raised during the year will meet cash expenditure.  Part of the treasury management operation is to ensure that this cash flow is adequately planned, with cash being available when needed. Surplus monies are invested in low risk counterparties or instruments commensurate with the Police and Crime Commissioner's low risk appetite, providing adequate liquidity initially before considering investment return.

The second main function of the treasury management service is the funding of the Commissioner's capital plans. These capital plans provide a guide to borrowing need, and longer term cash flow planning to ensure that the The Commissioner's Office can meet its capital spending obligations. This management of longer term cash may involve arranging long or short term loans. If advantageous debt previously borrowed may be restructured to meet The Commissioner's Office risk or cost objectives.

The responsible officer for treasury management is Chief Finance Officer to the Police & Crime Commissioner (CFO).

CIPFA defines treasury management as:

*"The management of the local authority's investments and cash flows, its banking, money market and capital market transactions; the effective control of the risks associated with those activities; and the pursuit of optimum performance consistent with those risks."*

## 1.2    Reporting requirements

The Commissioner is required to receive and approve, as a minimum, three main reports each year, which incorporate a variety of polices, estimates and actuals.

**Prudential and treasury indicators and treasury strategy** (this report) - The first, and most important report covers:
- the capital plans, prudential indicators and borrowing plans.
- a minimum revenue provision (MRP) policy (how residual capital expenditure is charged to revenue over time).

- the treasury management strategy (how the investments and borrowings are to be organised) including treasury indicators.
- an investment strategy (the parameters for managing investments )

**A mid-year treasury management report** – This will update the Commissioner with the capital position regarding capital, and amend prudential indicators as necessary. It also monitors whether the treasury activity is meeting the strategy and whether any policies require revision.

**An annual treasury report** – This provides details of a selection of actual prudential and treasury indicators and actual treasury operations compared to the estimates within the strategy.

## Scrutiny

The responsibility for scrutiny lies with the Commissioner supported by the Audit and Scrutiny Panel. The above reports are reviewed at the Strategic Resources and Performance meetings of the Commissioner.

## 1.3 Treasury Management Strategy for 2016-17

The strategy covers two main areas:

## Capital issues
- the capital plans and the prudential indicators.
- the minimum revenue provision (MRP) policy.

## Treasury management issues
- the current treasury position.
- treasury indicators which limit the treasury risk and activities of the The Commissioner's Office.
- prospects for interest rates.
- the borrowing strategy.
- policy on borrowing in advance of  need.
- debt rescheduling.
- the investment strategy.
- creditworthiness policy.
- policy on use of external service providers.

These elements cover the requirements of the Local Government Act 2003, the CIPFA Prudential Code, CLG MRP Guidance, the CIPFA Treasury Management Code and  CLG Investment Guidance

## 1.4 Training

The CIPFA Code requires that the responsible officer ensures that relevant personnel receive adequate training in treasury management.  This especially applies to the Commissioner who is responsible for scrutiny. Training for the Commissioner was delivered in March 2014 and the Chief financial Officer to the Commissioner  (CFO) has attended relevant seminars during the year.The training needs of treasury management officers are periodically reviewed.

## 1.5 Treasury management consultants

The The Commissioner's Office uses Capita Asset Services, Treasury solutions as its external treasury management advisors.

The The Commissioner's Office recognises that responsibility for treasury management decisions remains with the organisation at all times and will ensure that undue reliance is not placed upon our external service providers.

It also recognises that there is value in employing external providers of treasury management services in order to acquire access to specialist skills and resources. The CFO will ensure that the terms of their appointment and the methods by which their value will be assessed are properly agreed and documented, and subjected to regular review.

## 2. THE CAPITAL PRUDENTIAL INDICATORS 2015-16 – 2018-19

The Commissioner's capital expenditure plans are the key driver of treasury management activity. The output of the capital expenditure plans is reflected in prudential indicators, to give an overview and confirm capital expenditure plans.

### 2.1 Capital expenditure

This prudential indicator is a summary of the Commissioner's capital expenditure plans, both those agreed previously, and those forming part of this budget cycle.

The Commissioner is asked to approve the capital expenditure forecasts, excluding other long term liabilities, such as Private Finance Initiatives (PFI) and leasing arrangements, which already include borrowing instruments.

