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**Gwent Police  
and Crime Panel**

**Panel Heddlu  
a Throseddu Gwent**

For all enquiries relating to this agenda please contact  
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**Date: 4th September 2014**

Dear Sir/Madam,

A meeting of the **Gwent Police and Crime Panel** will be held at **Newport City Council, Civic Centre (Committee Room 1), Newport, NP20 4UR** on **Friday, 12th September 2014 at 10.00 a.m.** to consider the matters contained in the following agenda.

### **A G E N D A**

1. Declarations of Interest.
2. Apologies for Absence.
3. To approve and note the minutes of the meeting held on 11th July 2014.
4. Verbal Update - Gwent Police and Crime Commissioner.
5. Verbal Update - Chief Constable (NATO Summit).
6. HMIC Valuing the Police – Verbal Report by the Commissioner on his actions.
7. Half Year Update on Progress against the Programme of Work for the Office of the Police and Crime Commissioner.
8. Domestic Abuse – Oversight of the Force Response to the HMIC Inspection and Related Activity by the Office of the Police and Crime Commissioner (OPCC).
9. Police and Crime Commissioner for Gwent Reserves Position.
10. Forward Work Programme.

#### **MEMBERSHIP:**

Blaenau Gwent County Borough Council - Councillors L. Lewis and J. Morgan

Caerphilly County Borough Council - Councillors C.P. Mann, Mrs C. Forehead and Mrs G.D. Oliver

Torfaen County Borough Council - Councillors L. Jones and P. Seabourne

Monmouthshire County Council - Councillors P. Clarke and Mrs F. Taylor

Newport City Council - Councillors O. Ali, J. Guy and D. Williams

Co-opted Member - Mr P. Nuttall and Ms J. Smith

#### **By Invitation:**

Gwent Police and Crime Commissioner - Mr I. Johnston

Deputy Gwent Police and Crime Commissioner - Mr P. Harris

Chief Executive of the Office of the Police and Crime Commissioner for Gwent - Mrs S. Bosson

Chief Constable - Mr J. Farrar

Gwent Police  
and Crime Panel

Panel Heddlu  
Gwent a Throseddu

## **GWENT POLICE AND CRIME PANEL**

### **MINUTES OF THE MEETING HELD AT CIVIC CENTRE, NEWPORT ON FRIDAY 11TH JULY 2014 AT 10AM**

Present:

Councillor J. Guy - Newport City Council - Chair  
Councillor Mrs F. Taylor - Monmouthshire County Council - Vice Chair

Councillors Mrs C. Forehead, C Mann and Mrs G.D. Oliver - Caerphilly County Borough Council

Councillor P. Clarke - Monmouthshire County Council

Councillor D. Williams - Newport City Council

Councillor P. Seabourne - Torfaen County Borough Council

Councillor J. Morgan- Blaenau Gwent County Borough Council (Observer)

Ms J. Smith - Co-opted Member

By invitation:

Mr I. Johnston - Police and Crime Commissioner for Gwent

Mr D. Garwood-Pask - Chief Finance Officer/Deputy Chief Executive, Office of the Police and Crime Commissioner for Gwent

Ms S. Curley - Head of Corporate Governance, Office of the Police and Crime Commissioner for Gwent

Mr O. Hughes - Communications Manager, Officer of the Police and Crime Commissioner for Gwent

Together with:

J. Jones (Democratic Services Manager), C. Evans (Clerk to the Panel).

#### **1. DECLARATIONS OF INTEREST**

Councillor J. Guy wished it be noted that he is the Treasurer of both Newport and Gwent Neighbourhood Watch Associations and the Deputy Chair of Gwent NARPO Association.

Councillor P. Seabourne wished it be noted that he is the Chair of the South Torfaen Action Group.

Ms J. Smith wished it be noted that she is an Independent Member of the Aneurin Bevan University Health Board.

#### **2. APOLOGIES FOR ABSENCE**

Apologies for absence were received from Councillors O. Ali (Newport City Council), L. Jones (Torfaen County Borough Council), P. Nuttall (Co-opted Member), J. Farrar (Chief Constable,

Gwent Police) and Mrs S. Bosson (Chief Executive, Office of the Police and Crime Commissioner for Gwent)

### **3. MINUTES – 20TH JUNE 2014**

Resolved that the minutes of the 20th June 2014 were approved as a correct record.

The Panel requested that Officers contact the Home Office regarding hypothecation of the grant and to chase applications from the replacement Members.

### **4. END OF YEAR FINANCIAL MONITORING REPORT AND MEDIUM TERM FINANCIAL PLAN AND BUDGET TIMETABLE**

Following a suggestion from Mr Garwood-Pask, the Panel considered the End of Year Financial Monitoring Report and Medium Term Financial Plan and Budget Timetable as a single agenda item.

Mr Garwood-Pask, Chief Finance Officer, Office of the Gwent Police and Crime Commissioner, presented the Finance Report for the Year Ending 31st March 2014, which summarised the draft position regarding the completion of the Revenue and Capital Accounts for the year ending 31st March 2014. Particular attention was drawn to the level of accelerated efficiency savings realised during 2013/14.

The Panel then received a presentation and appendices, highlighting the current budget and Medium Term Financial Plan to 2018/19, together with detailed assumptions, service pressures & developments and efficiency initiatives that support the plan. The Officer highlighted a number of factors, which influence and interact with each other to produce the Medium Term Financial Plan; including funding, expenditure, efficiencies, economy, external influence and risks, which were further demonstrated in the accompanying presentation and appendices.

Mr Garwood-Pask highlighted a number of areas in the report for consideration by the Panel and informed Members that, as a result of austerity measures, there would be continuing significant impact on the Commissioner's budget requirement and reserves until 2020.

Mr Johnston, Gwent Police and Crime Commissioner, addressed the Panel and highlighted that the HMIC Valuing the Police 4 Inspection had been conducted and an Action Plan was being prepared. The Panel requested a report highlighting the actions taken by the PCC to ensure the force respond to the HMIC's Report for the next meeting.

Following the presentation and report, Panel Members were invited to ask questions and a detailed discussion ensued.

The Panel noted that their comments had been taken on board since the previous meeting and budgets revised, however, Members expressed their concerns that the proposed precept for future years was greater than in recent years. Members also discussed the proposed efficiency savings and the consequences of savings targets not being achieved.

Panel Members noted the proposed savings estimated through natural wastage and the vacancy management policy. The Panel queried the overspend in the budget on Police Officer Overtime, raising concerns that the reduced staffing compliment could be resulting in overtime costs being inflated. Mr Garwood-Pask clarified the reasons for the overspend was as a result of additional initiatives delivered at local level. However, the Panel were assured that the Office of the Police and Crime Commissioner are satisfied with the overtime budget provision set by the Chief Constable.

The Panel discussed the fuel costs, as highlighted in Appendix 2 of the report. A Panel Member sought clarification on the proposed percentage increase in fuel costs. The Chief Finance Officer highlighted that he would provide the Panel with a further update at a later meeting.

The Chief Finance Officer and Commissioner highlighted to the Panel that there were a number of initiatives underway to address efficiency savings, culture change and morale. The Panel noted that 'Dragon's Den' and 'Room 101' initiatives have been implemented in order to empower employees to make suggestions for efficiency savings. A prime example of a suggestion for efficiency saving, which is under review, refers to the level of paperwork required for completion.

A Panel Member raised concerns about the length of the Domestic Abuse forms (DASH forms), highlighting that it was 20 pages long. The Commissioner explained that the level of information required when dealing with such incidents was significant, however stated that he would provide confirmation to the length of the form.

The Shared Resource Service was discussed. The Panel noted that a full review ('deep dive') was being conducted to look at the collaboration arrangements Gwent Police has with Torfaen County Borough Council and Monmouthshire County Council for IT Services. The Panel requested an update on the outcome of this review when concluded.

The Chief Finance Officer addressed the Panel's queries around capital programme underspends and slippage of schemes, highlighting that funding had been earmarked in 2013/14, which is now forecast to be spent in 2014/15. The Panel discussed the future of the Police Headquarters, in particular the Control Room, with discussions about its future location taking place following the NATO Summit. The Panel would be updated on progress in due course.

The Panel thanked Mr Garwood-Pask and Mr Johnston for providing an overview of the Medium Term Financial Plan and End of Year Monitoring Report. As a result of the discussions and reports, the Panel requested future reports on reserves, forecast 2014/15 year-end outturn and the HMIC Valuing the Police (4) Report.

