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Tredomen Park  
Ystrad Mynach  
Hengoed  
CF82 7PG

**Tŷ Penallta**  
Parc Tredomen  
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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: 17th January 2014

Dear Sir/Madam,

A meeting of the **Gwent Police and Crime Panel** will be held at **Monmouthshire County Hall, (Council Chamber), Rhadyr, Usk, NP15 1GA** on **Friday, 24th January 2014 at 11.00 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 13th December 2013 (copy attached).
4. Verbal Statement by Ian Johnston, Police and Crime Commissioner for Gwent.
5. Police and Crime Budget and Precept Proposal 2014/15 (report attached).
6. Police and Crime Commissioner for Gwent Update on Progress against the Police and Crime Plan (report attached).
7. Minutes of the Joint Audit Committee – 3rd December 2013 (for information).

**MEMBERSHIP:**

Blaenau Gwent County Borough Council - Councillors Mrs. K. Bender and Mrs. D. Rowberry

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 J. Guy and I. Hayat

Co-opted Member - Mr. P. Nuttall

**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 PENALLTA HOUSE, YSTRAD MYNACH ON FRIDAY 13TH DECEMBER 2013 AT 11.00AM**

Present:

Councillor J. Guy - Newport City Council - Chairman

Councillor C.P. Mann - Caerphilly County Borough Council  
Councillors Mrs. K. Bender and Mrs. D. Rowberry - Blaenau Gwent County Borough Council  
Councillors L. Jones and P. Seabourne - Torfaen County Borough Council  
Councillors Mrs. F. Taylor - Monmouthshire County Council  
Councillor I. Hayat - Newport City Council

Co-opted Member - P. Nuttall

By invitation:

Gwent Police and Crime Commissioner - I. Johnston  
Deputy Gwent Police and Crime Commissioner - P. Harris  
Chief Constable - J. Farrar  
Deputy Chief Executive and Chief Finance Officer - D. Garwood-Pask

Together with:

J. Jones (Democratic Services Manager), C. Evans (Committee Services Officer)

#### **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 L. Jones wished it be noted that his son serves as an Officer for Gwent Police and he sits on the North Torfaen Action Group.

Mr P. Nuttall wished it to be noted that he is trustee of the Bridge to Cross Charitable Trust.

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

Councillors K. Bender and D. Rowberry wished it to be noted that they are trustees of the Blaenau Gwent Domestic Abuse Management Board.

**2. APOLOGIES FOR ABSENCE**

Apologies for absence were received from Councillors Mrs. C. Forehead (Caerphilly County Borough Council), P. Clarke (Monmouthshire County Council), Mrs. V. Cox-Wall (Co-opted Member), D. Perkins (Head of Legal and Democratic Services, Caerphilly County Borough Council).

**3. MINUTES - 8TH NOVEMBER 2013**

The minutes of the meeting held on 8th November 2013 were received and confirmed as a correct record

**4. MATTERS ARISING**

Mr Johnston, Gwent Police and Crime Commissioner, provided Members with an update on items from the previous meeting.

Mr Johnston informed the Panel that his office costs had been reduced by £46,000 per annum. A Communications Manager and Chief Financial Officer have been employed, however, the former Head of Finance was not replaced.

The Community Partnership Fund had been successful with 24 Charities and Community Groups benefiting from its implementation.

The Panel was updated on work done to reopen Police Stations with an "open door" policy being implemented wherever possible. The Commissioner assured Members that he continued to work with Sergeants and Inspectors to identify opportunities to reopen local stations. Members confirmed they supported the Commissioners actions.

Mr Johnston updated Members on the review of PACT meetings stating whilst some arrangements worked well, most experienced difficulty in engaging local stakeholders. The outcome would be reported to Members.

**5. TREASURY MANAGEMENT STRATEGY**

Mr Darren Garwood-Pask, Deputy Chief Executive and Chief Finance Officer, Office of the Gwent Police and Crime Commissioner, presented the Treasury Management Strategy to the Panel. The three-year strategy outlined the borrowing, investment, banking and cash flow management arrangements to fulfil the following four key annual legislative requirements:

1. The setting of the Prudential Indicators relating to capital expenditure;
2. The Minimum Revenue Provision Policy;
3. The Treasury Management Strategy; and
4. The Investment Strategy in accordance with the Welsh Government's Guidance on Local Government Investments.

The Panel noted that the Commissioner is required to adopt and comply with the CIPFA Prudential Code for Capital Finance in Local Authorities and the CIPFA Code of Practice on Treasury Management. The Treasury Management Strategy 2014/15 to 2016/17 and the Treasury Management Practices are submitted for the Panel's endorsement in compliance with the Codes.

Members noted that the Capital prudential indicators demonstrated that the capital programme is affordable, prudent and sustainable, and it is essential that the Commissioner is satisfied with this situation prior to formally setting the budget and council tax precept for 2014/15.

Panel members discussed several items within the Treasury Management Strategy report. The Panel were pleased with the detailed plan and consideration was given to the difficult financial climate. Clarification was sought on the plans to recover the investment in Landsbanki. It was confirmed that the Commissioner's Office would be taking part in the auction to recover the outstanding debt.

## **6. MEDIUM TERM FINANCIAL PLAN 2014/15 TO 2017/18**

Mr Darren Garwood-Pask, presented the Medium Term Financial Plan (MTFP). It was noted that the report was presented to the Joint Audit Committee on 3rd December 2013. It outlined the financial projections for 2014/15 to 2017/18.

The Panel noted that the MTFP is based upon revised funding assumptions, which indicate a further reduction in the level of funding from the Home Office, in excess of previous indications. The Medium Term Financial Plan has been updated to assist in developing a balanced budget for 2014/15.

The Panel thanked Mr Garwood-Pask for the overview. The Panel discussed a number of key items within the report and queried the impact of reducing the number of PCSOs and Police Officers. It was explained the reduced head count was based on expected natural wastage, mainly through staff reaching retirement age.

The Commissioner informed the Panel that a meeting had been arranged for 17th December 2013 to discuss the future Police Headquarters accommodation, which will impact the MTFP. It was agreed that the Panel would be updated on any decisions accordingly.

## **7. OFFICE OF POLICE AND CRIME COMMISSIONER FOR GWENT COMMISSIONING STRATEGY**

Councillor D. Rowberry and Mr P. Nuttall declared an interest in this item due to involvement on Trusts in receipt of the fund. Mr Jones confirmed that they were able to stay and take part in the meeting.

The report provided an update to the Panel on the delivery of the Police and Crime Commissioner for Gwent's (the Commissioner) commissioning responsibilities. It was explained that there is currently three tiers of commissioning activity in operation. The third tier, relating to strategic commissioning was the main focus of the report.

The Panel was informed that the Commissioner has established a Strategic Commissioning Board (the Board) following the introduction of commissioning responsibilities and the unified funding arrangements. The Board has responsibility for providing strategic direction to the Commissioner's Strategy and it has recently endorsed a Strategic Commissioning Framework.

In line with the Strategic Commissioning Framework, the Board has recently considered the allocation of funding (both Community Safety Funding and other sources) for 2014/15 and beyond. Future funding allocations will still be dependent on partner organisations submitting outcome focussed plans for 2014/15.

The Panel queried the funding criteria, allocation process and monitoring of funding expenditure. It was confirmed that partners are required to submit a business case specifying how the organisation meets the criteria and priorities of the Commissioning Strategy, how the funding would be used to tackle Anti-Social Behaviour and Crime, and its desired outcomes. Monitoring of progress would be undertaken to ensure outcomes were achieved.

Further information was sought on levels of advertising in place. It was confirmed that work is underway to establish a communication strategy in order to make the potential funding more widely known.

## **8. INTERNAL REVIEW OF CRIME RECORDING**

In June 2013 the Chief Constable, in consultation with the Police and Crime Commissioner, announced an internal review of crime recording to determine whether residents, the Commissioner and Chief Constable could have confidence in Gwent Police's Crime Figures. A review of 50 logs from the first 10 days of July 2013 was used as a representative sample.

The review highlighted a number of issues including misunderstandings and misinterpretations in the way officers identify and record crime.

The Panel thanked Mr Johnston, Mr Farrar and Mr Harris for providing an overview of the report and discussed several issues within the report. Clarification was sought on the sample taken for the purpose of the review. Mr Harris confirmed that a random selection was taken from across all 5 Local Authority areas, considering all types of crimes. However, it was confirmed that there was an element of selection in the process, in that incidents were selected in subject areas that mistakes are most likely to be made.

The Panel queried the training provided to both Police Officers and PCSOs. It was confirmed both groups received the same training.

The Panel discussed the importance of public confidence and the link to reporting crimes. It was confirmed that Public Confidence was a priority and in order to determine public satisfaction and confidence, future surveys were being conducted.

## **9. GWENT JOINT AUDIT COMMITTEE MINUTES- 19TH SEPTEMBER 2013**

The Panel noted the minutes of the Gwent Joint Audit Committee held on 19th September 2013. The Commissioner asked the Panel to note that the Joint Audit minutes from 3rd December 2013 would be presented to the Panel at a later date.

The Chairman of the Panel thanked all those in attendance for their contributions at the meeting.

The Chief Constable informed the Panel that Wales would be hosting the NATO summit on 4th and 5th September 2014. The Celtic Manor Resort, Newport will play host to 65 Heads of State. Around 15,000 politicians and staff were expected to come to the UK to support the event. Gwent Police will be responsible for leading the policing arrangements and work is underway to develop an event strategy to include issues such as security, travel plan arrangements with local communities as disruption around the Celtic Manor could be expected. The Panel was pleased to note Wales had been chosen to host such an important event and wished the Chief Constable well in managing the necessary arrangements.

The meeting closed at 13.36 p.m.