The table below summarises the capital expenditure plans and how these plans are being financed by capital or revenue resources. Any shortfall of resources results in a net financing need.

| Capital Expenditure £m | 2014-15 Actual | 2015-16 Estimate | 2016-17 Estimate | 2017-18 Estimate | 2018-19 Estimate | 2019-20 Estimate |
|---|---|---|---|---|---|---|
| Capital Programme | 10.464 | 11.636 | 12.018 | 3.575 | 4.000 | 4.000 |
| **Financed by:** | | | | | | |
| Capital receipts | -1.552 | -1.369 | -2.149 | -3.054 | 0.000 | 0.000 |
| Capital grants | -1.767 | -1.448 | -0.869 | -0.521 | 0.000 | 0.000 |
| Capital contributions | -2.033 | -1.300 | 0.000 | 0.000 | 0.000 | 0.000 |
| Internal resources | 0.000 | 0.000 | 0.000 | 0.000 | 0.000 | 0.000 |
| **Net financing need** | **5.112** | **7.519** | **9.000** | **0.000** | **4.000** | **4.000** |

### 2.2 The Commissioners borrowing need (Capital Financing Requirement)

The second prudential indicator is the Capital Financing Requirement (CFR). The CFR is simply the total historic outstanding capital expenditure, which has not yet been paid for from either revenue or capital resources. It is essentially a measure of the underlying borrowing need. Any capital expenditure above, which has not immediately been paid for, will increase the CFR.

The CFR does not increase indefinitely, as the minimum revenue provision (MRP) is a statutory annual revenue charge, which broadly reduces the borrowing need in line with each assets life.

The CFR includes any other long term liabilities (e.g. PFI schemes and finance leases). Whilst these increase the CFR, and therefore the borrowing requirement, these types of scheme include a borrowing facility and so the Commissioner is not required to separately borrow for these schemes.

The Commissioner is asked to approve the CFR projections below:

| £m | 2014-15 Actual | 2015-16 Estimate | 2016-17 Estimate | 2017-18 Estimate | 2018-19 Estimate | 2019-20 Estimate |
|---|---|---|---|---|---|---|
| **Capital Financing Requirement** | | | | | | |
| **Total CFR** | 52.717 | 58.095 | 64.261 | 60.899 | 61.578 | 61.298 |
| **Movement in CFR** | **-** | **5.378** | **6.166** | **-3.362** | **0.680** | **-0.280** |

| **Movement in CFR represented by** | | | | | | |
|---|---|---|---|---|---|---|
| £m | 2014-15 Actual | 2015-16 Estimate | 2016-17 Estimate | 2017-18 Estimate | 2018-19 Estimate | 2019-20 Estimate |
| Net financing need for the year (above) | - | 7.519 | 9.000 | 0 | 4.000 | 4.000 |
| Less MRP/VRP and other financing movements | - | -2.141 | -2.834 | --3.362 | -3.320 | -4.280 |
| **Movement in CFR** | **-** | **5.378** | **6.166** | **-3.362** | **0.680** | **-0.280** |

N.B. The code does not require the reporting of downward estimated move.ments to CFR but information is included for completeness.

### 2.3 Minimum Revenue Provision (MRP) policy statement

The The Commissioner's Office is required to pay off an element of the accumulated General Fund capital spend each year (the CFR) through a revenue charge (the minimum revenue provision - MRP). Additional voluntary payments are also allowed. (voluntary revenue provision - VRP).

Communities and Local Government regulations have been issued which require the Commissioner to approve an MRP Statement in advance of each year. A variety of options are available to the Commissioner, as long as there is a prudent provision.

### *The Commissioner is recommended to approve the following MRP Statement:*

The Commissioner will set aside an amount for MRP each year, which is deemed to be both prudent and affordable. This will be after considering statutory requirements and relevant guidance from the DCLG

Repayments included in annual PFI or finance leases are applied as MRP.

## 2.4 Core funds and expected investment balances

The application of resources (capital receipts, reserves etc.) to either capital finance or revenue purposes will reduce investments unless replaced by asset sales or revenue underspend. Detailed below are estimates of the year end resource balances and anticipated daily cashflow balances.

|  | 2014-15 Actual | 2015-16 Estimate | 2016-17 Estimate | 2017-18 Estimate | 2018-19 Estimate | 2019-20 Estimate |
|---|---|---|---|---|---|---|
| Fund balances / reserves | 23.247 | 14.956 | 11.429 | 11.464 | 14.500 | 17.535 |
| Capital receipts | 1.369 | 2.149 | 3.054 | 0.000 | 0.000 | 0.000 |
| Provisions | 2.463 | 2.463 | 2.463 | 2.463 | 2.463 | 2.463 |
| Other | -3.754 | -4.155 | -4.155 | -4.155 | -4.155 | -4.155 |
| **Total core funds** | **23.325** | **15.413** | **12.791** | **9.772** | **12.808** | **15.843** |
| **Working capital\*** | **-0.872** | **-4.410** | **-5.510** | **-3.337** | **-10.037** | **-17.300** |
| **(Under)/over borrowing** | **-10.124** | **-7.003** | **-3.281** | **-2.435** | **1.229** | **5.457** |
| **Expected investments** | **12.329** | **4.000** | **4.000** | **4.000** | **4.000** | **4.000** |

*Working capital balances shown are estimated year end; these may be higher mid-year

## 2.5 Affordability prudential indicators

The previous sections cover the overall capital and control of borrowing prudential indicators, but within this framework prudential indicators are required to assess the affordability of the capital investment plans. These provide an indication of the impact of the capital investment plans on the Commissioners overall finances.