## **5. COMMISSIONING UPDATE**

The Panel were provided with an update on the delivery of the Police and Crime Commissioner for Gwent's commissioning responsibilities. It was explained that there are three tiers of commissioning activity in operation. The Panel were informed that the Second Tier activity included the Property Fund, which administered £50k to successful bidders and the Partnership Fund, which administered £100k during 2013/14. These two funds will now be combined for 2014/15 and will make a positive impact on their communities. The Panel noted that there have been a large number of applications received for the £150k available for 2014/15. The applications are being considered for those projects that meet the criteria and can demonstrate an improvement and/or benefit to communities. Following review, the applications meeting the criteria would be subject to a visit, with short-listing during late August/September.

The Panel expressed their interest in observing the short-listing and selection process. The Gwent Police and Crime Commissioner agreed to the request for Members to observe the process in order to gain a better understanding of the award process and promote openness and transparency of the Commissioning process. The Commissioner agreed to provide Members with specific dates.

The third tier, relating to strategic commissioning was the main focus of the update. The Panel noted that the Drug Intervention Programme and Positive Futures, which were already committed before the Strategic Commissioning Board was established, are undertaking work

and the Panel noted the work being carried out by both services and the success being achieved. It was added that the Drug Intervention Programme contract will be re-negotiated in April 2015 and will become the Criminal Justice element of a single contact for commissioning both drugs and alcohol services in Gwent.

In line with the Strategic Commissioning Framework, the Strategic Commissioning Board has recently considered and agreed the allocation of all Tier 3 funding for 2014/15.

The Panel discussed the Commissioner's surgeries. The Commissioner requested assistance in encouraging attendance from members of the public as well as welcoming suggestions for future venues.

The Panel and Commissioner discussed future reports. It was agreed that the Forward Work Programme would be developed and discussed with the Panel.

The Chair thanked those in attendance for their contributions to the meeting.

The meeting closed at 12.17 pm.

**PCC Verbal Update, 12<sup>th</sup> September 2014:**

To include:

- Police Stations/Public Access/Public Engagement
- Partnership Fund
- Commissioning
  - Victims Hub
  - Restorative Justice Hub
  - Strategic Community Safety

**OFFICE OF POLICE AND CRIME COMMISSIONER**

**TITLE:** Half Year Update on Progress against the Programme of Work for the Office of the Police and Crime Commissioner

**DATE:** 12<sup>th</sup> September 2014

**TIMING:** Routine

**PURPOSE:** For scrutiny/monitoring

1.	<p><b><u>RECOMMENDATION</u></b> That members of the Police and Crime Panel consider the contents of the information attached within the appendix to this report.</p>
2.	<p><b><u>INTRODUCTION &amp; BACKGROUND</u></b> In April 2014, the Police and Crime Commissioner published an annual refresh of the Police and Crime Plan including a Programme of Work for the Office of the Police and Crime Commissioner (OPCC). This work programme focuses on a number of priorities which supplement the statutory duties placed on the Commissioner by the Police Reform and Social Responsibility Act 2011 and supports the police and crime priorities contained within the Plan.</p>
3.	<p><b><u>ISSUES FOR CONSIDERATION</u></b> The attached Programme of Work has been updated to reflect progress over the last six months and highlights a number of key achievements for the OPCC. However, due to the nature of this six-month update, some of the content is activity-related rather than outcome focused.</p>
4.	<p><b><u>NEXT STEPS</u></b> An Annual Report will be produced for 2014/15 during the next financial year.</p>
5.	<p><b><u>FINANCIAL CONSIDERATIONS</u></b> No additional financial considerations have been identified as a result of this report.</p>
6.	<p><b><u>PERSONNEL CONSIDERATIONS</u></b> There are no specific personnel considerations as a result of this report.</p>
7.	<p><b><u>LEGAL IMPLICATIONS</u></b> Work around the commissioning and Community Remedy and Trigger elements of the update are linked to the Anti-Social Behaviour, Crime and Policing Act 2014.</p>
8.	<p><b><u>EQUALITIES AND HUMAN RIGHTS CONSIDERATIONS</u></b> This report has been considered against the general duty to promote equality, as stipulated under the Strategic Equality Plan and has been assessed not to</p>



	<p>discriminate against any particular group. Many activities contained within the progress update support the aims of the Equality Act 2010.</p> <p>Consideration has been given to requirements of the Articles contained in the European Convention on Human Rights and the Human Rights Act 1998 in preparing this report.</p>
<b>9.</b>	<p><b><u>RISK</u></b> No risks have been identified as a result of the report.</p>
<b>10.</b>	<p><b><u>PUBLIC INTEREST</u></b> This is a public facing document which informs the community of the Commissioners intentions for policing in Gwent. It is therefore a primary source document by which the Commissioner will be held to account by the panel. It is also a key document for consideration by 'stakeholders' who will have an interest and possible input to the Commissioners priority related activity.</p>
<b>11.</b>	<p><b><u>CONTACT OFFICER</u></b> Neil Taylor – Head of Performance, Planning and Partnerships, OPCC</p>
<b>12.</b>	<p><b><u>ANNEXES</u></b> Programme of work for the OPCC 2017-2017 – Update on Progress September 2014</p>

**PROGRAMME OF WORK FOR THE OFFICE OF THE POLICE AND CRIME COMMISSIONER (OPCC) 2014-2017 –  
UPDATE ON PROGRESS SEPTEMBER 2014**

<b>Priorities</b>						
<ol style="list-style-type: none"> <li>1. To deliver the best quality of service available</li> <li>2. To prevent and reduce crime</li> <li>3. To take more effective action to tackle anti-social behaviour (ASB)</li> <li>4. To protect people from serious harm</li> <li>5. To make the best use of resources and provide Value for Money</li> </ol>						
	<b>PROGRAMME &amp; PRIORITIES</b>	<b>TIMESCALE</b>			<b>RELATED ACTIVITIES INCLUDE</b>	<b>PROGRESS</b>  (N.B. the number in brackets corresponds to the related activity in the left-hand column)
		2014/ 2015	2015/ 2016	2016/ 2017		
1  Revised	Focus on victims and witnesses – 1,2,3,4	√	√	√	<ol style="list-style-type: none"> <li>1. Monitoring progress of the Victims' Charter</li> <li>2. Working with victims' services around commissioning and the Victims' Charter</li> <li>3. Continued partnership work with criminal justice agencies</li> </ol>	<p>As a result of feedback from victims and changes to national funding frameworks:</p> <ul style="list-style-type: none"> <li>• In July, the Strategic Commissioning Board approved the proposal for a Gwent-wide multi-agency victims' hub for all victims of crime and anti-social behaviour involving, e.g., police, Crown Prosecution Service (CPS), Probation, Youth Offending Service, etc. (2)</li> <li>• Force activity to support progress of the Victims' Charter is monitored via OPCC attendance at the Service that Works Board, e.g., the development of the Gwent CARES service standard and victim</li> </ul>

						<p>CARES booklet that aims to assist officers in information collection and initial support of victims (1)</p> <ul style="list-style-type: none"> <li>• Engagement with victims' service providers and criminal justice partners across Gwent is underway to ensure effective shaping of the model and support for organisations that may be engaged in future bidding processes, e.g., third sector service providers (3)</li> <li>• Work is now underway with Gwent Police and Victim Support via the strategic commissioning process to implement the hub proposal, thereby improving the way services are accessed by and provided to victims of crime and ASB (2, 3).</li> </ul> <p>The Victims' Charter will form a key part of the oversight mechanism for the hub and the services it delivers</p>
2	Listening to people in our communities – 1,2,3,4	√	√	√	<ol style="list-style-type: none"> <li>1. Roll-out of public surgeries across Gwent</li> <li>2. Implementation of PACT review recommendations</li> <li>3. Continued public engagement via meetings, social media, website</li> </ol>	<p>Continued and extensive public engagement has provided Gwent's communities with various opportunities to discuss policing matters with the Commissioner, resulting in:</p> <ul style="list-style-type: none"> <li>• 183 public engagement activities carried out by the OPCC staff between 1<sup>st</sup> January and 30<sup>th</sup> June 2014 including 13 surgeries, attendance at public functions, meetings with Community Councillors (1)</li> </ul>