**OFFICE OF POLICE AND CRIME COMMISSIONER****TITLE: Police & Crime Budget and Precept Proposal 2014/15****DATE: 24<sup>th</sup> January 2014****TIMING: Routine****PURPOSE: For Decision****1. RECOMMENDATION**

That the Commissioner considers the budget proposals and background information covered in the Annexe and Appendices to this submission and approves, subject to consultation with the Police and Crime Panel:

- (i) A budget requirement for 2014/15 of £119,656,328;
- (ii) The planned efficiency savings, budget reductions and reserve utilisation in 2014/15 of £4.077m, as detailed in Appendices 4a, 4b, 4c, 6a, 6b and 8 of the Annexe to this submission;
- (iii) The initial Capital Programme as described in Appendix 7;
- (iv) The further proposed utilisation of the reserves ( Appendix 8); and
- (v) The 2014/15 proposed precept to be levied in respect of general expenses of £42,813,238 (equivalent to a Council Tax Band D of £204.16) and that this sum be apportioned to each City/County/County Borough Council according to the following table:

<b>Unitary Authorities</b>	<b>£</b>	<b>Tax Base Band D Equivalent</b>
<b>Blaenau Gwent</b>	<b>4,010,325</b>	<b>19,643.05</b>
<b>Caerphilly</b>	<b>12,047,796</b>	<b>59,011.54</b>
<b>Monmouthshire</b>	<b>9,023,864</b>	<b>44,199.96</b>
<b>Newport</b>	<b>11,221,816</b>	<b>54,965.79</b>
<b>Torfaen</b>	<b>6,509,437</b>	<b>31,884.00</b>
<b>Total</b>	<b>42,813,238</b>	<b>209,704.34</b>

The precept shown in the above table generates the following amounts of council tax for the various bands:

<b>Council Tax Band</b>	<b>£</b>
<b>A</b>	<b>136.11</b>
<b>B</b>	<b>158.79</b>
<b>C</b>	<b>181.48</b>
<b>D</b>	<b>204.16</b>
<b>E</b>	<b>249.53</b>
<b>F</b>	<b>294.90</b>
<b>G</b>	<b>340.27</b>
<b>H</b>	<b>408.32</b>
<b>I</b>	<b>476.37</b>

<b>2.</b>	<p><b><u>INTRODUCTION &amp; BACKGROUND</u></b></p> <p>The Commissioner is required to determine the budget for 2014/15 and then set the council tax precept following consultation with the Police and Crime Panel. The greater part of the budget will be allocated for operational purposes, but an element needs to be retained to cover the cost of the Office of the Police and Crime Commissioner and commissioning of services from organisations other than the Chief Constable.</p>
<b>3.</b>	<p><b><u>ISSUES FOR CONSIDERATION</u></b></p> <p>In determining the budget requirement for 2014/15, the Commissioner has had regard to the Police and Crime Plan; the Chief Constable's view of the financial resources required to deliver the operational requirements of the Plan; the level of resources to be allocated for commissioning other than from the Chief Constable; and the cost of running the Office of the Police and Crime Commissioner.</p>
<b>4.</b>	<p><b><u>NEXT STEPS</u></b></p> <p>The Police and Crime Panel are required to review the proposed precept and make a report to the Commissioner on the proposed precept (whether it vetoes the precept or not) by the 8<sup>th</sup> February 2014.</p>
<b>5.</b>	<p><b><u>FINANCIAL CONSIDERATIONS</u></b></p> <p>This is a major financial report with clear financial implications. These are fully articulated within the Annex and Appendices.</p>
<b>6.</b>	<p><b><u>PERSONNEL CONSIDERATIONS</u></b></p> <p>The majority of the Policing and Crime Budget covers employees' salaries and employer's contributions. It follows that in the current situation, where core grant funding is reducing at unprecedented levels, the number of employees will inevitably fall. Addressing the situation in a sensible and timely manner as part of budget preparation demonstrates the actions of a good employer.</p>
<b>7.</b>	<p><b><u>LEGAL IMPLICATIONS</u></b></p> <p>Setting the budget requirement and precept are statutory responsibilities of the Commissioner.</p>
<b>8.</b>	<p><b><u>EQUALITIES AND HUMAN RIGHTS CONSIDERATIONS</u></b></p> <p>This proposal 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 the 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>	<b><u>RISK</u></b> A timely decision on the precept will minimise the risk of failing to achieve the statutory deadline.
<b>10.</b>	<b><u>PUBLIC INTEREST</u></b> This report will be placed on the website of both the Commissioner and the Police and Crime Panel.
<b>11.</b>	<b><u>CONTACT OFFICER</u></b> Darren Garwood-Pask, Chief Finance Officer and Deputy Chief Executive to the Police and Crime Commissioner for Gwent.
<b>12.</b>	<b><u>ANNEXES</u></b> The Annexe to this report and its appendices provide full details in support of the proposal.



**POLICE & CRIME COMMISSIONER FOR GWENT**

**REVENUE BUDGET AND CAPITAL PROGRAMME 2014/15**

**COMMISSIONER'S INTRODUCTION**

As the Police and Crime Commissioner for Gwent I am required to set a five year Police and Crime Plan and the Annual Budget requirement including the Police Precept element of the Council Tax. My Police and Crime Plan is reviewed annually in line with the joint Office of the Police and Crime Commissioner and Force Strategic, Financial and Planning process. Amendments to the current plan will be available in April 2014 and have already been considered as part of the budget proposal.

My vision is to prevent and reduce crime and antisocial behaviour, support victims and make Gwent a safer place. I have five strategic priorities on which the Police and Crime plan is based:

- To deliver the best quality of service available;
- To reduce and prevent crime;
- To take more effective action to reduce antisocial behaviour;
- To protect people from serious harm; and
- To make the best use of resources and provide value for money.

It is within this context that I commend the following paper to you.

**BACKGROUND**

1. The Police and Crime Commissioner (Commissioner) is required to determine the Police and Crime Budget for 2014/15 and set the council tax precept, prior to 1<sup>st</sup> March 2014, after taking into account the views of the Police and Crime Panel in relation to the level of precept.
2. In setting the budget, due regard has to be taken of the Prudential Code which requires at least three year projections of expenditure, both in revenue and capital terms, in order to identify funding requirements and assess the affordability and sustainability of planned expenditure. Whilst developing proposals for providing a balanced revenue budget and affordable capital programme in 2014/15, the report will include the longer term financial issues facing the police service in Gwent.
3. The bulk of the resources available to the Police and Crime Commissioner will be needed to cover operational policing and robust processes have been developed over many years within the Force, to quantify the budgetary resources required to provide the people of Gwent with an effective, efficient and sustainable police service. The budgetary process commences early in the financial year, providing

detailed Medium Term Financial Projections (MTFPs) and identifying new burdens and pressures. These projections are constantly under review and the latest updates are attached as appendices to this report.

4. The Government's Comprehensive Spending Review (CSR) 2007 announced significant cuts in grant funding for the police service. Up until then Gwent had a good record of delivering efficiency savings, but the Chief Constable at the time and the Police Authority realised that the scale of cuts being imposed needed to be addressed by a radical comprehensive review of all aspects of policing in Gwent. The new initiative, called 'Staying Ahead', introduced changes in policing in Gwent which produced the savings whilst improving standards. However, the CSR 2010 announced even greater cuts in grant over the period to 31<sup>st</sup> March 2015 prompting the continuation of Staying Ahead reviews. The 2014/15 budget setting round addresses the final of the four years of the CSR 2010. Phase 6 of the Staying Ahead Programme was initiated at the commencement of the 2011/12 financial year, to deliver the £24.170m of savings originally forecast to be achieved by the end of the CSR period, on 31<sup>st</sup> March 2015. Of the actual savings required of £23.818m, £7.940m were delivered in 2011/12, £8.672m were delivered in 2012/13 with a further £3.964m planned to be delivered during 2013/14. The delivery of these schemes is monitored and challenged by sponsor Chief Officers to ensure timely, effective and economic delivery.
5. The latest MTFPs have been updated following receipt of the Provisional Police Funding Settlement on the 18<sup>th</sup> December 2013. They now indicate a recurring budgetary imbalance for the 2014/15 financial year of £4.077m (Appendix 1b, Line 17), increasing to £16.127m by 2017/18.

## **PROVISIONAL GRANT SETTLEMENT**

6. On the 18<sup>th</sup> December 2013, the Provisional Police Funding Settlement was announced (i.e. the Central Government Grant Funding from both the Home Office (HO) and Welsh Government (WG)). Consultation on this provisional settlement will run until 23<sup>rd</sup> January 2014, whereupon, the final settlement will be issued shortly after this date. The Provisional Police Funding Settlement for 2014/15 has quantified a number of funding changes, the impact of which, were previously unknown. The financial impact of these changes upon the organisation is detailed in the following paragraphs:
  - a) From 2014/15, the HO will establish a Police Innovation Fund worth £50 million, which will be funded through a top-slice from Police Main Grant. This builds upon the recently announced £20 million Precursor Fund for 2013/14. The Police Innovation Fund will provide Police and Crime Commissioners with the opportunity to submit bids on initiatives that will promote collaboration with other forces, emergency services, criminal justice agencies and local government. The purpose of the funding is to improve use of digital working and technology in order to deliver sustainable improvements and efficiencies in the way their police force operates in future;

- b) In 2014/15 the Home Secretary will provide Her Majesty's Inspectorate of Constabulary (HMIC) with £9.4m from the police settlement to fund a new annual programme of all force inspections. This will enable the public to see how well their force is performing when it comes to cutting crime and providing value for money;
  - c) The Home Secretary has decided to allocate funding to other specific areas where there is a national policing interest. It has previously been announced that the Independent Police Complaints Commission will be expanded in order that it is able to deal with all serious and sensitive cases involving the police. For 2014/15, it has been decided that an additional £18m will be provided from the police settlement to build up the resource and capability of the IPCC to begin taking on additional cases. An additional £0.8m of funding will be provided during 2013/14 from the wider HO budget to help with transition costs as well as a further £10m in capital in 2014/15;
  - d) £3m of funding will be provided to the College of Policing to commence direct entry schemes at Inspector and Superintendent levels. This will cover the costs of the courses concerned and initial salaries of the officers on the courses; and
  - e) The City of London Police will be provided £2m of additional funds in recognition of the national and international capital city functions they carry out.
7. On the 18th December 2013, the Minister of State for Policing, Criminal Justice and Victims (Damian Green), reiterated his statement that accompanied the provisional Police Grant Report 2013/14, confirming that 'current damping arrangements would continue in 2014/15'. This means that every police force area will face the same percentage reduction in core central Government funding. No indication was made on the future for funding damping beyond 2014/15 and the Minister also stated that 'decisions on the impact of the Chancellor's Autumn Statement on police funding for 2015/16 will be made at a later date after careful consideration of all Home Office budgets. This decision will take time and we have therefore decided not to publish indicative allocations for 2015/16 in this Statement.' This provides a degree of uncertainty over the funding that will be received beyond 2014/15.
8. In summary, the effect of these decisions is a reduction in Central Government Grant funding between 2013/14 and 2014/15 of 4.76%. Previous iterations of the MTFP assumed this reduction to be 3.3%.
9. Further points of note regarding the Provisional Police Funding Settlement for 2014/15 are detailed in the following paragraphs:
- a) The Commissioner is responsible for commissioning services to cut crime and deliver an effective and efficient police service. The un-hypothecated Community Safety Fund (CSF) for 2013/14 is £1.369m. With effect from 2014/15, this grant becomes part of the overall funding

settlement, and as such is subject the same reduction in funds stated above. From October 2014, the Commissioner will also have responsibility for commissioning a significant allocation of funding in relation to Victims Support Services. This allocation does not form part of the 2014/15 budget and precept deliberations, as it will be a hypothecated specific grant; and