*The Commissioner is requested to approve the following indicators:*

## 2.6 Ratio of financing costs to net revenue stream

This indicator identifies the trend in the cost of capital (borrowing and other long term obligation costs net of investment income) against the net revenue stream.

| % | 2014-15 Actual | 2015-16 Estimate | 2016-17 Estimate | 2017-18 Estimate | 2018-19 Estimate | 2019-20 Estimate |
|---|---|---|---|---|---|---|
| Ratio | 1.9 | 1.8 | 2.4 | 2.8 | 2.8 | 3.5 |

The estimates of financing costs include commitments and a reasonable assessment of forthcoming capital proposals.

**2.7    Incremental impact of capital investment decisions on council tax**

This indicator identifies the revenue costs associated with a reasonable assessment of forthcoming capital proposals, compared to the Commissioners existing approved commitments and current plans.  The assumptions are based on current plans, but will invariably include some estimates, such as the level of Government support, which is not published over a three year period.

**Incremental impact of capital investment decisions on the band D council tax**

| £ | 2015-16 Estimate | 2016-17 Estimate | 2017-18 Estimate | 2018-19 Estimate | 2019-20 Estimate |
|---|---|---|---|---|---|
| Ratio | 0.97 | 2.83 | 3.82 | 4.28 | 5.03 |

## 3. BORROWING

The capital expenditure plans set out in Section 2 provide details of the service activity. The treasury management function ensures that the Commissioners cash is organised in accordance with the the relevant professional codes, so that sufficient cash is available to meet this service activity. This will involve both the organisation of the cash flow and, where capital plans require, the organisation of approporiate borrowing facilities. The strategy covers the relevant treasury / prudential indicators, the current and projected debt positions and the annual investment strategy.

| £m | 2014-15 Actual | 2015-16 Estimate | 2016-17 Estimate | 2017-18 Estimate | 2018-19 Estimate | 2019-20 Estimate |
|---|---|---|---|---|---|---|
| **External Debt** | | | | | | |
| Debt at 1 April | 31.689 | 39.732 | 48.231 | 58.119 | 55.603 | 59.946 |
| New Borrowing | 12.000 | 17.068 | 13.908 | 1.659 | 5.677 | 5.178 |
| Borrowing repaid | -3.957 | -8.569 | -4.020 | -4.175 | -1.334 | -1.230 |
| Movement in borrowing | 8.043 | 8.499 | 9.888 | -2.516 | 4.343 | 3.948 |
| **Debt as at 31 March** | **39.732** | **48.231** | **58.119** | **55.603** | **59.946** | **63.894** |
| Capital Financing Requirement | 52.717 | 58.095 | 64.261 | 60.899 | 61.578 | 61.298 |
| Other long-term liabilities (OLTL) | -2.861 | -2.861 | -2.861 | -2.861 | -2.861 | -2.861 |
| Underlying Borrowing Need | 49.856 | 55.234 | 61.400 | 58.038 | 58.717 | 58.437 |
| **Under / (over) borrowing** | **10.124** | **7.003** | **3.281** | **2.435** | **-1.229** | **-5.457** |
| | | | | | | |
| **Investments** | | | | | | |
| Investments | 12.329 | 4.000 | 4.000 | 4.000 | 4.000 | 4.000 |
| Change in Investments | -3.273 | -8.329 | 0.000 | 0.000 | 0.000 | 0.000 |
| | | | | | | |
| **Net Debt** | **27.403** | **44.231** | **54.119** | **51.603** | **55.946** | **59.894** |

**3.2    Current portfolio position**

The Commissioners treasury portfolio position at March 2016, with forward projections is summarised below. The table shows the actual external debt against the underlying capital borrowing need (the Capital Financing Requirement – CFR), highlighting any over or under borrowing.

| Operational boundary £m | 2015-16 Estimate | 2016-17 Estimate | 2017-18 Estimate | 2018-19 Estimate | 2019-20 Estimate |
|---|---|---|---|---|---|
| Total | 65.000 | 70.000 | 70.000 | 70.000 | 75.000 |

Within the prudential indicators there are a number of key indicators to ensure that activities operate within well defined limits.  One of these is that the Commissioner needs to ensure that its gross debt does not (except in the short term), exceed the total of the CFR in the preceding year plus the estimates of any additional CFR for 2015-2016 and the following two financial years.  This allows some flexibility for limited early borrowing for future years, but ensures that borrowing is not undertaken for revenue purposes.