					<ul style="list-style-type: none"> <li>• 1,088 ‘Likes’ on Facebook compared to 1,013 since January 2014 (7.4% increase) – amongst the highest number of followers for PCCs across the UK (3)</li> <li>• Over 1,661 followers on Twitter compared to 1,151 in January 2014 (44.4% increase) (3)</li> <li>• An increase of almost 3,000 visits to the OPCC website compared to the same period last year. The highest number of visits in one month was 2,755 coinciding with the launch of the Commissioner’s Partnership Fund (3)</li> <li>• Positive media coverage relating to various OPCC activities, e.g.: <ul style="list-style-type: none"> <li>•Launch of the Good Drug Dealer film, part funded by the Commissioner</li> <li>•Reopening of key police stations across Gwent</li> <li>•Improving Mental Health Crisis Care in Custody</li> <li>•Various projects funded by the 2013-14 Partnership Fund</li> <li>•The Commissioner’s bi-monthly column</li> </ul> </li> </ul>
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						<p>in the South Wales Argus and online</p> <ul style="list-style-type: none"> <li>•Promotion of the Community Remedy survey across a number of media publications (3)</li> <li>• The PACT review has been undertaken and is now in a period of transition with a more flexible approach to engagement being launched in January 2015. The revised PACT process is intended to be more tailored to local need and communities will be asked for their contributions in identifying the most appropriate local models (2)</li> <li>• The OPCC is represented at the force Gwent Engagement Forum which supports community engagement, planning and activities across the force area (2)</li> <li>• An Engagement Plan has been established to direct all OPCC engagement activity. A minimum standard agreed between the Commissioner and the Chief Constable on the level of police officer attendance at public meetings (1, 3)</li> </ul>
3	Improving public	√	√	√	1. Building greater transparency into	The OPCC monitors the force quarterly local confidence survey to assess public confidence

	confidence – 1,2,3,4				<p>force misconduct arrangements</p> <p>2. Continued public engagement via meetings, social media, website</p> <p>3. Dip sampling of complaints files</p> <p>4. Consideration of Independent Appeals Panel implementation for appeals against locally resolved complaints</p>	<p>in Gwent and attends the Service that Works and Public Confidence Boards which oversee force planning and activities related to public confidence and satisfaction.</p> <p>In response to the need to improve public confidence a number of activities have been undertaken, including:</p> <ul style="list-style-type: none"> <li>• Appointment and training of two new Independent Misconduct Panel members has been completed (1)</li> <li>• Further public engagement to ensure that all communities have the opportunity to discuss their perceptions of local policing with the Commissioner as outlined in section 2 (2)</li> <li>• Attendance at a number of partnership engagement delivery groups across Gwent to facilitate a joined-up approach to community engagement (2)</li> <li>• Continued support for the Commissioner-funded OWL (Online Watch Link) system. Over 40,000 people are now registered across Gwent (2)</li> <li>• Provision and co-ordination of responses to 64 quality of service issues received by the OPCC since April 2014, resulting in satisfactory resolution for the majority of</li> </ul>
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					<p>complainants where further action can be taken (3)</p> <ul style="list-style-type: none"> <li>• A complaints file dip-sample has not been undertaken during this period but is planned for the next reporting timeframe (3)</li> <li>• A stop and search dip-sample was undertaken in July with members of the community. The report provided comment on issues such as missing information and explanations behind stops as well as general quality of forms submitted. The results were reported to the Strategy and Performance Board and are actioned through the force Stop and Search Board (3)</li> <li>• Consideration of an Independent Appeals Panel for locally resolved complaints against the force is still under development (4)</li> </ul> <p>Following a review by the Home Office, the OPCC has been found fully compliant with the Specified Information Order which requires publication of certain information for the public and to ensure that this is kept updated.</p> <p>This section will be reviewed as part of the next update to the Police and Crime Plan to include: availability of force performance data;</p>
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						transparency of recording of crimes; quality of service assessments (e.g. dip-sampling).
4	Preventing crime and antisocial behaviour – 1,2,3,4,5	√	√	√	<ol style="list-style-type: none"> <li>1. Work to improve problem solving with communities and partners</li> <li>2. Provision of funding support Commissioner's Partnership Fund</li> <li>3. Promote wider community awareness of the role of Gwent Police</li> </ol>	<p>Work has continued towards preventing crime and ASB in Gwent which has led to:</p> <ul style="list-style-type: none"> <li>• A greater OPCC focus on resolving strategic issues arising from community engagement e.g. public concerns regarding access to police stations and officers resulted in the reopening of five station counters and the extension of opening hours in two stations across Gwent (1, 3)</li> <li>• Local Commanders and Superintendents are engaging more with community members to support improved problem solving, e.g., participating in the Commissioner's public surgeries and a minimum level of attendance agreed at public meetings (1, 3)</li> <li>• A trial of the effectiveness of a 'walkabout' approach to engagement. The first took place in Tredegar, where the Commissioner met community members to find out more about how Gwent Police has improved community links in the last 18 months and how this has contributed to tackling crime and ASB in the town. Local feedback was very positive and due to the</li> </ul>



					<p>success of this initiative more are being planned (1)</p> <ul style="list-style-type: none"> <li>• Continued promotion of the OWL system (1)</li> <li>• A public survey in July on the Community Remedy, to help inform the planning and delivery of restorative justice solutions for low-level offences as per the requirements of the Anti-Social Behaviour, Crime and Policing Act 2014 to be in place by 20<sup>th</sup> October (1)</li> <li>• Over 500 Partnership Fund applications totalling over £1,000,000 were received for the 2014/15 application process. The £150,000 funding available will be distributed between successful projects following the assessment panel meeting in September (2)</li> </ul> <p>Whilst preventing all crime is a priority, the Commissioner has agreed with the Chief Constable that a specific focus for 2015/16 will be given to:</p> <ul style="list-style-type: none"> <li>• Cyber Crime</li> <li>• Acquisitive Crime</li> <li>• Criminal Damage and Arson.</li> </ul> <p>In addition, the force will consider the impacts</p>
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						on young people and the effects of substance misuse (drugs and alcohol) as linked to these crime types and safeguarding.
5	Continuing review of on-going force strategies (non-operational) – 1,2,3,4,5	√	√	√	<ol style="list-style-type: none"> <li>1. Involvement with force Policy Review Group</li> <li>2. Membership of force strategic boards and groups</li> <li>3. Consultation on changes to force policies</li> </ol>	<p>To ensure continued strategic oversight and involvement in force processes where appropriate, the OPCC:</p> <ul style="list-style-type: none"> <li>• Is represented at a number of force boards and meetings including: <ul style="list-style-type: none"> <li>• Force Performance Board</li> <li>• Employer of Choice Board</li> <li>• Service that Works Board</li> <li>• Public Confidence Board</li> <li>• Staying Ahead Assurance Board</li> <li>• Accountability Forum</li> <li>• Equality and Diversity Board</li> <li>• Gwent Engagement Forum (2)</li> </ul> </li> <li>• Continues to be consulted on all changes to and/or the formation of new force policies via attendance at the Policy Review Group and as individuals across portfolio areas, e.g., Crime Recording Procedure review, Fairness at Work, Assessing Data Procedure, Review of Homicide (1, 3)</li> </ul>

						Additional scrutiny is provided by the OPCC through dip-sampling to assess the impact of force strategies, policies and operations as required, e.g. stop and search; complaints.
6	Continuing efficiency savings and value for money – 1,2,3,4,5	√	√	√	<ol style="list-style-type: none"> <li>1. Monitoring the Staying Ahead programme</li> <li>2. Supporting the Chief Constable around the Employer of Choice strand</li> </ol>	<p>Public engagement has revealed concern for the continued impacts of austerity measures on policing in Gwent and the Commissioner:</p> <ul style="list-style-type: none"> <li>• Continues to monitor progress of the Staying Ahead programme through financial monitoring reports to the Strategy and Performance Board (1)</li> <li>• Is represented at the Employer of Choice Board which considers various issues raised via means such as the Staff Survey, which in 2014 was completed by 1754 respondents (68%) across the force and the OPCC (2)</li> <li>• Monitors force responses to HMIC assessment programme and activities to ensure deliver of an effective police service for Gwent (1)</li> <li>• Meets regularly with Gwent Police staff support network representatives (2)</li> </ul> <p>The OPCC will monitor the force response to the recommendations within the Valuing the Police (4) report via the Strategy and Performance Board.</p>