- b) A number of remaining specific grants and external funding arrangements are yet to be finalised (e.g. Counter Terrorism Specific Allocation (CTSA), Safety Camera Enforcement Unit, Community Support Officer (CSO) local partner schemes, etc.). This report has been prepared on the assumption that funding will remain at the 2013/14 level, although contingency plans have also been devised, to mitigate potential reductions in/removal of funding.
10. The revenue support from the WG for Gwent's Private Finance Initiative (PFI) funded Ystrad Mynach Police Station and Custody Suite, totalling £0.675m, is excluded from the Provisional Police Funding Settlement. However, it has already been separately confirmed, as it is provided to meet the specific requirements of the scheme.
  11. Furthermore, 2014/15 funding for the 101 (whole time equivalent) WG CSOs is subject to a separate confirmation process, which is currently anticipated to amount to £3.214m.
  12. The HO provided the Provisional Capital Allocation for 2014/15 only. This forms the basis of the draft Capital Programme. The allocation of £1.100m continues to be reduced as a result of top-slicing to fund the National Police Air Service (NPAS).

## **COUNCIL TAX ISSUES**

13. For 2014/15, Council Tax Freeze grants will continue to be available to Commissioners in England. The scheme remains however, unavailable to Welsh Commissioners.
14. In Wales, council tax capping is the responsibility of Welsh Ministers. Under this requirement, the Minister for Local Government and Government Business wrote to Welsh Commissioners on the 28<sup>th</sup> November 2013 requesting early indication of proposed council tax increases, in order to assess the need to use capping powers. The Commissioner responded giving an assurance that the increase would be no more than 3.50%. At the time of writing no further official announcement has been made by the WG in relation to the levels of precept rises over the forthcoming years which would be deemed unreasonable and therefore capped. Historically, indications have been given that increases in council tax for police and crime purposes of up to 5% would not be considered unreasonable.

15. MTFPs that have previously been issued during this budget setting cycle have assumed council tax increases of between 2.66% and 4.00% per annum over the four year projected period. This budget proposal now indicates council tax increases of 2.99% for 2014/15, 3.50% for 2015/16 and 4.00% for 2016/17 and 2017/18. Appendix 1a shows the impact that incremental changes on the precept rate would have on funding assumptions for 2014/15.
16. The introduction of the Council Tax Support Scheme in 2013/14 impacted to varying degrees upon the individual tax bases of the Local Authorities. Some revisions have been made to these for the 2014/15 bases, reflecting WG support. This, coupled with re-assessments of collection rates and increases in properties has resulted in a growth 1.396%. Future year increases have been assessed to return to the underlying 2013/14 rate of 0.883%.

### **MEDIUM TERM FINANCIAL PROJECTIONS 2014/15 to 2017/18**

17. The latest MTFP is shown as Appendix 1b and the detailed assumptions, service pressures/developments and efficiency schemes/budget reductions which support the projections are provided at Appendices 2, 3, 4a, 4b, 4c, 6a and 6b.
18. Although a balanced budgetary position could be achievable for 2014/15 (the end of the CSR 2010 period), this is dependent upon the delivery of efficiency schemes and the non-recurrent use of reserves. Indications suggest that further cash reductions in Central Government Grant funding should be expected for future years. This will increase the requirement for additional efficiency schemes to be developed and delivered.
19. The following funding bases and assumptions (Appendix 2) have been incorporated within the current MTFP:
  - a) Central Government Funding (HO/WG):
    - i Funding decreases on main formula grant over the next four years of 4.76%, 4.5%, 1.0% and 1.0%; and
    - ii Specific Grants, which have yet to be confirmed, have been assessed to remain at 2013/14 levels or at provisionally indicated amounts.
  - b) Council Tax Precept and Base:
    - i An increase in Council Tax Precept of 2.99% for 2014/15, 3.50% for 2015/16 and 4.00% for 2016/17 and 2017/18. These have been incorporated into the MTFP at Appendix 1b; and
    - ii The Council Tax Base, i.e. the Band D equivalent number of properties upon which the precept is levied, will increase in 2014/15 by 1.396%. This reflects some amendments to the application of the Council Tax Support Scheme by Local Authorities, coupled with re-assessments of collection rates and increases in property numbers. As a result of these

changes, it has been assumed that for 2015/16 onwards, the council tax base growth will revert to the underlying growth value for 2013/14 of 0.883%.

20. The expenditure bases and assumptions have been thoroughly scrutinised throughout the budget preparation and the following paragraphs articulate the latest expenditure assumptions:

a) Police Officer Establishments:

- i The MTFP provides for an operational policing model of 1,332 wte at the commencement of the financial year. However, at the start of the year it is expected that the actual establishment will be 1,328 wte, reducing to 1,285 wte during the year. This reduction in officer strength is accommodated through the Staying Ahead 6 and 7 schemes forecast for delivery during 2014/15. As reductions in the police officer establishment are a core component of the Staying Ahead Programme, no recruitment has been anticipated during 2014/15. However, this situation is constantly under review and modest recruitment may be possible to meet particular specialist needs or to support longer-term sustainability.

b) Police Staff Establishments:

- i In a similar vein to the police officer establishment above, the MTFP provides for 878 wte (632 wte not including CSOs) police staff at the commencement of the financial year. However, at the start of the year, it is expected that the actual establishment not including CSOs will be 657 wte, reducing to 598 wte during the year. This reduction in police staff strength is (and has been) accommodated through the Staying Ahead 6 and 7 schemes forecast for delivery during 2014/15. As reductions in the police staff establishment are a core component of the Staying Ahead Programme, no recruitment, outside of exceptionally specialist roles, is anticipated during 2014/15.

c) Pay awards, allowances, enhancements etc.:

- i Pay Award for police officers and police staff in 2014/15 to 2017/18 of 1.0%.

d) Non-staff inflation (2014/15 to 2017/18):

- i General – limited to 2.0%;
- ii Utilities – limited to 5%; and
- iii Fuel – limited to 5%.

e) Loss/Absorption of Specific Grants:

- i The MTFP reflects the absorption of the Community Safety Fund into main formula grant in 2014/15.
- f) Service pressures/developments have been limited to unavoidable increases and are detailed at Appendix 3. These developments/pressures have been scrutinised by the Office of the Police and Crime Commissioner and Gwent Police Chief Officers. Furthermore, based on historic trends of new annual recurring pressures, the MTFP has been updated to reflect an assumed level (£1.000m) of contingent service developments in each of the final three years of the current financial plan; and
- g) Capital investment:
  - i At present, the MTFP does not reflect any revenue costs associated with new borrowing to fund capital strategies. The funding of the capital strategies is discussed within the 'Reserves' section of this report.

## **EFFICIENCY OPPORTUNITIES (Appendices 4a, 4b and 4c, 6a and 6b)**

21. The financial implications of the current CSR were such that the Staying Ahead Programme was initiated to continue the work of the Staying Ahead Review and to oversee the delivery of a new generation of savings schemes. The major component therefore within the 2014/15 budget setting exercise is the delivery of significant cash releasing efficiency savings and budget reductions through Phase 6 and 7 of the Staying Ahead Programme and rebasing of 2013/14 budgets through the bottom-up budget setting exercise. The following paragraphs (and associated appendices) highlight the effect of Staying Ahead schemes and budget rebasing on the financial projections:
  - a) Appendix 4a – this details budget reductions identified through the 'bottom-up' budget setting process that have already been removed from the 2014/15 base budgets, together with future estimated reductions relating to police officer allowances;
  - b) Appendix 4b – this details the accelerated savings that have been realised under Phase 6 and 7 of the Staying Ahead Programme within the 2013/14 financial year to date; and
  - c) Appendix 4c – this details those schemes due to be realised between 2014/15 and 2017/18. The timing and value of these schemes have been considered to ensure that realistic estimates are reflected in the MTFP. This has resulted in greater prudence being shown in the MTFP; however this further reinforces the efforts being placed on current and future schemes aimed at mitigating the funding challenges.
22. The schemes due for delivery in 2014/15 and beyond are largely dependent upon further reductions in police and staff establishments. It is anticipated that full realisation of these savings will only be achieved through natural vacancies arising in actual police officer and staff numbers. The timings of these are not

necessarily aligned to the savings forecast in the Staying Ahead schemes. In previous budget setting rounds, non-recurring financial pressures (volume pressures) arose due to the disparity between the actual staffing levels and those proposed by the Staying Ahead Schemes. Since these are not forecast to occur within this planning cycle, these have been removed from current projections i.e. 2014/15 and beyond. However, as new Staying Ahead Schemes are identified to address the remaining financial deficit evident in 2017/18, it is expected that these volume pressures could reappear in future versions of the MTFP.

23. In support of the Staying Ahead Programme and contributing towards the funding pressures that are faced, it is planned that the CSO numbers will be reduced as vacancies arise, until such time that a parity of 101 wte to 101 wte is achieved between the HO CSOs and the WG funded CSOs. The MTFP reflects the removal of the current vacancies of 34.3 wte HO CSO posts, which generates savings of £1.126m in 2014/15 (Appendix 1, Line 21). At the time of writing, confirmation of this proposal is still awaited from the WG.
24. Appendices 6a and 6b highlight a range of scenarios indicating how the police officer and staff establishments could reduce over the following three years (the solid coloured lines), set against the planned reductions in establishment through the implementation of known Phase 6 and 7 schemes (the dotted black line).