The CFO reports that this prudential indicator in the current year and does not envisage difficulties for the future.   This view takes into account current commitments, existing plans, and the proposals in this budget report.

**3.3    Treasury Indicators: limits to borrowing activity**

The operational boundary. This is the limit beyond which external debt is not normally expected to exceed.  In most cases, this would be a similar figure to the CFR.

The authorised limit for external debt. A further key prudential indicator represents a control on the maximum level of borrowing.  This represents a limit beyond which external debt is prohibited, and this limit needs to be set or revised by the Commissioner.  It reflects the level of external debt which, while not desired, could be afforded in the short term, but is not sustainable in the longer term.

***The Commissioner is requested to approve the following authorised limit:***

| Authorised limit £m | 2015-16 Estimate | 2016-17 Estimate | 2017-18 Estimate | 2018-19 Estimate | 2019-20 Estimate |
|---|---|---|---|---|---|
| Total | 75.000 | 80.000 | 80.000 | 80.000 | 85.000 |

### 3.4 Prospects for interest rates and economic background

The Commissioner's Office has appointed Capita Asset Services as its treasury advisor and part of their service is to assist the Commissioner to formulate a view on interest rates. The table below gives Capita's view (November 2015).

| | Bank Rate % | PWLB Borrowing Rates % (including certainty rate adjustment) | | |
| --- | --- | --- | --- | --- |
| | | 5 year | 25 year | 50 year |
| 01 December 2015 | 0.5 | 2.0 | 3.3 | 3.3 |
| 01 March 2016 | 0.8 | 2.6 | 4.0 | 4.0 |
| 01 June 2016 | 1.0 | 2.8 | 4.2 | 4.2 |
| 01 September 2016 | 1.0 | 2.9 | 4.3 | 4.3 |
| 01 December 2016 | 1.3 | 3.0 | 4.4 | 4.4 |
| 01 March 2017 | 1.3 | 3.2 | 4.5 | 4.5 |
| 01 June 2017 | 1.5 | 3.3 | 4.6 | 4.6 |
| 01 September 2017 | 1.8 | 3.4 | 4.7 | 4.7 |
| 01 December 2017 | 1.8 | 3.5 | 4.7 | 4.7 |
| 01 March 2018 | 2.0 | 3.6 | 4.8 | 4.8 |

UK GDP growth rates in 2013 of 2.2% and 2.9% in 2014 were the strongest growth rates of any G7 country. The 2014 growth rate was also the strongest UK rate since 2006 and the 2015 growth rate is likely to still be positive. However, quarter 1 of 2015 was weak at +0.4% (+2.9% y/y) though there was a rebound in quarter 2 to +0.7% (+2.4% y/y) before weakening again to +0.5% (2.3% y/y) in quarter 3. The November Bank of England Report included a forecast for growth to remain around 2.5 – 2.7% over the next three years. This is influenced by strong consumer demand buoyed by a recovery in wage inflation at the same time that CPI inflation has fallen to, or near to, zero since February 2015 this year. Investment expenditure is also expected to support growth. However, worldwide economic statistics have distinctly weakened and the forecast was tempered by concerns for the potential impact on the UK.

The Inflation Report was notably subdued in respect of the forecasts for inflation; this was expected to barely get back up to the 2% target within the 2-3 year time horizon. However, once the falls in oil, gas and food prices over recent months fall out of the 12 month calculation of CPI, there will be a sharp increase from the current zero rate to around 1 percent in the second half of 2016. There is considerable uncertainty around how quickly inflation will rise in the next few years and this makes it difficult to forecast when the MPC will decide to make a start on increasing Bank Rate.

The American economy made a strongly improved after a weak first quarter's growth at +0.6% (annualised), to 3.9% in quarter 2 of 2015. It weakened again to 2.1% in quarter 3. The negative news in late August and in September about Chinese and Japanese growth and the knock on impact on emerging countries that are major commodity suppliers was the main reason for the Fed's decision at its September meeting to postpone a rate increase. However, the nonfarm payrolls figure for growth in employment in October was very strong and, together with a perception that global concerns have subsided, and this led to an increase of 0.25% in December.