7	Commissioning implementation and monitoring/evaluation – 1,2,3,4,5	√	√	√	<ol style="list-style-type: none"> <li>1. Identification of collaboration opportunities within Gwent and cross-border</li> <li>2. Delivery of Strategic Commissioning Intentions</li> </ol>	<p>The Strategic Commissioning Intentions document published by the OPCC contains the following themes:</p> <ul style="list-style-type: none"> <li>• Core Policing (delegated to the Chief Constable)</li> <li>• Prevention of Crime</li> <li>• Prevention of ASB</li> <li>• Strategic Community Safety – Guidance, Governance and Oversight</li> <li>• Victim Services and Support</li> <li>• Rehabilitation of Offenders</li> </ul> <ul style="list-style-type: none"> <li>• Task and Finish Group exercises have been undertaken across the five areas for the OPCC with evaluation reports and proposals in relation to victims, community safety and rehabilitation have been presented to the Strategic Commissioning Group, with agreement by partners to progress the victims' hub and rehabilitation of offenders' hub and activity is progressing in these areas. Discussions are still ongoing in relation to a strategic approach to community safety with 'in principle' agreement from responsible authorities. Further reports in relation to the other</li> </ul>
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					<p>Commissioning Intentions are due in the autumn (2)</p> <ul style="list-style-type: none"> <li>• The OPCC was successful in securing Home Office funding for the following projects: <ul style="list-style-type: none"> <li>• A pan-Wales Women's Triage Scheme, to help divert women that have been arrested away from criminality and provide them with a 'restorative' approach to their rehabilitation. Other successful projects that will benefit Gwent include:</li> <li>• A joint bid with South Wales Police to create the UK's first joint mobile police data platform and 'App', enabling officers at crime scenes to immediately capture audio and video accounts from victims and witnesses</li> <li>• In collaboration with 21 other force areas in England and Wales to establish the Firearms Licensing Digital Transformation project (1)</li> </ul> </li> <li>• The Commissioner is one of 28 across England and Wales that has signed up to participate in and support the National Rural Crime Network which aims to act as a collaborative think tank, researching and</li> </ul>
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						<p>implementing ways to reduce rural crime. The Home Office is providing a start-up investment of £39,200 and each Commissioners has pledged £1,000 per year for the first two years as part of localised funding commitments to the project (1)</p> <ul style="list-style-type: none"> <li>• The proposal to establish a Gwent-wide multi-agency hub for all victims of crime and anti-social behaviour was adopted. As part of the implementation process the Project Board will oversee engagement with key stakeholders and partners across Gwent (2)</li> <li>• On-going discussions with third/voluntary sector organisations to ensure joint working in support of the sector and its role in service delivery applicable to the police and crime priorities and commissioning requirements (1,2)</li> </ul>
8 New	Offender management and youth justice – 1,2,3,4	√	√	√	<ol style="list-style-type: none"> <li>1. Uptake of Restorative Justice initiatives</li> <li>2. Monitoring of Integrated Offender Management</li> <li>3. Working with the Ministry of Justice to inform future approaches to Restorative</li> </ol>	<p>The OPCC continues to work to meet offender management and youth justice requirements via:</p> <ul style="list-style-type: none"> <li>• Partner workshops and a public survey to assess the restorative options available to deliver the Community Remedy and the Community Trigger within Gwent, as outlined in section 4 (1)</li> <li>• Funding to implement the Women’s Triage</li> </ul>

					initiatives	<p>Scheme across Wales, as indicated in section 7 (1, 3)</p> <ul style="list-style-type: none"> <li>• Provision of funding support to the Monmouthshire Restorative Justice Project based in Monmouth Comprehensive School. This has provided facilitation training opportunities to 25 police officers and will be rolled out to partner agencies in the next phase. The project was the first of its type in the UK to be awarded the Restorative Justice kite mark (1)</li> <li>• Developing involvement with Integrated Offender Management (IOM) and Regional Collaborative Committee (RCC) processes. The OPCC is represented at the IOM Gwent Board (2)</li> <li>• Restorative justice programme with Positive Futures Gwent-wide programme aimed at preventing and reducing crime and ASB for young people (1, 3)</li> </ul>
9 New	Improving safeguarding of vulnerable people – 1,2,3,4	√	√	√	<ol style="list-style-type: none"> <li>1. Monitoring force performance</li> <li>2. Consideration of mental health measures, e.g. Mental Health Concordat for Wales; review of S136 use of Custody as a place of safety</li> </ol>	<p>The OPCC continues to work with partners around improving safeguarding of vulnerable people through:</p> <ul style="list-style-type: none"> <li>• On-going monitoring and oversight of associated force action plans (e.g., domestic abuse, hate crime) via the Strategy and Performance Board (1)</li> </ul>

					3. Continued partnership work with relevant partners	<ul style="list-style-type: none"> <li>• A review of the use of section 136 of the Mental Health Act with discussions on-going with Aneurin Bevan Health Board around the link between Health and the police in custody units (2)</li> <li>• Representation on the Cardiff and the Vale Sexual Assault Referral Centre (SARC) Steering Group, a collaborative board which is considering options for future models of SARCs in Wales (3)</li> </ul>
10 New	Improving criminal justice process – 1,2,3,4	√	√	√	<ol style="list-style-type: none"> <li>1. Use of Project Undivided results by agencies to identify areas of good practice and for improvement</li> <li>2. Monitoring progress of the Victims' Charter</li> <li>3. Continued partnership working with criminal justice agencies</li> </ol>	<p>Work with partners continues to identify improvements to criminal justice processes:</p> <ul style="list-style-type: none"> <li>• The Gwent Police element of Project Undivided has been received in draft with the final report due in September. Initial findings have been used to inform some of the force improvement work around victims. This has been taken to the local Criminal Justice Board to look at the support required to enable a wider approach for partners and will be reported in due course (1)</li> <li>• The Victims' Charter will form part of the performance framework for the victims' hub with the aim to further embed it within the wider multi-agency working arrangements, including the appropriate criminal justice partners (see section 1) (2)</li> </ul>



						<ul style="list-style-type: none"> <li>Continued partnership working with criminal justice agencies and representation at the local Criminal Justice Board (3)</li> </ul>
11 New	Tackling Cybercrime – 1,2,3,4,5	√	√	√	<p>1. Monitoring force performance</p> <p>2. Implications and considerations of the Strategic Policing Requirement (SPR)</p>	<p>Cybercrime presents a growing challenge to policing and work to tackle this issue continues in Gwent via:</p> <ul style="list-style-type: none"> <li>Continued monitoring of the SPR and the force response through reports and meetings. The OPCC is represented at the force SPR Governance Board (2)</li> <li>Attendance at Home Office meetings to help inform and support scrutiny and oversight of organised crime strategies (1, 2)</li> <li>Continued oversight of the implementation of the force Cyber Crime Policing Strategy and related internal and external preventative and enforcement activity via reports and meetings (1)</li> <li>Internal awareness communications provided via the Gwent Guardian system (intranet) (1)</li> </ul> <p>The OPCC has provided a response to the Home Office review (consultation) of the SPR.</p> <p>The Commissioner has been invited to give a keynote address to the September meeting of the Wales Fraud Forum.</p>

						Specific consideration will be given to wider inclusion of cybercrime within the next Police and Crime Plan review
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These work areas are supplemental to the statutory duties placed on the Commissioner by the Police Reform and Social Responsibility Act 2011.

**OFFICE OF POLICE AND CRIME COMMISSIONER**

**TITLE:** Domestic Abuse – Oversight of the Force Response to the HMIC Inspection and Related Activity by the Office of the Police and Crime Commissioner (OPCC)

**DATE:** 12<sup>th</sup> September 2014

**TIMING:** Routine

**PURPOSE:** For scrutiny/monitoring

<p>1.</p>	<p><b><u>RECOMMENDATION</u></b> Members of the Police and Crime Panel are invited to consider the contents of this report and provide comments as appropriate.</p>
<p>2.</p>	<p><b><u>INTRODUCTION &amp; BACKGROUND</u></b> At the end of 2013, Her Majesty’s Inspectorate of Constabulary (HMIC) inspected Gwent Police in relation to its response to reported incidents of domestic abuse. In March 2014, HMIC published a national thematic report on tackling domestic abuse, entitled <i>Everyone’s Business: Improving the police response to domestic abuse</i>. At the same time, a ‘detailed force feedback’ report was provided to Gwent Police.</p> <p>The Police and Crime Plan provides a focus on tackling domestic abuse which supports the Commissioner’s oversight and activities in this aspect. In particular, the OPCC participated in the HMIC consultation event to establish recommendations for inclusion within the national thematic report.</p> <p>This report has been provided to the panel by way of an update on the Commissioner’s oversight of the force response to the HMIC inspection on domestic abuse as well as highlighting OPCC activity related to this area of work.</p>
<p>3.</p>	<p><b><u>ISSUES FOR CONSIDERATION</u></b> The Gwent-specific HMIC report contained a total of 10 recommendations for improvement, with three further improvements within the national thematic report aimed at ‘all forces’, providing a total of 13 recommendations for the force to address. For information and monitoring purposes these have been collated into a matrix and supporting action plan, the content of which is monitored at monthly meetings of the Domestic Abuse Service Improvement Group, attended by an OPCC representative.</p> <p>Scrutiny of the matrix containing the HMIC recommendations has identified that, of the 13 total recommendations, six have now been marked as ‘complete’. Of the seven remaining, updates received indicate that they are all being progressed within satisfactory timescales. The action plan has been</p>

further refined to comply with the template recommended for use from the College of Policing and the OPCC is reassured by attendance at the Implementation Group that actions are being progressed to meet oversight requirements.