## **REVENUE OUTTURN 2013/14**

25. Based upon the November 2013 financial report, the forecast year-end position on the revenue budget shows accumulated savings of £2.402m. The major contributing factors to this forecast saving are:
  - a) The impact of not filling police officer and police staff vacancies as they arise, which supports the delivery of Phase 6 and 7 of the Staying Ahead Programme. Within the 2013/14 financial year, this is forecast to save £1.828m (this is a recurring saving and is reflected in-part in Appendix 4b); and
  - b) Favourable market forces that have resulted in significant savings in vehicle fuel budgets of £0.578m (as these are highly dependent upon market forces, these have been reassessed during the budget setting process, resulting in some future recurrent savings being identified – Appendix 4a).

## **CAPITAL PROGRAMME (Appendix 7)**

26. The initial capital investment requirements over the next four years are emerging as the implementation of the Estate, Fleet and IS strategies are progressed.
27. With the proposed reductions in capital grant, implementation of the current capital programme will require the utilisation of reserves to fund the programme's requirements, which in turn will realise long-term benefits to the organisation, e.g.



appropriate estate provision, fit for purpose fleet, maximising returns on ICT investment etc.

28. The provisional funding announcement for the capital grant of £1.100m reflects the continuing intention of the HO to top-slice Commissioners' funds to provide funding for the National Police Air Service (NPAS). This presents a further burden upon the Reserve funds.

## **RESERVES (Appendix 8)**

29. Appendix 8 provides a summary of the Commissioner's Reserves and Sinking Funds over the following four years.
30. The General Fund (Appendix 8, Line A1), remains at a satisfactory level and within accepted boundaries of cover to fund working capital and exceptional operational requirements.
  - a. The Precept Top-up Reserve (Appendix 8, Line A2) is still forecast to be used to support the revenue budget position. The MTFP forecasts indicate that this fund will need to be used in 2014/15, with the remainder being fully utilised in 2015/16;
  - b. Through prudent financial management, specific reserves have been built up to address the requirements for pump-priming the Staying Ahead Programme and to also deliver the Capital Programme for both 2014/15 and 2015/16. Beyond this timeframe, alternative sources of funding, potentially from within the totality of reserves, will need to be identified;
  - c. The remaining Earmarked and Capital Reserves are still considered necessary and sufficient for the purposes that they were created;
  - d. Similarly, the PFI and Airwave Sinking Funds are still considered to be adequate to address their respective requirements over the life-cycles of each scheme; and
  - e. It should be noted however, that utilising existing reserves to address short-term funding shortfalls will have an adverse effect on the delivery of the schemes listed in the previous points.

## **OUTSTANDING ISSUES AND UNQUANTIFIABLE RISKS**

31. Whilst the MTFP is designed to reflect the most up to date intelligence, a number of outstanding issues and unquantifiable risks remain which are incapable of being reflected at this present time. These are briefly highlighted below:
  - a) Changes in the final grant notification from those assumed in this report;

- b) Additional austerity measures from revised growth forecasts;
- c) Future delivery of Staying Ahead Programme Schemes, with particular emphasis on:
  - i. Sustainability of previously delivered schemes; and
  - ii. Timing and extent of future schemes, with the potential for a significant increase in redundancies.
- d) Emerging cost pressures, in particular at this stage:
  - i. Withdrawal of funding by partners (HO, WG and Local Authorities);
  - ii. Increased 'last resort' demand due to others withdrawing service;
  - iii. Increased crime due to economic and political climate;
  - iv. Further impact of the Localisation of Council Tax support and the local retention of business rates income; and
  - v. Potential increase in the employers' police officer pension rate.
- e) Unplanned initiatives and the international dimension;
- f) The impact that the 2014 NATO Summit and Commonwealth Games will have upon the revenue budget; and
- g) The impact that the national enhancement of the IPCC will have upon the current structure, funding and functionality of the Gwent Police Standards Department.

## **BUDGET REQUIREMENT, TAX BASE, PRECEPT AND COUNCIL TAX**

32. The revenue budgetary requirement for 2014/15 is the net position of:

- a) The base recurring requirements;
- b) Efficiency savings and recurring budget reductions realisable in 2014/15;
- c) Non-recurring revenue requirements in 2014/15; and
- d) Non-recurring savings which are realisable in the year and reserve utilisation.

33. The gross base recurring requirement for 2014/15 is £123.733m (Appendix 1b line 9) which, when reduced by efficiency savings, recurring budget reductions and non-recurring reserve contributions totalling £4.077m, leaves a budget requirement for the year of £119.656m.

34. The general grants announced in the Provisional Settlement are as follows:

	£
Police Grant	46,168,666
Revenue Support Grant	17,155,708
National Non-Domestic Rates	<u>13,518,716</u>
	<u>76,843.090</u>

Deducting total general grant from the budget requirement of £119,656,328 leaves income to be raised from council tax of £42,813,238.

35. Council Tax is a tax on dwellings, levied according to the valuation band attributed to the property. Each unitary authority calculates its council tax base by establishing the number of properties in each of the nine council tax bands (A to I) and converting the band totals to a Band D equivalent figure (e.g. Band A council tax is two thirds of the Band D tax, the Band A total is therefore multiplied by two thirds to arrive at the Band D equivalent). The total Band D equivalent figure is then adjusted to take account of reductions for disabled residents, single occupancy discounts, etc. to produce the Council Tax base. The council tax to be raised for police purposes is allocated to the unitary authorities in proportion to their tax bases. The tax bases notified by the unitary authorities are as follows:

Unitary Authorities	Band D Equivalent Properties	
	2013/14	2014/15
Blaenau Gwent	19,629.12	19,643.05
Caerphilly	58,702.37	59,011.54
Monmouthshire	44,083.43	44,199.96
Newport	53,531.64	54,965.79
Torfaen	<u>30,870.00</u>	<u>31,884.00</u>
Total	<u>206,816.56</u>	<u>209,704.34</u>

36. The effect of these figures on the Band D Council Tax for police purposes is:

	Actual 2013/14	Proposed 2014/15
Council Tax	£40,997,247	£42,813,238
Band D Tax	£198.23	£204.16
Increase on previous year (£)	£5.14	£5.93
Increase on previous year (%)	2.66%	2.99%

37. The following table shows the proposed Council Tax for police purposes for all bands.

<b>Valuation Band</b>	<b>Tax Payable Compared to Band D</b>	<b>Proposed Council Tax</b>
		<b>£</b>
A	6/9	136.11
B	7/9	158.79
C	8/9	181.48
D	9/9	204.16
E	11/9	249.53
F	13/9	294.90
G	15/9	340.27
H	18/9	408.32
I	21/9	476.37

38. The unitary authorities are billing authorities for council tax purposes. The Commissioner's precept will be added to the figures for Council Tax for expenditure by the unitary authorities and community councils and will form part of the single Council Tax demand. Under regulations, the billing authority must determine a schedule of instalments for payments to precepting authorities. Currently, the unitary authorities pay the police precept in equal instalments as follows:

**Last working day of each month**  
Blaenau Gwent

**Third Tuesday of each month**  
Caerphilly  
Monmouthshire  
Newport  
Torfaen

## **CHIEF FINANCE OFFICER'S STATEMENT - REQUIREMENTS OF THE LOCAL GOVERNMENT ACT 2003**

39. Section 25 of the Local Government Act 2003 requires the Chief Finance Officer to report on:
- a) The robustness of the estimates made for calculating the precept; and
  - b) The adequacy of the proposed financial reserves.
40. The same Section requires the Commissioner to have regard to the Chief Financial Officer's report when making decisions about precepts.
41. Core grants from the HO and WG currently fund approximately two thirds of the revenue budget requirement for policing in Gwent. Both CSR 2010 and CSR 2013 resulted in significant reductions in core HO and WG grants. The reduction in these grants for 2011/12 of 5.1% came on top of an in-year cut in the previous

year of 1.3%. The grant settlement for 2012/13 showed a reduction of 6.7%, 2013/14 a reduction of 1.57% and the provisional settlement for 2014/15 a further cut of 4.76%. The current financial situation in the UK and rest of the European Union suggests that further significant cuts in grant funding will follow from the next CSR.

42. The Staying Ahead Programme continues to be remarkably successful in keeping expenditure within reducing budgets, yet still managing to maintain performance in the service to the public. Year after year, difficult savings' targets have been achieved ahead of time and as a consequence reserves have been generated for supporting investment necessary to redesign the estate and for pump-priming new initiatives.
43. The preparation of the budget is an extensive exercise spread over several months, involving the compilation of MTFPs, followed by detailed work across the Force under the supervision of the Assistant Chief Officer - Resources and in liaison with the Chief Finance Officer to the Commissioner. The involvement of all parts of the service ensures awareness not only of the demands, but also of the constraints upon them. Throughout the early stages of the budget preparation process, Members of both the Police and Crime Panel and Joint Audit Committee received progress reports and were able to examine both the proposals and the process followed. This preparatory work has assisted the Commissioner in his deliberations. I am satisfied therefore, that this process ensured that the budget takes into account all those cost and income items that can be reasonably foreseen, and that there is no cause to question the robustness of the estimates.
44. Appendix 8 to this report shows details of reserves. The Force's Assistant Chief Officer - Resources and I continually review the adequacy of reserves and provisions. The General Reserve is required for working capital and to meet unexpected expenditure in emergency situations or major crime. At 1<sup>st</sup> April 2013 the General Reserve stood at £6.411m which represented 5.3% of the budgetary requirement for 2013/14. At the time the Assistant Chief Officer - Resources and I considered that this was a prudent level of general reserve for the policing body, taking into consideration its size, local circumstances and the requirement to identify savings to address significant reductions in core grant funding. This view has not been challenged by the external auditor.
45. The capital reserves are only available for capital expenditure and the sinking funds are intended to spread the cost of the two major long-term commitments in accordance with acceptable profile, eliminating large peaks and troughs. Other earmarked reserves are estimated to reduce to £0.622m by 31<sup>st</sup> March 2018.
46. I am content therefore, with the adequacy of the proposed financial reserves.

