

**Budget 2020/21 Police & Crime Panel Questions**  
**and the Police & Crime Commissioner's Response**

<b>Consultation</b>	
<b>Panel Question: 6a</b>	<b>Overall, including those residents who are unsure/ unclear, there is not a majority of residents in support of a precept increase this year, with the percentage in favour of an increase within the referendum threshold falling from 45.4% to 24.7%. As 'personal economic circumstances' is the most common reason for this lack of support, are you personally assured that residents can afford an increase set at the maximum limit available within the threshold?</b>
<b>PCC Response:</b>	We are consulting regularly throughout the year with the public, via surveys. The latest survey figures show across the county that there is still a majority that support an increase in council tax when the "don't knows" are excluded.
<b>Panel Question: 6b</b>	<b>You commissioned a series of residents focus groups in January to better understand why increasingly City residents were stating they were unsure or needed more information to help them decide about the precept proposals. What were the results of that work and did the findings help inform the final budget proposals? How will those findings affect next year's consultation?</b>
<b>PCC response:</b>	Focus groups work concluded last week and as always when the financial situation is discussed fully with the group participants, by a large majority there is support for an increase in the council tax.
<b>Uplift</b>	
<b>Panel Question: 7a</b>	<b>The knock-on effects of employing additional police officers are cited partly as reasons for increasing certain individual budgets and the precept overall. However, the Workforce Plan figures in Annex 2 and Annex 3(i) to the Budget report suggest a net increase of only 5 officers this financial year, after leavers and retirements are factored in. Can you please clarify the actual numbers that will join the Force in 2019-20 and 2020-21 and the net increases and also explain how the net increases will result in extra demand for resources – e.g. 40 extra vehicles?</b>
<b>PCC Response:</b>	Annex 2 and 3(i) compare estimated out-turn for this financial year to next year's budget.  The estimate out-turn includes 107 Uplift that are being recruited in March. The budgeted figure for 19-20 was 1940 officers (including the additional 40 officers that the PCC plans had for 19-20). This is the baseline that the HO is using to ensure Uplift is above this. Total number recruited in 19-20 is 147 net (overall 280 officers have been recruited to cover the total movement of leavers transferees and secondments). I have attached the details on total officer numbers confirmed with the HO.

	<p>These additional officers all require kit, training and other support including vehicles. 40 additional vehicles have been included within the budget for this purpose.</p>
<p><b>Panel Question:</b> 7b</p>	<p><b>The proposed precept increase will deliver an additional £4m this financial year. The Budget report at page 5 refers to the likelihood that the Force will receive an additional £3m in this financial year based on performance for ‘in year allocation’ (i.e. for officers to take up post prior to 31 March 2021). This additional £3m is included within assumptions in the Medium Term Financial Strategy (MTFS) report at Table 1a which suggests a degree of certainty of receipt in this financial year. As this money is ring fenced, could it be used to alleviate the potential impact of having additional officer numbers? In light of that and the outcomes of the precept consultation, did you consider a lesser level of precept?</b></p>
<p><b>PCC Response:</b></p>	<p>The £3m additional grant is primarily to cover the salaries of the additional 107 officers. It also provides some funding towards IT, vehicles, uniform and support functions such as recruitment and training. It also provides for infrastructure costs relating to the further 250 officers to be recruited over the next two years. Our certainty in relation to receiving this grant is based upon plans already in place by the force to recruit the 107 additional officers (net) by March 2020; a year ahead of the deadline set by the Home Office.</p> <p>We always consider lower precept increases, but inflation, pay awards and increments of all other officers and staff are not included in the additional grant and core police grant remains flat. The Force have once again, had to identify efficiencies in order to balance this budget.</p>
<p><b>Panel Question:</b> 7c</p>	<p><b>If this £3m performance grant is not to be included in the base budget, do you plan to update the Panel on expenditure plans for that funding at a future meeting following receipt?</b></p>
<p><b>PCC Response:</b></p>	<p>Currently, the performance grant is included within the total financing available and therefore is budgeted for. This is because it was announced as part of the total funding for policing. It will be clearly shown as part of the net budget as this is now where it should be reported and total funding will reduce. The monitoring reports as part of the Commissioner’s Update to the panel will clearly show this move.</p>