Force performance around domestic abuse is monitored at the ACC's Performance Meeting, which is also attended by the OPCC and relevant issues are fed back to the Commissioner for information and discussion. Recent performance data shows that the number of overall domestic abuse-related offences remains high, in spite of a gradual reduction. An increase has been recorded over the last six months with a spike in violence-related domestic incidents observed in July – the highest since last summer. Almost three in four domestic abuse offences reported related to the 'Violence' category. Whilst acknowledging this increase in reporting, which could indicate raised confidence in victims of domestic abuse, due to our involvement in related performance and processes/activities we are reassured that the force is working extremely hard to offset the effects of this crime type and to provide those affected with the best support possible.

In addition to performance monitoring of force activity to tackle domestic abuse, the OPCC is also involved in the force programme of providing 'A Service that Works', chaired by the Assistant Chief Constable (ACC). A key focus of this group is on the working practices and processes in the Force Communication Suite which reviews domestic abuse reports and the responses provided. OPCC involvement in this programme provides further reassurance in this aspect.

The OPCC has been involved with the Gwent Domestic Abuse Pathfinder Project during various stages of its development. The Commissioner spoke about the Victims' Charter and Strategic Commissioning Intentions at the December 2013 Pathfinder conference and awards ceremony, and in March 2014, the Strategic Commissioning Board received a presentation on the work undertaken by the project to date. The Deputy Commissioner presented an update on victims' commissioning to the Pathfinder stakeholder workshop day, and further discussions around the project have taken place to ensure parity with OPCC plans for a Gwent-wide Victim and Witness Care Hub, which will provide support to standard and medium risk victims that are currently not supported by services such as Independent Domestic Abuse Advocates (IDVAs).

To further inform and support the Commissioner's scrutiny role, the OPCC has been involved in a number of related activities, including:

- Various meetings with local domestic abuse support organisations to better understand levels of service delivery across the force area and to provide information relating to progress around victims' commissioning.

	<p>This included a visit to a women’s refuge in Newport to learn more about the challenges faced by refuge services and those accessing them</p> <ul style="list-style-type: none"> <li>• Attendance at the Home Office Tackling Domestic and Sexual Abuse national conference in November 2013</li> <li>• Regular attendance at the Women in the Criminal Justice Service Board meetings. The board brings together organisations that support female offenders and their rehabilitation, including supporting female offenders that have experienced domestic abuse</li> <li>• Leading on a successful bid for Home Office funding to implement the Women’s Triage Scheme across Wales. The project provides early intervention for women in custody, aiming to divert them away from prison and provide a restorative approach to their rehabilitation</li> <li>• Attendance at the launch of the violence against migrant, refugee and asylum-seeking women in Wales ‘Uncharted Territory’ report which identified that women in this particular community face higher levels of violence than native-born women due to a variety of factors such as age, language barriers, vulnerability, isolation, and poverty, as well as limited entitlements to support and services for many, for example, restrictions on access legal aid, or No Recourse to Public Funding (NRPF) around income support or housing benefit.</li> </ul> <p>The Commissioner also supported the production of ‘The Devil’s Vice’ film, which was launched in February. The film specifically aims to raise awareness and educate people in Gwent and beyond about the real issues of domestic abuse and continues to be promoted in Gwent by the OPCC.</p>
4.	<p><b><u>NEXT STEPS</u></b></p> <p>Progress on the remaining recommendations within the matrix will continue to be monitored via the identified mechanisms, with updates reported to the OPCC as per the performance framework.</p> <p>The OPCC will continue to undertake relevant activity with regards to supporting and informing the Commissioner’s duties in this respect.</p>
5.	<p><b><u>FINANCIAL CONSIDERATIONS</u></b></p> <p>There are no additional financial considerations as a result of this report.</p>
6.	<p><b><u>PERSONNEL CONSIDERATIONS</u></b></p> <p>There are no additional personnel considerations as a result of this report.</p>
7.	<p><b><u>LEGAL IMPLICATIONS</u></b></p> <p>Under the Police Reform and Social Responsibility Act 2011, the Commissioner has a duty to hold the Chief Constable to account for the delivery of local policing.</p>

8.	<p><b><u>EQUALITIES AND HUMAN RIGHTS CONSIDERATIONS</u></b></p> <p>This report has been considered against the general duty to promote equality, as stipulated under the Strategic Equality Plan and has been assessed not to discriminate against any particular group.</p> <p>Consideration has been given to requirements of the Articles contained in the European Convention on Human Rights and the Human Rights Act 1998 in preparing this report.</p>
9.	<p><b><u>RISK</u></b></p> <p>No additional risks have been identified as a result of this report.</p>
10.	<p><b><u>PUBLIC INTEREST</u></b></p> <p>In providing this information for the panel, the report will be of interest to stakeholders and members of the public interested in this aspect of the Commissioner’s work and responsibilities.</p>
11.	<p><b><u>CONTACT OFFICER</u></b></p> <p>Neil Taylor – Head of Performance, Planning and Partnerships, OPCC</p>
12.	<p><b><u>ANNEXES</u></b></p> <p>None</p>

**OFFICE OF POLICE AND CRIME COMMISSIONER**

**TITLE: Police and Crime Commissioner for Gwent Reserves Position**

**DATE: 12<sup>th</sup> September 2014**

**TIMING: Routine**

**PURPOSE: For information**

<p><b>1.</b></p>	<p><b><u>RECOMMENDATION</u></b> To provide information to members of the Police and Crime Panel (PCP) for future consideration of the Police and Crime Commissioner’s (Commissioner) Precept proposal for 2015/16.</p>
<p><b>2.</b> 2.1  2.2         2.3</p>	<p><b><u>INTRODUCTION &amp; BACKGROUND</u></b> The Local Government Finance Act 1992, Sections 31A, 32, 42A and 43 require ‘Billing’ and ‘Precepting’ Authorities in England and Wales to have regard to the level of reserves needed for meeting estimated future expenditure when calculating the budget requirement. In this context, the Commissioner is a Precepting Authority. There are also a range of safeguards in place that help prevent the Commissioner over-committing himself financially. These include: a) The balanced budget requirement, as stipulated in sections 31A, 32, 42A and 43 of the Local Government Finance Act 1992, as amended; b) The Chief Finance Officer’s (CFO) duty to report on the robustness of estimates and adequacy of reserves (under section 25 of the Local Government Act 2003) when the Commissioner is considering his budget requirement; c) The legislative requirement for the Commissioner to make arrangements for the proper administration of his financial affairs and that the CFO has responsibility for the administration of those affairs (Section 151 of the Local Government Act 1972); and d) The requirements of the Prudential Code and the Treasury Management in Public Services Code of Practice. The above requirements are reinforced by Section 114 of the Local Government Finance Act 1988, as amended by Schedule 16 Part 3 of the Police Reform and Social Responsibility Act 2011, which requires the CFO in England and Wales to report to the Commissioner, PCP and External Auditor if there is or 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 his</p>

	expenditure in a particular financial year.
2.4	As confirmed above, within the existing statutory and regulatory framework, it is the responsibility of the CFO to advise the Commissioner about the level of reserves that he should hold and to ensure that there are <sup>1</sup> clear protocols for their establishment and use. Reserves should not be held without a clear purpose. By way of example, the Prudential Code requires CFOs to have full regard to affordability when making recommendations about the Commissioner's future capital programme. Such consideration includes assessing all the resources available to/estimated for the Commissioner, such as his level of long-term revenue commitments and also the level of reserves.
2.5	It is evident therefore (and supported by the Chartered Institute of Public Finance Accountants (CIPFA) and the Local Authority Accounting Panel) that Commissioners should make their own judgements (on the advice of their CFO) on the level of reserves; after taking into account all the relevant local circumstances. It is recognised that such circumstances vary. For example, a Commissioner operating in a well-managed environment, with a prudent approach to budgeting, should be able to operate with a level of General Reserve appropriate to the risks (both internal and external) to which it is exposed. In this scenario, in assessing the appropriate level of reserves, the Commissioner will ensure that the reserves are not only adequate but are also necessary. There is a broad range therefore, within which Commissioners might reasonably operate depending on their particular circumstances.
2.6	As a final point by way of introduction, whilst it is primarily the responsibility of the Commissioner and his CFO to maintain a sound financial position, external auditors will confirm that there are no material uncertainties about going concern (and conversely, where excess reserve balances are held). Even where as part of their wider role auditors have to report on the Commissioner's financial position, it is not their responsibility to prescribe the optimum or minimum level of reserves for individual Commissioners or Commissioners in general. Section 26 of the Local Government Act 2003 however, gives Ministers in England and Wales a general power to set a minimum level of reserves for Commissioners. Nonetheless, the Government has undertaken to apply this only to individual Commissioners in the circumstances where they do not act prudently; disregard the advice of their CFO; and are heading for serious financial difficulty. This accords with CIPFA's view that a generally applicable minimum level is inappropriate, as a minimum level of reserve will

<sup>1</sup> The Commissioner follows best practice in that for each Earmarked Reserve, a clear protocol exists setting out:

- The reason for/purpose of the reserve;
- How and when the reserve can be used;
- Procedures for the reserve's management and control; and
- A process and timescale for review of the reserve to ensure continuing relevance and adequacy.



only be imposed where a Commissioner is not following best financial practice.