## **APPENDICES**

Appendix 1a	-	Impact of Incremental Precept Changes
Appendix 1b	-	Medium Term Financial Projections

Appendix 2	-	Medium Term Financial Projections – Assumptions
Appendix 3	-	Identified Budgetary Pressures
Appendix 4a	-	Identified Budget Reductions
Appendix 4b	-	Staying Ahead Schemes Delivered 2013/14
Appendix 4c	-	Future Staying Ahead Scheme Savings
Appendix 5	-	Revenue Outturn 2012/13 as at 30 <sup>th</sup> November 2013
Appendix 6a	-	Police Officer Establishment Flight path
Appendix 6b	-	Police Staff Establishment Flight path
Appendix 7	-	Capital Programme 2013/14 to 2017/18
Appendix 8	-	Reserves and Sinking Funds

**Police and Crime Commissioner for Gwent / Heddlu Gwent Police**  
**Medium Term Financial Projections 2014/15 to 2017/18**  
**At 24th January 2014**

Assumption		Base Growth	Precept Growth	Total Growth	Increase / (Decrease)
Base Growth	Precept Growth				
%	%	£	£	£	£
0.88%	5.00%	572,444	2,078,170	2,650,614	834,623
0.88%	4.50%	572,444	1,870,563	2,443,007	627,016
0.88%	4.00%	572,444	1,662,956	2,235,400	419,409
0.88%	3.70%	572,444	1,537,133	2,109,577	293,586
0.88%	3.50%	572,444	1,455,348	2,027,792	211,801
0.88%	3.25%	572,444	1,350,496	1,922,940	106,949
0.88%	3.00%	572,444	1,247,741	1,820,185	4,194
0.88%	2.99%	572,444	1,243,547	1,815,991	0
0.88%	2.75%	572,444	1,142,889	1,715,333	-100,658
0.88%	2.66%	572,444	1,105,142	1,677,586	-138,405
0.88%	2.50%	572,444	1,040,134	1,612,578	-203,413
0.88%	2.25%	572,444	935,282	1,507,726	-308,265
0.88%	2.00%	572,444	830,430	1,402,874	-413,117
0.88%	1.75%	572,444	727,674	1,300,118	-515,873
0.88%	1.50%	572,444	622,822	1,195,266	-620,725
0.88%	1.25%	572,444	520,067	1,092,511	-723,480
0.88%	1.00%	572,444	415,215	987,659	-828,332
0.88%	0.75%	572,444	312,460	884,904	-931,087
0.88%	0.50%	572,444	207,608	780,052	-1,035,939
0.88%	0.25%	572,444	104,852	677,296	-1,138,695
0.88%	0.00%	572,444	0	572,444	-1,243,547

**Police and Crime Commissioner for Gwent / Heddlu Gwent Police**  
**Medium Term Financial Projections 2014/15 to 2017/18**  
**At 24th January 2014**

	( a )	( b )	( c )	( d )	( e )
	2013/14 Actual £'000s	2014/15 Proposed £'000s	2015/16 Forecast £'000s	2016/17 Forecast £'000s	2017/18 Forecast £'000s
1 Effect of Pay Awards and Increments	887	1,722	2,037	2,061	2,104
2 Non-Staff Inflation	600	394	535	570	607
3 Loss of Home Office Grant Funding	3,138	1,369	0	0	0
4 In Service Pressures / Developments	3,253	449	1,375	3,281	1,220
5 Identified Savings	-3,063	-516	-104	-104	-104
6 Unavoidable Cost Increases	4,816	3,417	3,844	5,808	3,826
7 Gross Budget Movement	4,816	3,417	3,844	5,808	3,826
8 Recurring Base Budget Brought Forward	115,499	120,316	123,733	127,577	133,385
9 Projected Budgetary Requirement	120,316	123,733	127,577	133,385	137,212
10 % Increase on Previous Years Base Budget	-5.10%	2.84%	3.11%	4.55%	2.87%
11 Funded from :					
12 Police Grant	(47,068)	(46,169)	(44,091)	(43,650)	(43,214)
13 Revenue Support Grant	(16,925)	(17,156)	(16,384)	(16,220)	(16,058)
14 National Non-Domestic Rates	(15,325)	(13,519)	(12,910)	(12,781)	(12,653)
15 Council Tax	(40,997)	(42,813)	(44,689)	(46,871)	(49,160)
<b>16 Total Funding</b>	<b>(120,316)</b>	<b>(119,656)</b>	<b>(118,074)</b>	<b>(119,522)</b>	<b>(121,085)</b>
<b>17 Projected Recurring Deficit / (Surplus) Before Efficiencies</b>	<b>0</b>	<b>4,077</b>	<b>9,503</b>	<b>13,863</b>	<b>16,127</b>
18 Efficiencies					
19 Accelerated Delivery / Additionality of Staying Ahead Scheme Savings	-	(831)	(831)	(831)	(831)
20 Future Year Staying Ahead Scheme Savings	-	(1,600)	(2,751)	(3,255)	(3,255)
21 Removal of Vacant CSO posts (34.3wte)	-	(1,126)	(1,137)	(1,148)	(1,160)
22 Forecast Establishment Volume Pressures	-	-	-	-	-
<b>23 Reserve Utilisation to offset reduced Precept Increase</b>	<b>-</b>	<b>(520)</b>	<b>(1,587)</b>	<b>-</b>	<b>-</b>
<b>24 Projected Recurring Deficit / (Surplus) After Efficiencies &amp; Reserve Utilisation</b>	<b>-</b>	<b>0</b>	<b>3,197</b>	<b>8,628</b>	<b>10,881</b>



**Police and Crime Commissioner for Gwent / Heddlu Gwent Police**  
**Medium Term Financial Projections 2014/15 to 2017/18**  
**Assumptions**

Description	2013/14 Budgeted	2014/15 Proposed	2015/16 Estimate	2016/17 Estimate	2017/18 Estimate	Source
<b><u>Police Officers</u></b>						
Pay Awards	1.00%	1.00%	1.00%	1.00%	1.00%	National ACPO Finance Lead
<b><u>Police Staff</u></b>						
Pay Awards	1.00%	1.00%	1.00%	1.00%	1.00%	National ACPO Finance Lead
Low Earner Pay Award	£250	£0	£0	£0	£0	Recurrent effect of consolidated pay award for 2012/13
<b><u>Indirect Staff Costs</u></b>	1.00%	1.00%	1.00%	1.00%	1.00%	National ACPO Finance Lead
<b><u>Non Staff Inflation</u></b>						
General (Including Rates)	3.00%	2.00%	2.00%	2.00%	2.00%	Based upon Bank of England Forecast Data and Welsh Force Comparisons
Utilities - Gas/Electric	5.00%	5.00%	5.00%	5.00%	5.00%	Based upon Bank of England Forecast Data and Welsh Force Comparisons
Utilities - Water	5.00%	5.00%	5.00%	5.00%	5.00%	Based upon Bank of England Forecast Data and Welsh Force Comparisons
Petrol	5.00%	5.00%	5.00%	5.00%	5.00%	Based upon Bank of England Forecast Data and Welsh Force Comparisons
Diesel	5.00%	5.00%	5.00%	5.00%	5.00%	Based upon Bank of England Forecast Data and Welsh Force Comparisons
<b><u>Funding</u></b>						
Police Funding	-1.57%	-4.76%	-4.50%	-1.00%	-1.00%	Final Police Settlement 2013/14, Provisional Police Settlement 2014/15 and CFO Estimate
Council Tax Base Increase	0.30%	1.40%	0.88%	0.88%	0.88%	Actual Growth for 2014/15. Estimated for 2015/16 onwards - net of CT Support Scheme
Council Tax Precept Increase (Appendix 1b)	2.66%	2.99%	3.50%	4.00%	4.00%	Police and Crime Commissioner for Gwent - January 2014

**Police and Crime Commissioner for Gwent / Heddlu Gwent Police**  
**Medium Term Financial Projections 2014/15 to 2017/18**  
**In-service Pressures and Developments 2014/15 to 2017/18**

Description	2014/15 £	2015/16 £	2016/17 £	2017/18 £	Narrative
1 BTCG Scheme Pump Priming	100,000	100,000	100,000	100,000	Recurrent funding for developments that arise during the financial year
2 Additional Bank Holiday Impact (Timing of Christmas, New Year and Easter)	130,000	360,000	(360,000)	120,000	Timing of Festive and Easter Bank Holidays mean that premium costs occur
3 Office Automation pump priming	112,000	0	0	0	Cessation of desktop Computer Hardware replacement cycle funding from Reserves
4 National Police ICT Services - Full Recovery Charging	143,123	0	0	0	Actual increase in costs from National Police ICT Services
5 PEACE TINDER Collaboration (SPOC Software)	8,000	0	0	0	Final Year of cost pick up from PEACE TINDER initiative
6 Zanzibar Licencing Fee - National Procurement System	(5,000)	0	0	0	Anticipated savings arising from implementation of National Procurement System
7 Injury Pension Payments	100,000	0	0	0	Increase to cover current expenditure profile
8 Mamhilad Block B Rental and Utility Costs	106,000	0	0	0	Costs arising from occupation of Block B
9 Estate Strategy Contingency	0	99,000	99,000	0	Contingent costs in relation to Headquarters proposals
10 Witness Care Service - previously provided by CPS	80,000	0	0	0	Loss of CPS support for joint case preparation posts
11 Wales Audit Office - Increase in fees	11,600	0	0	0	Increase of costs following introduction of Group Account status under PCC
12 Increase in Vetting Services	40,000	0	0	0	External costs arising from decommissioning of vetting software
13 Specialist On-call Resources SRS	14,000	0	0	0	Specialist out of hours costs to ensure IT functionality can be maintained
14 Public Confidence Surveys	30,000	0	0	0	To provide public confidence data at LPU level
15 Gwent Regional Collaboration Fund	15,000	0	0	0	Contribution towards projects supported by the Gwent Regional Collaboration Fund
16 Increased Cost of Policing Seasonal Football Matches	30,000	0	0	0	Increased neighbourhood policing during matches at Christmas and Easter
17 SRS Developments (net of anticipated savings)	79,000	0	0	0	Assessment of collaborative cost base requirements for 2014/15
18 NI implications of Single State Pension	0	0	2,541,000	0	Proposed move to a single state pension - likely impact on Employer National Insurance rates
19 Potential pension implication on police overtime/allowances	?	?	?	?	Further assessment needed to establish extent of cost pressure
20 Potential pension implication on police staff overtime/allowances	?	?	?	?	Further assessment needed to establish extent of cost pressure
21 Local Impact of NATO Summit - Autumn 2014	?	0	0	0	Assessment needed of local impact not covered by external funding
22 Planned Estates Works	80,000	0	0	0	Increase in Planned Estates maintenance due to retaining sites
23 Unplanned Estates Works	60,000	0	0	0	Increase in Unplanned Estates maintenance due to retaining sites
24 DIP Testing Drug Kit Purchases	25,000	0	0	0	Home Office funding withdrawal of test kits
25 Interest Receivable	53,000	0	0	0	Rebasing of the Interest Receivable has resulted in a decrease in future interest
26 PSU Equipment	25,000	(25,000)	0	0	Non recurring pressure for replacing PSU Equipment
27 Phonographic Performance Ltd Licences	5,000	0	0	0	Annual charge for playing music in office spaces, canteen and gym
28 Dangerous Dogs	10,000	0	0	0	Additional pressures of kennelling and maintaining dangerous dogs
29 Operational Custody Costs	18,000	0	0	0	Increased costs incurred in maintaining suitable services within custody
30 Body Armour Protective Sleeves	60,000	(60,000)	0	0	To reduce bio-degrading of existing units
31 Contingent Pressure Funds	50,000	901,000	901,000	1,000,000	Estimate of future cost pressures
32 Office of the PCC - Commissioning Provision	(931,000)	0	0	0	Reversal of non-recurring pressure in 2013/14
	<b>448,723</b>	<b>1,375,000</b>	<b>3,281,000</b>	<b>1,220,000</b>	