<p><b>Savings &amp; Efficiencies</b> Panel Question: 8a</p>	<p>Can you clarify which specific areas of proposed efficiencies in 2019-20 will not be achieved and the overall total level of efficiencies likely to be made?</p>																																										
<p><b>PCC Response:</b></p>	<p>The 2019/20 efficiency target in order to achieve a balanced budget is £3,300k as per the table below:</p> <table border="1" data-bbox="544 432 1485 1093"> <thead> <tr> <th colspan="3"><b>Efficiencies Target for 2019/20</b></th> </tr> <tr> <th></th> <th><b>Target £'000</b></th> <th><b>Outturn RAG Assessment</b></th> </tr> </thead> <tbody> <tr> <td colspan="3"><b>Pay &amp; Expenses</b></td> </tr> <tr> <td>Ongoing staff pay savings</td> <td>1,500</td> <td>Green</td> </tr> <tr> <td>Overtime</td> <td>500</td> <td>Red</td> </tr> <tr> <td></td> <td><b>2,000</b></td> <td></td> </tr> <tr> <td colspan="3"><b>Non Pay</b></td> </tr> <tr> <td>Procurement</td> <td>300</td> <td>Amber</td> </tr> <tr> <td>Comms &amp; Computing</td> <td>300</td> <td>Amber</td> </tr> <tr> <td>Capital Financing</td> <td>300</td> <td>Red</td> </tr> <tr> <td>Supplies &amp; Services</td> <td>200</td> <td>Green</td> </tr> <tr> <td>Income</td> <td>200</td> <td>Green</td> </tr> <tr> <td></td> <td><b>1,300</b></td> <td></td> </tr> <tr> <td><b>Total Savings</b></td> <td><b>3,300</b></td> <td>(2,200) Amber</td> </tr> </tbody> </table> <p>Currently we are expecting to achieve £2.2m savings against a £3.3 million target. Saving in overtime will not be achieved and this is due to both increased demand and difficulties in achieving system changes; which have resulted from implementation difficulties with systems provided by MFSS. Additional borrowing in year has affected capital savings. Procurement revenue cashable savings are lower than previous years, however capital contracts have delivered capital savings and cost avoidance, especially in respect of the contact management system. Savings in respect of redundant IT systems are being delivered but at a slower timetable than envisaged.</p>	<b>Efficiencies Target for 2019/20</b>				<b>Target £'000</b>	<b>Outturn RAG Assessment</b>	<b>Pay &amp; Expenses</b>			Ongoing staff pay savings	1,500	Green	Overtime	500	Red		<b>2,000</b>		<b>Non Pay</b>			Procurement	300	Amber	Comms & Computing	300	Amber	Capital Financing	300	Red	Supplies & Services	200	Green	Income	200	Green		<b>1,300</b>		<b>Total Savings</b>	<b>3,300</b>	(2,200) Amber
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<p><b>Panel Question:</b> 8b</p>	<p>Are the efficiencies that were not achieved this year included in the proposed efficiencies for 2020-21 or will they be carried forward in another way?</p>																																										
<p><b>PCC Response:</b></p>	<p>Proposed overtime efficiencies will be carried forward to later years, but system changes are unlikely to be achieved in the next 12 months so they will not appear in the 2020-21 annual budget. A revised procurement savings target is included in the budget, other efficiencies are not carried forward as they are considered not deliverable.</p>																																										

<b>Panel Question: 8c</b>	<b>In the proposed efficiencies for 2020-21 there is £0.6m listed as ongoing staff pay savings? Would it have been clearer to have reduced the number of proposed new posts from the current 50 and not included this savings target?</b>
<b>PCC Response:</b>	On-going staff savings of £0.6m are generally as a result of the full year impact of staffing efficiencies made in the previous year therefore these do not link to the 50 staff uplift number.
<b>Panel Question: 8d</b>	<b>What is the logic behind the variations in planned efficiency savings levels over the five year period of the Medium Term Financial Strategy?</b>
<b>PCC Response:</b>	The planned efficiencies vary to ensure each year sets a balanced budget.
<b>Panel Question: 8e</b>	<b>The MTFS report states that savings that will continue to be generated by collaboration. In light of the increased expenditure on collaboration in 2020-21 can you give some examples of areas where the most significant savings have been achieved in 2019-20?</b>
<b>PCC Response:</b>	Savings in collaboration are expected from the involvement in the National Enablers Programme (NEP), continued income generation via our joint procurement function (EMSCU) and from regional collaboration as identified in a recently commissioned VFM report.
<b>Panel Question: 8f</b>	<b>What is the new post to be introduced in the Office of the PCC?</b>
<b>PCC Response:</b>	This is 1 FTE additional post for anticipated changes relating to complaints work transferring from the Force to OPCC (statutory requirement) and some provision has been made for possible changes required post-election to support any newly elected Commissioner.
<b>Transport</b>	
<b>Panel Question: 9a</b>	<b>Does the increase in costs for the vehicle fleet include any plans towards making the fleet greener and environmentally friendly?</b>
<b>PCC Response:</b>	The capital programme shows that the Commissioner has requested that the Force plan to invest in a pilot for the use of electric vehicles, with 4 vehicles planned for purchase in 2020-21. The New Build at HQ will also have an A Rating for energy efficiency and we continue to benefit from solar installations.