**3. ISSUES FOR CONSIDERATION**

3.1 As an integral part of the annual budget setting process, the Commissioner (via his CFO and the Finance Department) considers the establishment and maintenance of reserves. The Commissioner’s reserves are held for three main purposes:

- a) As ‘working capital’ to help cushion the impact of uneven cash flows, thereby avoiding unnecessary temporary borrowing (e.g. the timing of grant or precept receipts may not coincide with large payment runs such as the monthly payroll coinciding with large contractual commitments) – This forms part of the General Reserve, which is revenue in nature;
- b) As a contingency to mitigate the impact of unexpected events or emergencies (e.g. a complex/high profile murder case) – this too forms part of the General Reserve; and
- c) As a means of ring-fencing or building up funds, often referred to as Earmarked Reserves or Sinking Funds, to meet known or predicted requirements – these are accounted for separately from the General Reserve and can be either revenue or capital in nature. The following table identifies the categories of Earmarked Reserves held by the Commissioner:

Category of Earmarked Reserve	Rationale for Holding
Sums set aside for major schemes, such as capital developments, or fund major reorganisation such as the Staying Ahead Programme.	Where expenditure is planned in future accounting periods, it is prudent to set aside resources in advance. For example, to fund future capital programme spend in line with insufficient capital grant or to provide for future Private Finance Initiative (PFI payments) following the planned removal of related Welsh Government Grant funding.
Reserves retained for Workstream/Department use	The Commissioner’s Reserves’ protocol permits Workstreams/ Departments to carry forward commitments at the year-end (in the form of an Earmarked Reserve), on the basis that the expenditure will take place in the following financial year(s) – These are subject to extensive

		scrutiny at each year-end and also during the following budget setting round.
	Reserves for unspent revenue grants	Where revenue grants have no conditions attached or the conditions are met and the expenditure has yet to take place, these sums are permissible to be held as Earmarked Reserves.
	<p>Note: In addition to the above Earmarked Reserves categories, the former Police Authority also held an Insurance Reserve, designed to meet potential and contingent self-insurance obligations which did not meet the definition of a <sup>2</sup>provision. However, following heightened financial scrutiny of this area, it has been determined that the Commissioner will only provide for insurance obligations that meet the definition of a provision, thereby negating the need for a separate Insurance Reserve.</p>	
3.2	<p>Paragraph 3.1 above, articulates the categories of ‘usable reserves’ held by the Commissioner, i.e. those reserves that are ‘cash-backed’. On the technical accounting side however, the Commissioner also holds ‘unusable reserves’. These reserves are not cash-backed and arise out of the interaction of legislation and proper accounting practice, either to:</p> <ul style="list-style-type: none"> <li>a) Store revaluation gains (e.g. on property revaluations); or</li> <li>b) As adjustment accounts to reconcile accounting requirements driven by reporting standards, to statutory requirements (e.g. the Pension Reserve)</li> </ul> <p>The remainder of this report will focus on the Commissioner’s usable and therefore cash-backed reserves.</p>	
3.3	<p>Appendix 1 provides a detailed projection of the Commissioner’s reserves up until 31<sup>st</sup> March 2018. The following paragraphs provide the purpose/reason for each individual reserve identified on the Appendix and also details of its planned utilisation.</p> <p>a) <u>General Reserve - (Line A1)</u></p>	

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<sup>2</sup> A provision exists when the Commissioner is faced with a present obligation (legal or constructive) which has arisen as a result of a past event. Furthermore, the payment is probable ('more likely than not') and the amount can be estimated reliably. Provisions are therefore provided for and accounted via the Income and Expenditure Account in the year in question, i.e. not set aside as a reserve for utilisation in future years.

- (i) Purpose – This is held as working capital to help cushion the impact of uneven cash flows and also as a contingency to mitigate the impact of unexpected events or emergencies. The General Reserve currently represents 5.4% of the Commissioner’s 2014/15 Net Revenue Expenditure and in the view of the CFO represents an appropriate level in terms of the overall risk-profile.
- (ii) Planned Utilisation – By its very nature, this reserve is held for unfunded and unexpected events or emergencies. Therefore, as a statutory contingency reserve there is currently no call upon this reserve.

b) Precept Top-up Reserve - (Line A2)

- (i) Purpose – At the behest of the Police Authority during the 2012/13 Budget Setting Round, it was agreed that the level of accelerated savings arising from the 2011/12 financial year (£2.107m) be used to reduce the proposed level of precept for 2012/13 to 2014/15. The £2.107m was therefore able to ‘fix’ the precept at 2.66% for each of the three years to 2014/15.
- (ii) Planned Utilisation – It was acknowledged at the time by all parties, that the proposal provided for a financial imbalance at the end of year 3, as a recurrent need for funding (via the precept) had been partly met through a non-recurrent source (this reserve). Therefore, an approach was adopted in Force that rather than utilise the reserve in each of the financial years (and therefore store up a problem in year 3), further efficiency savings were identified and realised in each of the affected financial years to offset the impact of a reduced precept. This approach proved successful and the reserve therefore remains in its entirety in 2014/15. However, due to the planning and therefore timing of the realisation of Phase 8 savings of the Staying Ahead Programme, it is currently planned that the entire reserve will need to be utilised in 2015/16 in order to achieve a balanced budget.

c) 2013/14 Accelerated Savings - (Line A3)

- (i) Purpose – Any surplus generated in any particular financial year is transferred to reserves at the year end. Predominantly, the surplus is transferred to the General Reserve (following any allocation to specific Earmarked Reserves). Conversely, any deficit at the end of a financial year is met from a contribution from the General Reserve. The 2013/14 financial year generated a surplus of £2.668m as a result of accelerated efficiency savings

being made in the year, over and above those savings required to balance the budget i.e. these savings happened earlier than their planned timing.

- (ii) Planned Utilisation – With the General Reserve at an appropriate level for local circumstances in relation to exposure and risk, these monies will be utilised in pump-priming the significant amount of work required for Phase 8 of the Staying Ahead Programme. The monies will therefore be transferred to the Staying Ahead Reserve (Line B11) during 2014/15.

d) Specific Reserves - (Line B1)

- (i) Purpose – As per the table at paragraph 3.1 c), this line represents specific reserves set aside for Workstream/ Department use and unspent revenue grant.
- (ii) Planned Utilisation – As mentioned previously, these reserves receive extensive scrutiny at the year-end and also during each budget setting cycle. The movements/depletions of these reserves between 2014/15 and 2017/18 is therefore a combination of both the reserves being called upon by the respective Workstream/Department during this period and also the ‘recycling’ of certain specific reserves which are no longer required. For example, following the most recent review of these reserves, £0.266m will be recycled and removed from this line during 2014/15 and allocated to bolster the Revenue Reserve for Capital and Estate Strategy (Line B4). As a final point, although these Specific Reserves still show a balance of £0.761m in 2017/18, this does not mean that the reserves are not required up to this point in time, rather the plans for their utilisation are not finalised to identify the timing of the individual reserve’s utilisation.

e) Police Officer Recruitment - (Line B2)

- (i) Purpose – The 2012/13 financial year generated a surplus of £1.222m as a result of accelerated efficiency savings being made in the year, over and above those savings required to balance the budget. I.e. these savings happened earlier than their planned timing. Of this amount, £1.016m was set aside for the recruitment of 24 probationer constables during 2013/14.
- (ii) Planned Utilisation – It was acknowledged at the time that the proposal agreed above provided for a financial imbalance in that the recurrent cost of the Constables (for the next thirty plus years) had been partly met (first year only) through a non-recurrent source (this reserve). Therefore, an approach was adopted in Force that rather than utilise the reserve in the first

financial year (and therefore store up a problem for year two and beyond to retirement), further efficiency savings were identified and realised in 2013/14 to offset the cost – therefore matching recurrent savings with recurrent costs. This approach proved successful and the reserve therefore remains in its entirety in 2014/15. However, the current direction of travel of Phase 8 of the Staying Ahead Programme in relation to the structure of the organisation highlights the potential need for this reserve during 2015/16.

f) Unauthorised Police Officer Pensions - (Line B3)

- (i) Purpose – This reserve was established during 2013/14 to fund potential tax liabilities and penalties that may fall due regarding unauthorised pension payments, as a result of recent changes to tax legislation. These liabilities generally arise when a police officer retires and returns to work with the same organisation without having a break of at least one month (if returning to a materially different role); and a break of at least six months (if returning to a similar role). Approximately half the forces in England and Wales affected to lesser or greater degrees - Gwent has one such case.
- (ii) Planned Utilisation – Prudent financial management dictates the creation of this reserve. However, as the spirit of the changes to the tax legislation was not designed to penalise Commissioners and Police Forces, on-going dialogue is taking place between Her Majesty's Revenue and Customs (HMRC), Home Office and Commissioners' Legal & Tax advisors to ascertain the liability (if any) to individual Commissioners. Therefore, the timing of the utilisation of the reserve (if at all) is not known at this stage.

g) Revenue Reserve for Capital and Estate Strategy - (Line B4 [and Lines B5 to B10])

- (i) Purpose – Members may recall from previous MTFP presentations, that the Commissioner's capital programme is funded by 5 means:
- Use of Reserves;
  - Capital Grant (from the Home Office);
  - Capital receipts (from the sale of capital assets);
  - Revenue Contribution to Capital; and
  - Borrowing.