**Police and Crime Commissioner for Gwent / Heddlu Gwent Police**  
**Medium Term Financial Projections 2014/15 to 2017/18**  
**Budget Savings 2014/15 to 2017/18**

<b>Description</b>		<b>2014/15</b>	<b>2015/16</b>	<b>2016/17</b>	<b>2017/18</b>
		<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>
<b>Potential Savings</b>					
1	Transitional Rent Allowance	(90,000)	(90,000)	(90,000)	(90,000)
2	Compensatory Grant	(14,000)	(14,000)	(14,000)	(14,000)
3	Review of Fleet	(386,783)	0	0	0
4	Review of Pedal Cycle Kit	(11,611)	0	0	0
5	Review of Internal Audit Fees	(14,000)	0	0	0
		<b>(516,394)</b>	<b>(104,000)</b>	<b>(104,000)</b>	<b>(104,000)</b>

**Police and Crime Commissioner for Gwent / Heddlu Gwent Police**  
**Medium Term Financial Projections 2014/15 to 2017/18**  
**Staying Ahead Phase 6 and 7 Schemes 2014/15 to 2017/18 and Other Savings Initiatives**

	<b>2013/14</b> <b>£'000s</b>
<b>Scheme</b>	
1 Specialist Crime	214
2 Roads Policing	176
3 Data Management Review	131
4 Schools Liaison	96
5 CJD Review	78
6 Service Development	50
7 Scientific Support	44
8 Business Support	34
9 Accessibility Review	6
10 Emergency Planning Review	2
<b>11 Scheme Savings for Year</b>	<b>831</b>

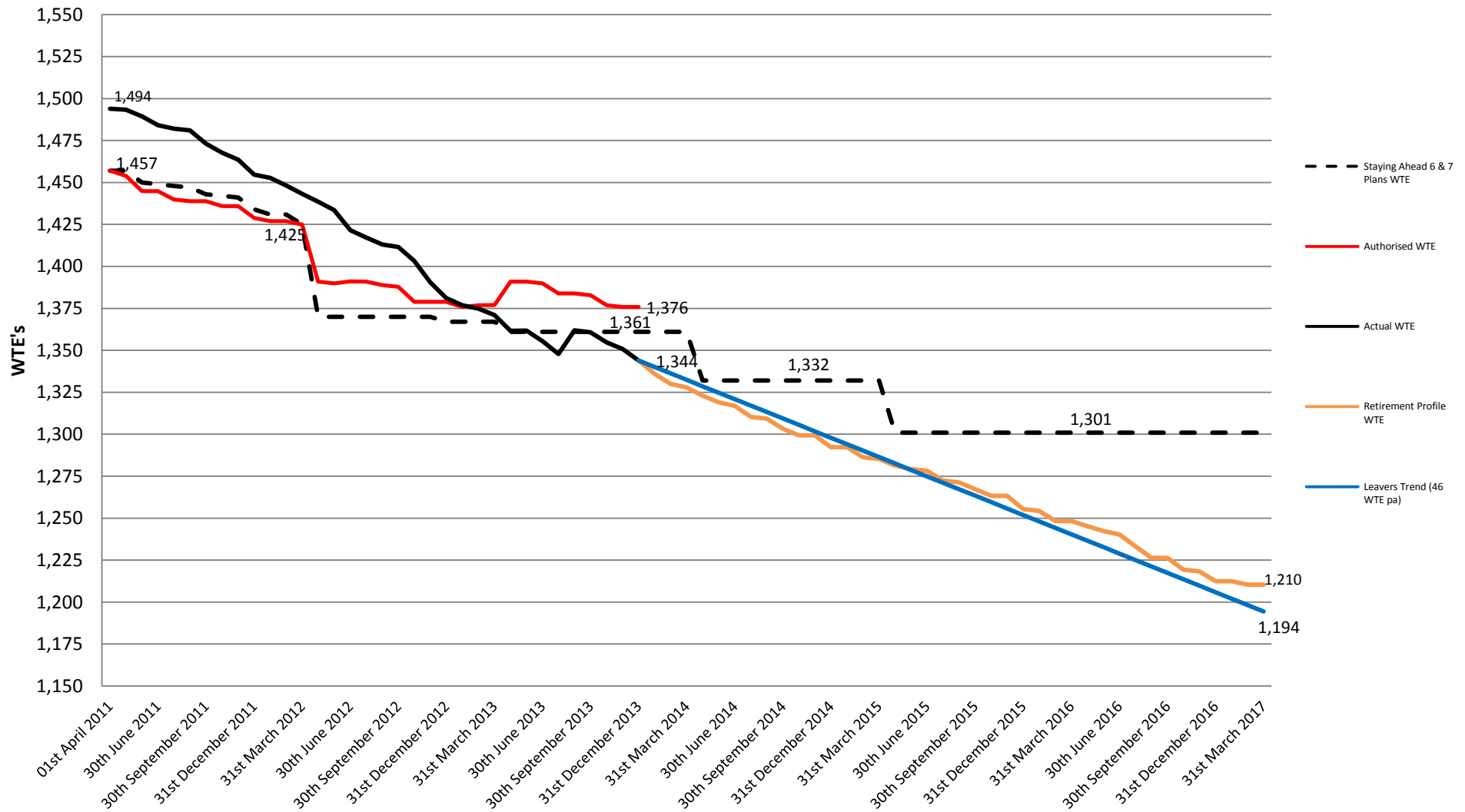
**Police and Crime Commissioner for Gwent / Heddlu Gwent Police**  
**Medium Term Financial Projections 2014/15 to 2017/18**  
**Staying Ahead Phase 6 and 7 Schemes 2014/15 to 2017/18 and Other Savings Initiatives**

	2014/15 £'000s	2015/16 £'000s	2016/17 £'000s	2017/18 £'000s	Total £'000s
<b>A Cumulative Savings Brought Forward</b>	<b>0</b>	<b>1,600</b>	<b>2,751</b>	<b>3,255</b>	<b>3,255</b>
<b>B Scheme</b>					
1 Review of Command Structure		229			229
2 Review of Fleet Function	214	19	19		252
3 Review of Business Support Function	74				74
4 Review of Finance Function	66	30	45		141
5 Mobile Data Project		183			183
6 Records Management Solution (RMS)	249	128			377
7 Data Management Review	72		100		172
8 Service Development - Post Implementation and Further Review	58				58
9 Corporate Communications Review		12			12
10 Departmental Review of Professional Standards	68		286		354
11 Winsor Review	165		54		219
12 Supervisory Ratio	550	550			1,100
13 Continuous Improvement Review of Communications Suite	4				4
14 Officer Safety and First Aid Training Review	80				80
<b>C Savings for Year</b>	<b>1,600</b>	<b>1,151</b>	<b>504</b>	<b>0</b>	
<b>D Cumulative Savings Carried Forward</b>	<b>1,600</b>	<b>2,751</b>	<b>3,255</b>	<b>3,255</b>	

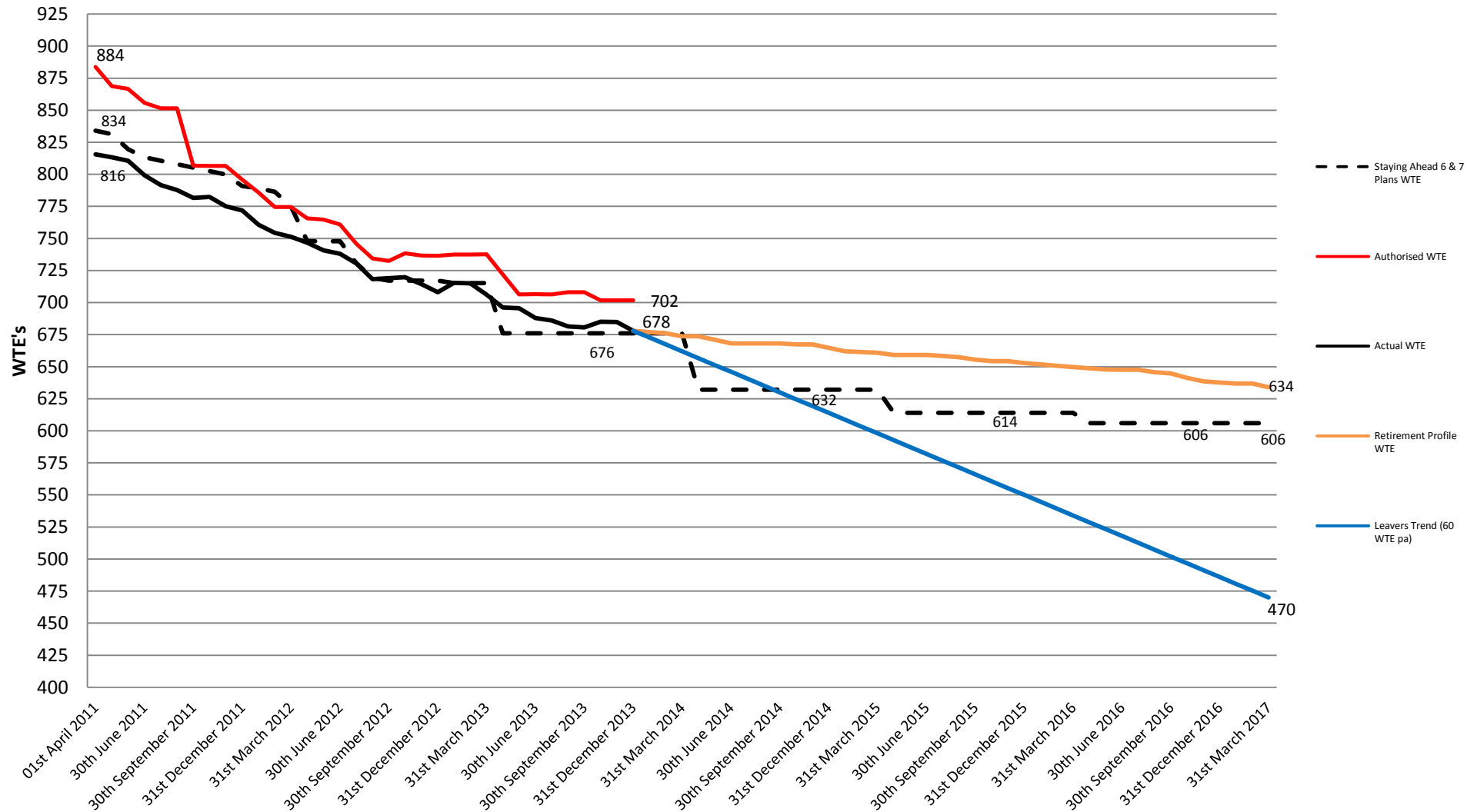
**Police and Crime Commissioner for Gwent / Heddlu Gwent Police**  
**Medium Term Financial Projections 2014/15 to 2017/18**  
**2013/14 Revenue Budget - Gwent Police Group**  
**Performance to 30th November 2013**