In the Eurozone, the ECB announced in January 2015 a massive €1.1 trillion programme of quantitative easing to buy up high credit quality government and other debt of selected EZ countries. This programme of €60bn of monthly purchases started in March 2015 and it is intended to run initially to September 2016.This appears to have had a positive effect in helping a recovery in consumer and business confidence and a start to a significant improvement in economic growth.  GDP growth rose to 0.5% in quarter 1 2015 (1.0% y/y) and +0.4% (+1.5% y/y) in quarter 2 and +0.3% in quarter 3.  However, the recent negative Asian results have raised questions as to whether the ECB will need to boost its QE programme if it is to succeed in significantly improving growth in the EZ and getting inflation up from the current level of around zero to its target of 2%.

During July, Greece finally capitulated to EU demands to implement a major programme of austerity and is now cooperating fully with EU demands. An €86bn third bailout package has since been agreed though it did nothing to address the unsupportable size of total debt compared to GDP.  However, huge damage has been done to the Greek banking system and economy by the resistance of the Government  to EU demands. The surprise general election in September gave the encumbeent Syriza government a mandate to stay in power to implement austerity measures. There remains major doubts as to whether the size of cuts and degree of reforms required can be fully implemented and so Greek exit from the euro may only have been delayed by this latest bailout.

- Investment returns are likely to remain relatively low during 2016/17 and beyond;

- Borrowing interest rates have been volatile during 2015 as alternating bouts of good and bad financial data have promoted optimism, and then pessimism, in financial markets.  Gilt yields have continued to remain at historically low levels during 2015. The policy of avoiding new borrowing by running down spare cash balances, has served well over the last few years.  However, this needs to be carefully monitored to avoid incurring higher borrowing costs in later times to finance new capital expenditure and/or to refinance maturing debt. Balanced

against this is the cost of carry to any new borrowing which causes an increase in investments as this will incur a revenue loss between borrowing costs and investment returns.


**Treasury Management limits on activity**

There are three debt related treasury activity limits.  The purpose of these are to restrain the activity of the treasury function within certain limits, thereby managing risk and reducing the impact of any adverse movement in interest rates. However, if these are set to be too restrictive they will impair the opportunities to reduce costs / improve performance.

The indicators are:

Upper limits on variable interest rate exposure. This identifies a maximum limit for variable interest rates based upon the debt position net of investments

Upper limits on fixed interest rate exposure.  This gives a maximum limit on fixed interest rates;

Maturity structure of borrowing. These gross limits are sets a limit to reduce the exposure to large fixed rate sums falling due for refinancing, for both upper and lower limits.


*The Commissioner is requested to approve the following treasury indicators and limits:*

| £m | 2016-17 | 2017-18 | 2018-19 | 2019-20 |
|---|---|---|---|---|
| **Interest rate exposures** | | | | |
| | Upper | Upper | Upper | Upper |
| **Limits on fixed interest rates based on net debt** | 100% | 100% | 100% | 100% |
| **Limits on variable interest rates based on net debt** | 100% | 100% | 100% | 100% |
| **Limits on fixed interest rates:** | | | | |
| • **Debt only** | 100% | 100% | 100% | 100% |
| • **Investments only** | 100% | 100% | 100% | 100% |
| **Limits on variable interest rates** | | | | |
| • **Debt only** | 50% | 50% | 50% | 50% |
| • **Investments only** | 100% | 100% | 100% | 100% |
| **Maturity structure of fixed interest rate borrowing 2016-2017** | | | | |
| | | **Lower** | **Upper** | |
| Under 12 months | | 0% | 30% | |
| 12 months to 2 years | | 0% | 40% | |
| 2 years to 5 years | | 0% | 50% | |
| 5 years to 10 years | | 0% | 70% | |
| 10 years and above | | 0% | 100% | |

### 3.5 Policy on borrowing in advance of need

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

Borrowing in advance will be made within the following constraints:

- It will be limited to no more than 50% of the expected increase in borrowing need (CFR) over the three year planning period; and

- Would not look to borrow more than 18 months in advance of need.

Risks associated with any borrowing in advance activity will be subject to prior appraisal and subsequent reporting through the mid-year or annual reporting mechanism.

### 3.6 Debt rescheduling

As short term borrowing rates will be considerably cheaper than longer term fixed interest rates, there may be potential opportunities to generate savings by switching from long term debt to short term debt. However, these savings will need to be considered in the light of the current treasury position and the size of the cost of debt repayment (premiums incurred).

The reasons for any rescheduling to take place will include:
- the generation of cash savings and / or discounted cash flow savings;
- helping to fulfil the treasury strategy;
- enhance the balance of the portfolio (amend the maturity profile and/or the balance of volatility).