The above list is constructed in order of financial contribution, i.e. the use of reserves is by far the most significant contributor to the capital programme at present. By way of emphasis, the second largest contributor (capital grant) amounts to approximately

£1.1m per annum, which in itself is insufficient to meet the Commissioner's fleet replacement programme on an annual basis. Therefore, the need for (and maintenance) of this reserve is fundamental in delivering a robust and sustainable capital programme for the medium term. Members may note that although the reserve includes 'revenue' in its title, it funds capital items. This is perfectly legitimate as revenue reserves can fund both revenue and capital items. The converse is not allowed however, a capital reserve cannot be used for revenue purposes; only capital purposes – therefore by classing the reserve as revenue, total flexibility in its utilisation is afforded.

- (ii) Planned Utilisation – Lines B5 to B10 identify the full utilisation of this reserve across the financial years to 2017/18, based on the latest capital programme presented to Members in January 2014 as part of the 2014/15 budget setting process.

h) Staying Ahead Reserve - (Line B11 [and Line B12])

- (i) Purpose – This has been a long-standing reserve designed to pump-prime initiatives (both revenue and capital) to deliver the efficiencies required from the Staying Ahead Programme. In addition, by its very nature it partially assists with funding the Commissioner's capital programme. The reserve will be bolstered during 2014/15 through the transfer in (from Line B3) of the £2.668m reserve representing accelerated efficiencies realised in the 2013/14 financial year.

- (ii) Planned Utilisation – As Phase 8 of the Staying Ahead Programme is entering its project initiation stage, the size, timing and complexity of the demands are, as yet, unknown (aside from the continuing need to provide for relocation mileage of previously affected staff of the Staying Ahead Programme, as per the Force's Local Agreement (Line B12)). However, when coupled with the funding for the Commissioner's capital programme, this reserve is considerably depleted by 2017/18.

i) PCC Victims' Services Commissioning - (Line B13)

- (i) Purpose – This reserve was established following receipt of £0.213m of 'one-off' funding from the Ministry of Justice (MOJ) in December 2013 to enable the Commissioner to:
  - Build the capacity and capability of potential providers of services for victims from the Voluntary Community and Social Enterprise (VCSE) sector;
  - Commission restorative justice services if capacity and capability are insufficient in relation to these services; and
  - Prepare for local commissioning.

Given that this funding was not provided until late in the 2013/14 financial year, the MOJ have not specified in which financial year the money should be spent; although they do not envisage roll-over of large sums and have stipulated that plans must exist for the rolled-over funding. No funding may be rolled over into the 2015/16 financial year.

- (ii) Planned Utilisation – £0.055m of the monies received from MOJ were spent in the 2013/14 financial year, leaving £0.158m to be placed in reserves at year-end. With the recent agreement (via the Commissioner’s Strategic Commissioning Board (SCB)) to development a multi-agency Victims’ Hub in Gwent, coupled with the Commissioner’s continuing support of Restorative Approaches across Gwent, it is envisaged that this reserve will be fully utilised in 2014/15.

j) PCC Commissioning Reserve - (Line B14)

- (i) Purpose – This reserve is designed to pump-prime the delivery of the Commissioner’s Strategic Commissioning Intentions, which were approved by the SCB in December 2013. Members will recall that the Intentions cover:

- Strategic Community Safety;
- Anti-Social Behaviour Prevention;
- Crime Prevention;
- Core Policing;
- Victims’ Services and Support; and
- Rehabilitation of Offenders.

Given that Core Policing and Victims’ Services and Support are provided with their own pump-priming reserves, this reserve is designed to deliver the other four Intentions.

- (ii) Planned Utilisation – Between July 2014 and October 2014, the SCB will agree the ‘blueprints’ for future service delivery of each of the Intentions (with the exception of Core Policing). Therefore, once the degree of funding is established for each blueprint, the future utilisation of this reserve will become clearer.

k) Command and Control - (Line C1)

- (i) Purpose – This reserve was established to fund the replacement of the Command and Control System in the Force and is specifically categorised as a capital reserve.

- (ii) Planned Utilisation – A project team is currently engaged in selecting and managing the implementation of a replacement system. It is therefore anticipated that this reserve will be fully spent in 2015/16.

l) Estate Strategy Capital Income - (Line C2)

	<p>(i) Purpose – This reserve is held for the same purpose as 3.3 g) above, i.e. to fund the Commissioner’s capital programme. This reserve is identified separately however, as it represents the funds raised from the sale of capital assets, and can only therefore be used on <sup>3</sup>capital expenditure.</p> <p>(ii) Planned Utilisation – With the equivalent revenue reserve being fully depleted by 2017/18, this reserve will be called upon to fund additional capital expenditure which is identified moving forward, emanated from the Commissioner’s capital programme and/or Phase 8 of the Staying Ahead Review. If not required up to 2017/18, there is a degree of certainty that this reserve will be required from 2018/19 onwards to fund the capital programme at this time.</p> <p>m) <u>PFI and Airwave Sinking Funds - (Lines E1 and E2)</u></p> <p>(i) Purpose – Due to the length of the lifecycles and the complexity of the funding models for both the Ystrad Mynach PFI Scheme and the Airwave Radio Network, it was necessary, at their inception, to create Sinking Funds. These ensure that the affordability of both schemes is safeguarded for their entire duration and the variable impact of their financial cycles is minimised.</p> <p>(ii) Planned Utilisation – The Ystrad Mynach PFI Scheme building passes into the ownership of the Commissioner in 2036. Therefore up to and including the 2035/36 financial year, payments are required to the PFI contractor for use of the premises. These payments are funded primarily by a budgeted contribution from the Commissioner and also two separate streams of Welsh Government Grant. The financial model that underpins the scheme identifies that one stream of Welsh Government grant ceases at the end of the 2024/25 financial year and the second stream at the end of the 2030/31 financial year. Therefore, the Sinking Fund which is being built up currently is designed to be fully utilised when it will be called upon to replace the loss of the grant streams until the end of the contract. In relation to the Airwave Sinking Fund, this is designed to receive annual contributions to smooth the impact of significant cyclical (generally 5 year) investment in replacing and upgrading equipment.</p>
<p><b>4.</b></p> <p>4.1</p>	<p><b><u>NEXT STEPS</u></b></p> <p>This report is designed to assist Members in understanding the</p>

<sup>3</sup> As per the Local Authorities (Capital Finance and Accounting) (Wales) Regulations 2003, as amended.



4.2	<p>Commissioner’s reserves strategy. In discharging their scrutiny duty, this report will hopefully assist Members in understanding those elements of the overall financial landscape that impact upon their precept deliberations, and importantly, their degrees of impact.</p> <p>At the December meeting of the PCP, the Commissioner will present his budget and precept proposal for 2015/16. The extent of the Commissioner’s reserves position will be a key component in discussing his proposal. In advance of the December meeting, in summarising the detailed explanations in Section 3 above, the following key messages emerge:</p> <ol style="list-style-type: none"> <li>a) Following the audit of the 2013/14 Statement of Accounts, the WAO are satisfied with the levels of the Commissioner’s Reserves;</li> <li>b) By the end of the 2017/18 financial year, it is forecast that the Commissioner will have reserves totalling £26.353m;</li> <li>c) However, taking into account the two sinking Funds (£15.765m), whose use is unavoidable, the Commissioner’s reserves are realistically £10.548m in 2017/18;</li> <li>d) Continuing the theme, after removing the General Reserve (£6.411m), the Commissioner’s underlying reserve position is £4.137m in 2017/18;</li> <li>e) The underlying reserve position of £4.137m does not take into account the following events which would increase this figure: <ul style="list-style-type: none"> <li>• Surpluses arising from accelerated efficiency schemes in the financial years 2014/15 to 2016/17;</li> <li>• Additional sales of capital assets than those already identified; and</li> <li>• Underspending in the capital programme or slippage which defers spend to future financial years.</li> </ul> </li> <li>f) Similarly, the underlying reserve position of £4.137m does not take into account the following events which would further reduce this figure: <ul style="list-style-type: none"> <li>• Future significant investment in the Estate (in particular the Headquarters provision);</li> <li>• Pump-priming for Phase 8 of Staying Ahead; and</li> <li>• Overspending in the capital programme or acceleration which brings forward spend.</li> </ul> </li> <li>g) If the underlying reserve position is true a reflection of the future, then the affordability of the capital programme beyond 2017/18 will be questionable without the need to undertake borrowing.</li> </ol>
5. 5.1	<p><b><u>FINANCIAL CONSIDERATIONS</u></b></p> <p>This is a financial report.</p>
6. 6.1	<p><b><u>PERSONNEL CONSIDERATIONS</u></b></p> <p>The generation and utilisation of the Commissioner’s reserves have significant impact on the personnel of both the Office of the Police and Crime Commissioner (OPCC) and also the Force. Therefore, the individual</p>