<b>Panel Question: 9b</b>	<b>As it did last year, the budget report at paragraph 2.3 refers to ongoing monitoring of the PFI agreement and delivery of efficiencies. When questioned about this last year it was clarified that no further savings can be made under this agreement. What further efficiencies are therefore expected to be delivered this year?</b>
<b>PCC Response:</b>	As stated previously it is considered that further efficiencies from PFI contracts are unlikely to be delivered. The Force continues to actively manage these arrangements and works closely with the Home Office to review options going forward.
<b>Panel Question: 9c</b>	<b>When does the PFI vehicle contract come to an end and what is the long-term plan for the reprocurement of this contract at the end of that period?</b>
<b>PCC Response:</b>	The PFI contracts are due to end in November 2026 so are currently outside the timelines of our published financial planning processes. It is expected that at the end of the contracts services will be brought back in-house.
<b><u>Reserves</u></b>	
<b>Panel Question: 10a</b>	<b>The Major Incidents element of the general reserve states that probability is either medium or low, but the value is set at the top of the range. Is there any reason for this?</b>
<b>PCC Response:</b>	<p>This is because when a major incident has occurred it has been at a cost to Force greater than 1%. The Home Office are also in the process of tightening their rules in relation to special grant.</p> <p>We have a core City, hopefully a premiership football team, an international station (Toton), major investment in the A1/A46 and a potential risk that fracking may re-surface. We have also seen cost rise in relation to major enquiries especially where mutual aid and detective resources are an enduring feature.</p>
<b>Panel Question: 10b</b>	<b>The Reserves Strategy refers to the need for clear protocols for each earmarked reserve – what is the process for reviewing the various earmarked reserves and timescales, particularly those under ‘ongoing’ review?</b>
<b>PCC Response:</b>	Earmarked reserves are constantly reviewed by the CFO. They relate to specific expenditure and the risks associated with that expenditure. The use of reserves is tightly monitored and the overall level of reserves whilst low for a Force of our size is considered sufficient.

<b>Panel Question: 10c</b>	<b>As per last year some earmarked reserves do not appear to change over the four years from 2020/21 to 2024/25. Would it be more appropriate to include these within the general reserves?</b>
<b>PCC Response:</b>	These are reserves which the planned use is currently unknown and could happen at any time. It is not appropriate for these to be included in the General reserve as they are created for a specific purpose.
<b>Panel Question: 10d</b>	<b>The PFI reserves is shown as negative from 2021/22 onwards. Should additional amounts be added to this reserve to offset this?</b>
<b>PCC Response:</b>	It is envisaged that the normal cycle of dropping to a negative value will not become necessary. This is a cycle agreed with the Home Office to build up reserves towards a cost that is incurred every 5 years.
<b>Panel Question: 10e</b>	<b>The report states that the PCC Reserve is to cover the costs of the forthcoming PCC Election but the text in the appendix states it is 'To be utilised to meet unforeseen expenditure'. Expenditure in this year is forecast to be £43,000. Could you clarify whether this reserve is for the PCC Election and, if so, why the amount remains at a constant level for subsequent years?</b>
<b>PCC Response:</b>	The £43,000 estimated use of PCC reserve relates to the possible recruitment of 1 FTE post-election (this will be subject to a review at that stage) part of the reserve will also be utilised for the provision of the Drone purchased in 2019-20 and other small one-off items of expenditure not budgeted for. If these can be met within existing budgets, there will be no impact on this reserve for these items. No costs relating to the election have been confirmed at this stage and costs relating to the election website have already been absorbed within the OPCC budget.
<b>Panel Question: 10f</b>	<b>The Reserves Strategy refers to the respective costs of the new Custody and HQ buildings as £20m and £18m whereas the latest Forward Plan quotes figures of £15m and £16.5m – are the smaller figures the latest remaining forecast costs (minus the costs of work undertaken in previous financial years such as feasibility studies)?</b>
<b>PCC Response:</b>	The forward plan does not include the costs incurred to date for the purchase of land, site investigations, decontamination works already undertaken.
<b>Panel Question: 10g</b>	<b>The earmarked reserves balance for 1 April 2020 is stated to be £17.57m, an increase from £16.58m last year. How likely is it that it will reduce to the forecast figure of £9.67m by 31 March 2021?</b>