Consideration will also be given to identify if there is any potential for making savings by running down investment balances to repay debt prematurely as short term rates on investments are likely to be lower than rates paid on current debt. All rescheduling will be reported to the Commissioner at the earliest opportunity.

### 3.7 Municipal Bond Agency

It is likely that the Municipal Bond Agency, currently in the process of being set up, will be offering loans to Local Authorities in the near future. It is also hoped that the borrowing rates will be lower than those offered by the Public Works Loan Board (PWLB). The Commissioner intends to make use of this new source of borrowing as and when appropriate.

# 4.    ANNUAL INVESTMENT STRATEGY

## 4.1    Investment Policy

The Commissioners investment policy has regard to the CLG's Guidance on Local Government Investments ("the Guidance") and the 2011 revised CIPFA Treasury Management in Public Services Code of Practice and Cross Sectoral Guidance Notes ("the CIPFA TM Code").   The Commissioners investment priorities will be security first, liquidity second and  then return.

In accordance with guidance from the CLG and CIPFA, and in order to minimise the risk to investments, the The Commissioner's Office has below clearly stipulated the minimum acceptable credit quality of counterparties for inclusion on the lending list. The creditworthiness methodology used to create the counterparty list fully accounts for the ratings, watches and outlooks published by all three ratings agencies with a full understanding of what these reflect in the eyes of each agency. Using our ratings service potential counterparty ratings are monitored on a real time basis with knowledge of any changes notified electronically as the agencies notify modifications.

The main rating agencies (Fitch, Moody's and Standard & Poor's) have, through much of the financial crisis, provided some institutions with a ratings "uplift" due to implied levels of sovereign support. Commencing in 2015, in response to the evolving regulatory regime, all three agencies have begun removing these "uplifts" with the timing of the process determined by regulatory progress at the national level. The process has been part of a wider reassessment of methodologies by each of the rating agencies. In addition to the removal of implied support, new methodologies are now taking into account additional factors, such as regulatory capital levels. In some cases, these factors have "netted" each other off, to leave underlying ratings either unchanged or little changed.  A consequence of these new methodologies is that they have also lowered the importance of the (Fitch) Support and Viability ratings and have seen the (Moody's) Financial Strength rating withdrawn by the agency.

In keeping with the agencies' new methodologies, the rating element of our own credit assessment process now focuses solely on the Short and Long Term ratings of an institution. While this is the same process that has always been used for Standard & Poor's, this has been a change in the use of Fitch and Moody's ratings. It is important to stress that the other key elements to our process, namely the assessment of Rating Watch and Outlook information as well as the Credit Default Swap (CDS) overlay have not been changed.

The evolving regulatory environment, in tandem with the rating agencies' new methodologies also means that sovereign ratings are now of lesser importance in the assessment process. Where through the crisis, clients typically assigned the highest sovereign rating to their criteria, the new regulatory environment is attempting to break the link between sovereign support and domestic financial institutions. While this authority understands the changes that have taken place, it will continue to specify a minimum sovereign rating of AA-. This is in relation to the fact that the underlying domestic and where appropriate, international, economic and wider political and social background will still have an influence on the ratings of a financial institution.

It is important to stress that these rating agency changes do not reflect any changes in the underlying status or credit quality of the institution. They are merely reflective of a reassessment of rating agency methodologies in light of enacted and future expected changes to the regulatory environment in which financial institutions operate. While some banks have received lower credit ratings as a result of these changes, this does not mean that they are suddenly less credit worthy than they were formerly.  Rather, in the majority of cases, this mainly reflects the fact that implied sovereign government support has effectively been withdrawn from banks. They are now expected to have sufficiently strong balance sheets to be able to withstand foreseeable adverse financial circumstances without government support. In fact, in many cases, the balance sheets of banks are now much more robust than they were before the 2008 financial crisis when they had higher ratings than now. However, this is not universally applicable, leaving some entities with modestly lower ratings than they had through much of the "support" phase of the financial crisis.

The aim of the strategy is to generate a list of highly creditworthy counterparties which will also enable diversification and thus avoidance of concentration risk. Thus providing security of investment and minimisation of risk.

## 4.2    Creditworthiness policy

The primary principle governing the Commissioner's investment criteria is the security of its investments, although the yield or return on the investment is also a key consideration.  After this main principle, The Commissioner will ensure that:

- It maintains a policy covering both the categories of investment types it will invest in, criteria for choosing investment counterparties with adequate security, and monitoring their security.  This is set out in the specified and non-specified investment sections below; and

- It has sufficient liquidity in its investments. For this purpose it will set out procedures for determining the maximum periods for which funds may prudently be committed. These procedures also apply to the prudential indicators covering the maximum principal sums invested.