	movements of funds both in and out of the overall reserves portfolio are subject to specific reporting and governance requirements, to ensure personnel considerations are documented.
<b>7.</b>	<b><u>LEGAL IMPLICATIONS</u></b>
7.1	The legal background and framework within which the Commissioner manages his reserves' portfolio have been identified throughout this report.
<b>8.</b>	<b><u>EQUALITIES AND HUMAN RIGHTS CONSIDERATIONS</u></b>
8.1	This report has been considered against the general duty to promote equality, as stipulated under the Strategic Equality Plan and has been assessed not to discriminate against any particular group.
8.2	Consideration has been given to requirements of the Articles contained in the European Convention on Human Rights and the Human Rights Act 1998 in preparing this report.
<b>9.</b>	<b><u>RISK</u></b>
9.1	The management of the Commissioner's reserves' portfolio holds significant inherent risks, as by their very nature, reserves reflect the risk profile of local circumstances. However, as previously articulated, the reserves' portfolio are formally scrutinised twice a year and are also subject to regular review during monthly management reporting and also during periodic revisions to the MTFP.
<b>10.</b>	<b><u>PUBLIC INTEREST</u></b>
10.1	This report is exempt from publication in accordance with the provisions of the Local Government Act 1972 on the grounds that it may involve the likely disclosure of exempt information as defined in Part 4 of Schedule 12(A), paragraph 15 of the said Act.
<b>11.</b>	<b><u>CONTACT OFFICER</u></b>
11.1	Darren Garwood-Pask, Chief Finance Officer.
<b>12.</b>	<b><u>ANNEXES</u></b>
12.1	Appendix 1 – Reserves and Sinking Funds.

**Police and Crime Commissioner for Gwent  
Reserves and Sinking Funds  
Forecast Movements 2014/15 to 2017/18**

Appendix 1

	Opening Balance 2013/14	Actual Movement 2013/14	Closing Balance 2013/14	Forecast Movement 2014/15	Forecast Year End 2014/15	Forecast Movement 2015/16	Forecast Year End 2015/16	Forecast Movement 2016/17	Forecast Year End 2016/17	Forecast Movement 2017/18	Forecast Year End 2017/18
<b>A General Reserve</b>	£'000	£'000	£'000	£'000	£'000	£'000	£'000				
1 General Reserve	6,411		6,411		6,411		6,411		6,411		6,411
2 Precept top up Reserve	2,107		2,107		2,107	(2,107)	0		0		0
3 2013/14 Accelerated Savings		2,668	2,668	(2,668)	0		0		0		0
<b>4 Total General Reserves</b>	<b>8,518</b>	<b>2,668</b>	<b>11,186</b>	<b>(2,668)</b>	<b>8,518</b>	<b>(2,107)</b>	<b>6,411</b>	<b>0</b>	<b>6,411</b>	<b>0</b>	<b>6,411</b>
<b>B Earmarked Revenue Reserves</b>											
1 Specific Reserves	1,501	238	1,739	(657)	1,082	(266)	816	(27)	788	(27)	761
2 Police Officer Recruitment 2013/14	1,016	0	1,016		1,016	(1,016)	0		0		0
3 Unauthorised Police Officer Pensions	237		237		237		237		237		237
4 Revenue Reserve for Capital & Estate Strategy	6,917	(1,802)	5,115	266	5,381		5,381		5,381		5,381
5 Capital Grant Receipts			0	2,024	2,024	1,725	3,749	1,100	4,849		4,849
6 Capital Requirements - Estates			0	(570)	(570)	(500)	(1,070)	(500)	(1,570)	(500)	(2,070)
7 Capital Requirements - Fleet			0	(1,921)	(1,921)	(1,134)	(3,055)	(1,699)	(4,754)	(1,228)	(5,982)
8 Capital Requirements - ICT & Other Force			0	(3,362)	(3,362)	(4,234)	(7,596)	(280)	(7,876)	(150)	(8,026)
9 BTCC Contingency Reserve			0	(200)	(200)	(200)	(400)	(200)	(600)	(200)	(800)
10 Disaster recovery (GP part of joint provision)			0	(280)	(280)		(280)		(280)		(280)
11 Staying Ahead Reserve	5,098	(332)	4,766	2,668	7,434		7,434		7,434		7,434
12 Relocation mileage			0	(70)	(70)	(50)	(120)		(120)		(120)
13 PCC - Victim Services Commissioning		158	158	(158)	(0)		(0)		(0)		(0)
14 PCC - Commissioning Reserve		1,441	1,441	(40)	1,401		1,401		1,401		1,401
<b>16 Total Earmarked Revenue Reserves</b>	<b>14,769</b>	<b>(297)</b>	<b>14,472</b>	<b>(2,300)</b>	<b>12,172</b>	<b>(5,675)</b>	<b>6,497</b>	<b>(1,606)</b>	<b>4,890</b>	<b>(2,105)</b>	<b>2,785</b>
<b>C Earmarked Capital Reserves</b>											
1 Command & Control	1,161		1,161		1,161	(1,161)	0		0		0
2 Estate Strategy Capital Income	972	0	972	380	1,352	0	1,352		1,352		1,352
<b>3 Total Earmarked Capital Reserves</b>	<b>2,133</b>	<b>0</b>	<b>2,133</b>	<b>380</b>	<b>2,513</b>	<b>(1,161)</b>	<b>1,352</b>	<b>0</b>	<b>1,352</b>	<b>0</b>	<b>1,352</b>
<b>D Total Reserves</b>	<b>25,420</b>	<b>2,371</b>	<b>27,791</b>	<b>(4,588)</b>	<b>23,203</b>	<b>(8,943)</b>	<b>14,260</b>	<b>(1,606)</b>	<b>12,653</b>	<b>(2,105)</b>	<b>10,548</b>
<b>E Sinking Funds</b>											
1 PFI	10,466	278	10,744	262	11,006	345	11,351	276	11,627	205	11,832
2 Airwave	4,303	(496)	3,807	208	4,015	208	4,223	210	4,433	(500)	3,933
<b>3 Total Sinking Funds</b>	<b>14,769</b>	<b>(218)</b>	<b>14,551</b>	<b>470</b>	<b>15,021</b>	<b>553</b>	<b>15,574</b>	<b>486</b>	<b>16,060</b>	<b>(295)</b>	<b>15,765</b>
<b>F Total Reserves and Sinking Funds</b>	<b>40,189</b>	<b>2,153</b>	<b>42,342</b>	<b>(4,118)</b>	<b>38,224</b>	<b>(8,390)</b>	<b>29,834</b>	<b>(1,120)</b>	<b>28,713</b>	<b>(2,400)</b>	<b>26,313</b>

**GWENT POLICE AND CRIME PANEL – FORWARD WORK PROGRAMME**

**9.45 am 12<sup>th</sup> September 2014**

- Verbal update – Gwent Police and Crime Commissioner
- Verbal update – Chief Constable (NATO Summit)
- HMIC Valuing the Police - Verbal report by the Commissioner on his actions
- PCC Performance against the Police and Crime Plan – 6 monthly update
- Report on Reserves
- Report/ Presentation on PCC's Domestic Abuse Monitoring
- Treasury Management Year - end year report (Email Sent to Panel)
- FWP

**9.45am 12th December 2014**

- Verbal update – Gwent Police and Crime Commissioner
- Medium Term Financial Plan and Budget Timetable
- Commissioning – Report on Progress
- FWP

**Possible future dates....**

- 23<sup>rd</sup> January 2015
- 20<sup>th</sup> March 2015
- 19<sup>th</sup> June 2015
- 11<sup>th</sup> September 2015
- 11<sup>th</sup> December 2015