	Initial Annual Budget	Revised Annual Budget	Budget to Date	Expenditure to Date	Variance to Date	Full Year Forecast
	£'000s	£'000s	£'000s	£'000s	£'000s	£'000s
<b>Expenditure</b>						
1 Police Officer Salaries and Allowances	70,377	69,800	46,496	46,042	455	1,219
2 Police Staff Salaries and Allowances	23,891	23,008	15,396	15,443	(47)	148
3 PCSO Salaries and Allowances	7,068	7,068	4,712	4,212	500	828
4 Police Officer Overtime and Enhancements	1,473	1,607	983	1,130	(147)	(187)
5 Police Staff Overtime and Enhancements	1,007	993	580	588	(9)	50
6 PCSO Overtime and Enhancements	727	735	432	405	27	42
7 Other Employee Related Costs	2,119	2,094	1,551	1,577	(27)	(206)
8 Premises Costs	5,472	5,370	3,793	3,574	219	137
9 Transport Costs	3,563	3,564	2,345	2,005	340	569
10 Supplies and Services	13,875	16,300	10,401	10,122	278	(124)
11 Major Incident Schemes	684	684	525	525	(0)	0
12 Proactive Operational Initiatives	267	267	115	116	(0)	50
13 Contribution to NPIA	573	573	529	535	(6)	(10)
14 Capital Charges	500	500	127	127	0	0
	<b>131,595</b>	<b>132,561</b>	<b>87,984</b>	<b>86,401</b>	<b>1,583</b>	<b>2,514</b>
<b>Other Approved Revenue Requirements</b>						
15 Development Reserve	110	110	0	0	0	0
16 Identified Recurring Savings	(1,763)	(367)	(0)	0	(0)	(367)
	<b>(1,653)</b>	<b>(257)</b>	<b>(0)</b>	<b>0</b>	<b>(0)</b>	<b>(367)</b>
<b>Income</b>						
17 Investment Income	(215)	(215)	(131)	(128)	(3)	0
18 Other Income	(8,099)	(11,547)	(7,604)	(7,977)	374	256
	<b>(8,314)</b>	<b>(11,761)</b>	<b>(7,735)</b>	<b>(8,105)</b>	<b>370</b>	<b>256</b>
<b>19 Net Expenditure Before Transfers</b>	<b>121,629</b>	<b>120,543</b>	<b>80,249</b>	<b>78,296</b>	<b>1,953</b>	<b>2,402</b>
<b>Transfers</b>						
20 To Earmarked Reserves (Pre-Approved)	2,022	3,276	0	0	0	0
21 To Capital Account	0	8	0	0	0	0
	<b>2,022</b>	<b>3,284</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>22 Net Expenditure Including Transfers</b>	<b>123,651</b>	<b>123,827</b>	<b>80,249</b>	<b>78,296</b>	<b>1,953</b>	<b>2,402</b>
<b>23 Funded By:</b>						
24 Revenue Support Grant	(16,925)	(16,925)	(11,714)	(11,714)	0	0
25 National Non-Domestic Rates	(15,325)	(15,325)	(10,607)	(10,607)	0	0
26 Police Grant	(47,068)	(47,068)	(31,379)	(31,379)	0	0
27 Council Tax	(40,997)	(40,997)	(27,331)	(27,331)	0	0
28 Specific Grant Income	(1,470)	(1,459)	(735)	(735)	0	0
29 Use of General Reserves	0	0	0	0	0	0
30 Use of Earmarked Reserves	(1,865)	(2,052)	(2,052)	(2,052)	0	0
<b>31 Total Funding</b>	<b>(123,651)</b>	<b>(123,827)</b>	<b>(83,817)</b>	<b>(83,817)</b>	<b>0</b>	<b>0</b>
<b>32 (Over)/Underspend</b>	<b>0</b>	<b>0</b>	<b>(3,568)</b>	<b>(5,521)</b>	<b>1,953</b>	<b>2,402</b>

**Police and Crime Commissioner for Gwent / Heddlu Gwent Police  
Medium Term Financial Projections 2014/15 to 2017/18  
Police Officer Establishment Flight Path - 31st December 2013**



**Police and Crime Commissioner for Gwent / Heddlu Gwent Police  
Medium Term Financial Projections 2014/15 to 2017/18  
Police Staff (Excluding PCSOs) Establishment Flight Path - 31st December 2013**





**Police and Crime Commissioner for Gwent / Heddlu Gwent Police**  
**Medium Term Financial Projections 2014/15 to 2017/18**  
**Capital Programme 2014/15 to 2017/18**

		2014/15 £'000s	2015/16 £'000s	2016/17 £'000s	2017/18 £'000s
<b>A</b>	<b>Estate</b>				
1	Regular Capital Maintenance	570	500	500	500
2	Replacement HQ				
3	Decommissioning of Headquarters				
4	Replacement FCR				
<b>5</b>	<b>Total Estate</b>	<b>570</b>	<b>500</b>	<b>500</b>	<b>500</b>
<b>B</b>	<b>Vehicles</b>	<b>1,921</b>	<b>1,134</b>	<b>1,700</b>	<b>1,228</b>
<b>C</b>	<b>Information Systems</b>				
1	Voice Over Internet Protocol	500			
2	Citrix Servers (64 Bit)	80			
3	Replacement Servers	40	60		
4	Main Blade Server Chassis		120		
5	Checkpoint Firewall Infrastructure	60			
6	Network Switches		150	150	150
7	Replacement SQL Server			130	
8	PND Infrastructure		160		
9	Replacement ICCS System	500			
10	Enterprise Resource Planning System	500	2,287		
11	Disaster Recovery		415		
12	Command & Control		1,161		
<b>13</b>	<b>Total Information Systems</b>	<b>1,680</b>	<b>4,353</b>	<b>280</b>	<b>150</b>
<b>D</b>	<b>Other BTCG Projects / Schemes</b>	<b>200</b>	<b>200</b>	<b>200</b>	<b>200</b>
<b>E</b>	<b>Total Programme</b>	<b>4,371</b>	<b>6,187</b>	<b>2,680</b>	<b>2,078</b>
<b>F</b>	<b>Funding</b>				
1	Capital Grant	1,100	1,100	1,100	1,100
2	Receipts from sale of Premises	480	0	0	0
3	Funding from Reserves	2,791	5,087	1,580	978
<b>4</b>	<b>Total Funding</b>	<b>4,371</b>	<b>6,187</b>	<b>2,680</b>	<b>2,078</b>
<b>G</b>	<b>Surplus Funds</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>

**Police and Crime Commissioner for Gwent / Heddlu Gwent Police**  
**Medium Term Financial Projections 2014/15 to 2017/18**  
**Forecast Movements 2013/14 to 2017/18**  
**Reserves and Sinking Funds**