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The CFO will maintain a counterparty list in compliance with the following criteria and will revise the criteria and submit them to the Commissioner for approval as necessary. These criteria are separate to that which determines which types of investment instrument are either specified or non-specified as it provides an overall pool of counterparties considered high quality which the Commissioner may use, rather than defining what types of investment instruments are to be used.

The minimum rating criteria has applied the lowest common denominator method of selecting counterparties and applying limits. This meant that the application of the Commissioners minimum criteria would apply to the lowest available rating for any institution. It is considered that by applying the highest available criteria would not significantly increase risk but may widen the pool of available counter parties. Credit rating information is supplied by Capita Asset Services our treasury consultants, on all active counterparties that comply with the criteria below. Any counterparty failing to meet the criteria would be omitted from the counterparty (dealing) list. Any rating changes, rating watches (notification of a likely change), rating outlooks (notification of a possible longer term change) are provided to officers almost immediately after they occur and this information is considered before dealing. For instance, a negative rating watch applying to a counterparty at the minimum Commissioner criteria will be suspended from use, with all others being reviewed in light of market conditions. As the banking sector has stabilised a slight relaxation of the counterparty criteria is proposed. This will still give quality counterparties while increasing the opportunities to invest. Where a change is proposed the existing criteria is shown in brackets.

The criteria for providing a pool of high quality investment counterparties (both specified and non-specified investments) is:

- Banks 1 - good credit quality – the Commissioner will only use banks which:

    i.  are UK banks; and/or

    ii. and have as a minimum the following Fitch, Moody's and Standard and Poors credit ratings (where rated):

        i.  Short term – F1

        ii. Long term – A-

- Banks 2 – Part nationalised UK banks – Lloyds Banking Group and Royal Bank of Scotland. These banks can be included if they continue to be part nationalised or they meet the ratings in Banks 1 above.

- Banks 3 – The Commissioners own banker for transactional purposes if the bank falls below the above criteria, although in this case balances will be minimised in both monetary size and time.

- Bank subsidiary and treasury operation -. The Commissioner will use these where the parent bank has provided an appropriate guarantee or has the necessary ratings outlined above.

**The above are limited to £5m for up to 3 months under current market conditions. Where the financial markets start to make an improvement the duration of the investment can be increased with the CFO's prior approval, under delegated powers, to no more than 12 months.**

**Where the Bank is A rated (long term) this is limited to £3m (previously £2m) for up to 100 days.**

- Building societies will be used if it meets the ratings for banks outlined above.

- Money market funds with instant access – Limited to £7m in any one MMF, with delegated authority for the CFO to approve temporary increase to £10m.

- Enhanced money market funds with up to 7 day notice access - Limited to £3m in any one MMF, with delegated Authority for the CFO to approve temporary increase to £5m.

- UK Government (including gilts and the DMADF) - up to a limit of £10m up to 12 months.

- Local authorities, parish councils, other Police & Crime Commissioners etc - Limited to £5m with each for up to 2 years. The CFO under delegated authority can extend either the duration or the financial limit in specific cases.

**Country and sector considerations** - Due care will be taken to consider the country, group and sector exposure of the Commissioners investments. In part, the country selection will be chosen by the credit rating of the sovereign state in Banks 1 above. In addition:

- no more than 25%/£5m will be placed with any non-UK country at any time;
- limits in place above will apply to a group of companies;
- sector limits will be monitored regularly for appropriateness.

**Use of additional information other than credit ratings.** Additional requirements under the Code require the Commissioner to supplement credit rating information. Whilst the above criteria relies primarily on the application of credit ratings to provide a pool of appropriate counterparties for officers to use, additional operational market information will be applied before making any specific investment decision from the agreed pool of counterparties. This additional market information (for example Credit Default Swaps, negative rating watches/outlooks) will be applied to compare the relative security of differing investment counterparties.

**Time and monetary limits applying to all investments.** The time and monetary limits for institutions on the Commissioners counterparty list are as follows .

|  | Fitch Long term Rating (or equivalent) | Money and/or % Limit | Time Limit |
|---|---|---|---|
| Banks 1 higher quality | AAA | £5m | 1 yr |
| Banks 1 medium quality | AA- | £5m | 1 yr |
| Banks 1 medium/lower quality | A | £4m | 6 month |
| Banks 1 Lower quality | A- | £3m (£2m) | 100 days |
| Banks 2 – part nationalised | N/A | £5m | 1yr |
| Banks 3 category – Commissioners banker (not meeting Banks 1) | AA | £5m | 1 day |
| UK Govt - DMADF | AAA | Unlimited | 6 months |
| Local authorities | N/A | £5m | 2 yr |
| Enhanced money market funds with instant access | AAA | £5-10m | liquid |
| Enhanced money market funds with notice | AAA | £3-5m | liquid |

*The Commissioner is requested to approve changes to the counterparty criteria as follows:*

- *To use the highest available rating instead of the lowest common denominator.*
- *To increase the value of investments in A- banks from £2 million to £3 million*

### 4.3 Country Limits

The Commissioner has determined that it will only use approved counterparties from countries with a minimum sovereign credit rating of *AA-* from Fitch. This list will be added to, or deducted from, by officers should ratings change in accordance with this policy.