<b>PCC Response:</b>	Significant capital programmes which require the use of reserves are already committed. However, as with all building works, delays are inevitable. This reserves strategy represents out “best estimate” at this time.
<b>Panel Question: 10h</b>	<b>The budget report refers to £11.5m requiring returning to reserves with a further £0.7m having been returned in 2019-20. The report clarifies that the remaining £6.8m is due to be repaid within the current medium term planning period, although only £2.5m is highlighted for transfer in the MTFS. Can you explain how the gap of £4.3m will be repaid by 2023?</b>
<b>PCC Response:</b>	The gap relating to repayment of reserves is being met by Direct Reserve Financing to capital in 20-21 and 21-22.
<b>MTFS</b>	
<b>Panel Question: 11a</b>	<b>Precept income – the budget report states that the Home Office expects any future funding gaps to be resourced from continued precept freedoms. In light of that, did you consider increasing the precept by similar levels to this year within the projections in Table 1a?</b>
<b>PCC Response:</b>	Because any future Precept Freedoms are unknown at this stage and subject to political influences, it is prudent to estimate based upon known factors such as a 2% limit on precept. As more information becomes available, strategies will be updated. Whilst the Minister has stated funding gaps will be met from precept freedoms, the Treasury are already stating that next year’s settlement (incl. precept limits) will be very difficult.
<b>Capital</b>	
<b>Panel Question: 12a</b>	<b>The budget report highlights the increased contribution from the revenue budget to fund the capital programme. What are the wider implications for the revenue budget of such an approach?</b>
<b>PCC Response:</b>	The revenue contribution comes direct from the Uplift grant which includes this element for capital expenditure. It has to be used for the purpose identified in the grant claim.
<b>Panel Question: 12b</b>	<b>The Treasury Management Strategy states the Capital Programme for 2019-20 is estimated at £8.720m. The latest update report (up to August 2019) refers to a total budget of £12.797m. Could the actual amount be clarified please?</b>
<b>PCC Response:</b>	The Treasury Management Strategy refers to the current estimated carry forward of over £5m. Once this is confirmed at year end, the strategy will be updated.

<b>Panel Question: 12c</b>	<b>Last year, you highlighted the reasons for ongoing slippage in the Capital Programme but clarified that ongoing monitoring and management would help to address this. In your opinion have improvements been made in those processes to reduce the amount and likelihood of slippage and to help keep on top of the Capital Programme? What are the actual areas of slippage in 2019-20?</b>
<b>PCC Response:</b>	Yes improvements have been made to capital monitoring (including the phased transfer of IT items to revenue). However, the nature of such projects means that the slightest delay has a major impact. This year's delay relates primarily to the time taken to get plans agreed and planning permission obtained.
<b>Panel Question: 12d</b>	<b>Last year you highlighted the approach of reducing the amount of ICT within the capital programme, meeting costs from revenue instead. The Reserves Strategy states 'all system upgrades will be funded by revenue'. Can you clarify why 'Tech refresh and upgrades' are included in the Capital Programme at a cost of £2.390m, an increase from the £1.450m in last year's Programme?</b>
<b>PCC Response:</b>	The plan to move IT across into revenue expenditure has commenced. However, significant purchases and new software were always going to be the exception to this as the revenue account is unable at this point to take the strain of significant additional costs.





Ref: PCC/CC/SD/171019

17<sup>th</sup> October 2019

Kit Malthouse MP  
Minister of State for Crime, Policing and the Fire Service  
House of Commons  
London  
SW1A 0AA

Sent by email: [kit.malthouse.mp@parliament.uk](mailto:kit.malthouse.mp@parliament.uk)

Dear Minister

Thank you for your letter dated 10<sup>th</sup> October 2019 and the confirmation of the 107 uplift figure for Nottinghamshire Police, which we are well on track to deliver. As previously advised, we will be in a position to exceed this figure should the Home Officer require any additional in year delivery in order to help achieve the national target of 2000 new officers by 31<sup>st</sup> March 2020. We have the capacity to deliver more in year should this be required. Please let us know early if this is the case.

You have rightly documented our planned precept uplift of 40 officers as part of our wider recruitment plans to replace the officers we anticipated to lose during this financial year.

Consequently taking account of officer leavers, retirements and planned recruitment the forces anticipated starting figure (base line) is **2021 total headcount** as stated in your letter, which is equivalent to 1980 (FTE). With the officer uplift our target will be to increase Nottinghamshire's police officers to 2128 total headcount or 2087 officers (FTE).

As you recognise there is a difference between total headcount and full time equivalent. We have provided both for your information and to avoid any confusion

We very much welcome the additionality and look forward to being able to demonstrate a very expeditious in year delivery. We want to underline our ability and readiness to deliver our allocated 107 uplift and are prepared to increase further by 50 plus officers in order to help meet any national year end targets.

Yours sincerely

A handwritten signature in black ink, appearing to read "Kit Malthouse".

A handwritten signature in black ink, appearing to read "C.C.P. cc.".