**Approved countries for investments -**

*Based on lowest available rating*

| AAA | AA | A | AA- |
|---|---|---|---|
| Australia<br>Canada<br>Denmark<br>Germany<br>Luxembourg<br>Norway<br>Singapore<br>Sweden<br>Switzerland | Finland<br>Hong Kong<br>Netherlands<br>U.K.<br>U.S.A. | Abu Dhabi (UAE)<br>France<br>Qatar | Belgium<br>Saudi Arabia |

### 4.4 Investment Strategy

**In-house funds.** Investments will be made with reference to the core balance and cash flow requirements and the outlook for short-term interest rates (i.e. rates for investments up to 12 months).

**Investment returns expectations.** Bank Rate is forecast to remain unchanged at 0.5% before starting to rise from quarter 2 of 2016. Bank Rate forecasts for financial year ends (March) are:

- 2016-2017  1.00%
- 2017-2018  1.75%
- 2018-2019  2.00%

There are downward and upward risks to these forecasts  but overall the main risk is that increases in Bank Rate occurs later.

The suggested budgeted investment earnings rates for returns on investments placed for periods up to 100 days during each financial year for the next eight years are as follows:

- 2016-2017    0.90%
- 2017-2018    1.50%
- 2018-2019    2.00%
- 2019-2020    2.25%
- 2020-2021    2.50%
- 2021-2022    3.00%
- 2022-2023    3.00%
- Later years    3.00%

Because of the risk of interest rates not rising as quickly as indicated a lower rate will be used in the budgets.

**Investment treasury indicator and limit** - total principal funds invested for greater than 364 days. These limits are set with regard to liquidity requirements and to reduce the need for early sale of an investment, and are based on the availability of funds after each year-end.

*The Commissioner is requested to approve the treasury indicator and limit:*

| Maximum principal sums invested > 364 days | | | | |
|---|---|---|---|---|
| £m | 2015-16 | 2016-2017 | 2017-2018 | 2018-2019 |
| Principal sums invested > 364 days | 5.000 | 5.000 | 5.000 | 5.000 |

For its cash flow generated balances, the The Commissioner's Office will seek to utilise its business reserve instant access and notice accounts, money market funds and short-dated deposits (overnight to 100 days) in order to benefit from the compounding of interest.

### 4.5    Investment Risk Benchmarking

These benchmarks are simple guides to maximum risk, so they may be breached from time to time, depending on movements in interest rates and counterparty criteria. The purpose of the benchmark is that officers will monitor the current and trend position and amend the operational strategy to manage risk as conditions change. Any breach of the benchmarks will be reported, with supporting reasons in the mid-year or Annual Report.

**Security** - The Commissioners maximum security risk benchmark for the current portfolio, when compared to these historic default tables, is:

- 0.06% historic risk of default when compared to the whole portfolio.

**Liquidity** – in respect of this area the Commissioner seeks to maintain:

- Bank overdraft - £0.5m maximum

- Liquid short term deposits of at least £2.0m available on instant access.

- Weighted average life benchmark is expected to be 1 month, with a maximum of 6 months.

**Yield** - local measures of yield benchmarks are:

- Investments – internal returns above the 7 day LIBID rate

### 4.6 End of year investment report

At the end of the financial year, the CFO will report on the investment activity as part of its Annual Treasury Report.

## 5. THE TREASURY MANAGEMENT ROLE OF THE SECTION 151 OFFICER

The S151 (responsible) officer is the Chief Financial Officer to the Commissioner. ( CFO ) is responsible for the following:

- Recommending clauses, treasury management policy/practices for approval, reviewing the same regularly, and monitoring compliance.

- Submitting regular treasury management policy reports.

- Submitting budgets and budget variations.

- Receiving and reviewing management information reports.

- Reviewing the performance of the treasury management function.

- Ensuring the adequacy of treasury management resources and skills, and the effective division of responsibilities within the treasury management function.

- Ensuring the adequacy of internal audit, and liaising with external audit.

- Recommending the appointment of external service providers.