	Opening Balance 2013/14 £'000s	Actual Movement 2013/14 £'000s	Forecast Movement 2013/14 £'000s	Forecast Year End 2013/14 £'000s	Forecast Movement 2014/15 £'000s	Forecast Year End 2014/15 £'000s	Forecast Movement 2015/16 £'000s	Forecast Year End 2015/16 £'000s	Forecast Movement 2016/17 £'000s	Forecast Year End 2016/17 £'000s	Forecast Movement 2017/18 £'000s	Forecast Year End 2017/18 £'000s
<b>A Reserves</b>												
1 General Reserve (Operational)	6,411	0	0	6,411	0	6,411	0	6,411	0	6,411	0	6,411
2 Precept Top-Up Reserve	2,107	0	0	2,107	(520)	1,587	(1,587)	0	0	0	0	0
3 Forecast Underspend			2,402	2,402		2,402		2,402		2,402		2,402
<b>4 Total General Reserves</b>	<b>8,518</b>	<b>0</b>	<b>2,402</b>	<b>10,920</b>	<b>(520)</b>	<b>10,400</b>	<b>(1,587)</b>	<b>8,813</b>	<b>0</b>	<b>8,813</b>	<b>0</b>	<b>8,813</b>
<b>B Earmarked Reserves</b>												
1 Specific Reserves	1,738	0	0	1,738	(350)	1,388	(352)	1,036	(400)	636		636
2 Police Officer Recruitment 2013-14	1,016	0	0	1,016	(1,016)	0	0	0	0	0		0
3 Capital & Estate Strategy	6,917	(187)	(4,394)	2,336	(3,071)	(735)	(4,006)	(4,741)	(1,379)	(6,120)	(778)	(6,898)
4 Staying Ahead Reserve	5,098	(332)	(380)	4,386	746	5,132	(250)	4,882	(200)	4,682	(200)	4,482
<b>Total Earmarked</b>	<b>14,769</b>	<b>(519)</b>	<b>(4,774)</b>	<b>9,476</b>	<b>(3,691)</b>	<b>5,785</b>	<b>(4,608)</b>	<b>1,177</b>	<b>(1,979)</b>	<b>(802)</b>	<b>(978)</b>	<b>(1,780)</b>
<b>C Capital Reserves</b>												
1 Command & Control	1,161	0	0	1,161	0	1,161	(1,161)	0	0	0	0	0
2 Capital Receipts Reserve	972	275	400	1,647	480	2,127		2,127		2,127		2,127
<b>3 Total Capital Reserves</b>	<b>2,133</b>	<b>275</b>	<b>400</b>	<b>2,808</b>	<b>480</b>	<b>3,288</b>	<b>(1,161)</b>	<b>2,127</b>	<b>0</b>	<b>2,127</b>	<b>0</b>	<b>2,127</b>
<b>D Total Reserves</b>	<b>25,420</b>	<b>(244)</b>	<b>(1,972)</b>	<b>23,204</b>	<b>(3,731)</b>	<b>19,473</b>	<b>(7,356)</b>	<b>12,117</b>	<b>(1,979)</b>	<b>10,138</b>	<b>(978)</b>	<b>9,160</b>
<b>E Sinking Funds</b>												
1 PFI	10,466	0	160	10,626	164	10,790	130	10,920	130	11,050	130	11,180
2 Airwave	4,303	0	208	4,511	208	4,719	208	4,927	210	5,137	210	5,347
<b>3 Total Sinking Funds</b>	<b>14,769</b>	<b>0</b>	<b>368</b>	<b>15,137</b>	<b>372</b>	<b>15,509</b>	<b>338</b>	<b>15,847</b>	<b>340</b>	<b>16,187</b>	<b>340</b>	<b>16,527</b>
<b>F Total Reserves and Sinking Funds</b>	<b>40,189</b>	<b>(244)</b>	<b>(1,604)</b>	<b>38,341</b>	<b>(3,359)</b>	<b>34,982</b>	<b>(7,018)</b>	<b>27,964</b>	<b>(1,639)</b>	<b>26,325</b>	<b>(638)</b>	<b>25,687</b>

**OFFICE OF THE POLICE AND CRIME COMMISSIONER**

**TITLE:** Police and Crime Commissioner for Gwent Update on Progress against the Police and Crime Plan

**DATE:** 24<sup>th</sup> January 2014

**TIMING:** Routine

**PURPOSE:** For monitoring and consultation

1.	<p><b><u>RECOMMENDATION</u></b></p> <p>That members of the Police and Crime Panel consider the contents of this report and provide comment on the proposed amended programme of work for the Office of the Police and Crime Commissioner (OPCC).</p>
2.	<p><b><u>INTRODUCTION &amp; BACKGROUND</u></b></p> <p>2.1 This report is provided to update members of the Panel on the progress of the Police and Crime Commissioner (the Commissioner) for Gwent's delivery against the priorities within the Police and Crime Plan, 2013-2017 (the Plan).</p> <p>2.2 The Plan was published in March 2013 and contains five priorities, each aligned to a key area of delivery:</p> <p>Priority 1: The people of Gwent are satisfied that the police provide a service which meets their requirements</p> <p>Priority 2: People in Gwent are less affected by crime</p> <p>Priority 3: People in Gwent are less affected by antisocial behaviour (ASB)</p> <p>Priority 4: People in Gwent are protected from serious harm</p> <p>Priority 5: The people of Gwent are provided with a police service that is value for money</p> <p>2.3 The Commissioner holds the Chief Constable to account for force performance to ensure an efficient and effective police service for Gwent. Regular reports are received from the force on performance related matters and weekly one-to-one meetings are held between the Commissioner and the Chief Constable. The Commissioner is also represented at key strategic force meetings by his Deputy and other staff members, and holds the Chief Constable to account at monthly Strategy and Performance Board meetings. These are held in public on a quarterly basis.</p> <p>2.4 An interim Annual Report was published in June 2013 covering the period from November 2012, as per the Association of Police and Crime Commissioners (APCCs) recommendations. This report provides an update of activity in support of the priorities from July to the end of December 2013.</p>

3.	<b><u>ISSUES FOR CONSIDERATION</u></b>
3.1	<p>Each priority within the Plan is supported by a set of success measures and resultant aims for Gwent Police and the Commissioner to each work towards. The information contained within this report is intended to provide a snapshot of what has been achieved in this time, and what will be done from April 2014. In addition, proposed changes to the original programme of work for the Office of the Police and Crime Commissioner (OPCC) have been identified, and are included at Annex A.</p>
3.2	<p>The following key outcomes have been achieved during the last five months:</p>
3.2.1	<p><b>Priority 1: The People of Gwent are satisfied that the police provide a service which meets their requirements</b></p> <p>The ‘overall’ satisfaction gap between victims of crime and victims of ASB has closed significantly over the past 12 months, to 79.6% and 78% respectively. Public confidence, however, is low. Gwent is currently in the bottom quartile and seventh of eight in its most similar force ranking (Crime Survey for England and Wales, 2013). The OPCC has been working with the force to enhance its responsiveness to meet the needs of local people and victims of crime, and raise their confidence in Gwent Police. To support this:</p> <ul style="list-style-type: none"> <li>• The Commissioner’s Victims’ Charter was launched in September 2013, providing a set of minimum standards for victims of crime and ASB when involved with criminal justice agencies and is an underlying thread through all the priorities</li> <li>• ‘Project Undivided’, commissioned by the OPCC via Victim Support, and involving Gwent Police and other criminal justice partners, is looking specifically at the journeys of 100 victims across the criminal justice system from initial contact to final outcome, with a view to further improving services through the Criminal Justice System Strategy Board for Gwent. The victim surveys are due to be completed in January 2014 with initial findings to follow soon after</li> <li>• The Strategic Commissioning Intention, approved by Strategic Commissioning Board members on 2<sup>nd</sup> December, will develop the victim services plan within the five key programmes of work it contains</li> <li>• The Commissioner is represented at the force Public Confidence Board which is looking at a number of strategic force-level approaches to further improve public engagement and confidence</li> <li>• The OPCC continues to engage with residents and partner organisations resulting in excess of 300 public meetings since January 2013. This includes community and third sector groups, public and partner engagement around the accessibility to police stations, meetings with representatives of older people and with providers of services to victims</li> </ul>

	<ul style="list-style-type: none"> <li>• The Partners and Communities Together (PACT) review has been progressing well and the OPCC is now exploring, with the force and partners, the most suitable methods of engagement based on public and partner feedback</li> <li>• The Wales Audit Office (WAO) inspection in October 2013 examined how effectively the OPCC is engaging with local communities to help determine and deliver policing priorities. This very positive report recognises the development of appropriate arrangements enabling effective levels of engagement and consultation to take place</li> <li>• Since July, OPCC use of social media has grown considerably to over 1,000 followers on both Facebook and Twitter and our bilingual website currently receives an average of 2,500 visitors per month. These communication methods provide the public with a number of effective ways of keeping in touch and providing feedback on their questions, concerns and suggestions</li> <li>• In August, the OPCC launched the first Police and Crime Commissioner 'app' in the UK, providing an interactive look at the Gwent-wide activities of the Commissioner's office. To date, over 200 people have downloaded the app</li> <li>• The Commissioner has supported the continuation of the Online Watch Link (OWL) Neighbourhood Watch system, and during the last year there has been a huge increase in membership with one in eight Gwent homes now registered (31,000 households). This has allowed a widespread increase in information sharing about crime and associated activities with those registered</li> <li>• In November, the Stevens review on policing was published and the Commissioner supported the comments around promoting neighbourhood policing and the importance of building relationships with local communities</li> <li>• The Commissioner continues to support use of restorative justice practices and the positive impact this is having on victim satisfaction as well as the reduction of criminalisation of young people.</li> </ul> <p>The OPCC will continue to work with the force to meet the needs of local people and victims of crime, and to raise public confidence in Gwent Police.</p>
3.2.2	<p><b>Priority 2: People in Gwent are less effected by crime</b></p> <p>A decreasing trend for crime has been seen over the reporting period. Additional work in this area over the reporting period includes:</p> <ul style="list-style-type: none"> <li>• Provision of funding to help prevent and reduce crime and ASB and facilitate diversionary work with young people in support of the Police and Crime Priorities, particularly: <ul style="list-style-type: none"> <li>• awarding of £100,000 in November via the Commissioner's</li> </ul> </li> </ul>

	<p>Partnership Fund;</p> <ul style="list-style-type: none"> <li>• the provision of £8,000 to Crime Prevention Panels across Gwent</li> <li>• Community Safety funding provision to the Local Service Boards and Youth Offending Service teams within the force area</li> <li>• financial support to Positive Futures to engage young people in diversionary activities across the Newport area. This programme is now being supported by partner agencies to roll out across Gwent</li> <li>• The enhancement of an Integrated Offender Management process in Gwent with relevant partners</li> <li>• Continuing discussion by the OPCC with Local Service Boards and other partners to identify opportunities to jointly reduce and prevent crime</li> </ul> <p>In spite of the decreasing trend for crime, projections still suggest a 5.5% increase in overall crime compared to last year's data. Whilst specific targets for crime reduction have been removed, this projection does not represent an acceptable increase in crime. The OPCC will be paying close attention to this area of force and partner activity to assess the effectiveness of projects against this priority to inform overall performance and to inform future funding decisions.</p> <p><b>3.2.3 Priority 3: People in Gwent are less affected by ASB</b></p> <p>Since July, ASB has continually decreased. However, current levels are higher than for this period last year. To redress this, the force and partners are focussing on identifying and managing 'hotspots' using local intelligence meetings, patrol plans and coordination of policing and partnership activity. Other work undertaken in support of this includes:</p> <ul style="list-style-type: none"> <li>• Working with local authority partners to manage processes that identify and monitor antisocial behaviour, with 42 repeat offenders identified (out of 23,643 incidents in the 12 months to September 2013).</li> <li>• The introduction in force of youth restorative justice practices in April which are now being used widely, with an adult version being piloted in Blaenau Gwent. Data will be available from April 2014. Partnership intervention panels and problem solving groups are now firmly embedded in local crime and ASB reduction processes</li> <li>• It is anticipated that the PACT review will lead to improved methods of engagement with communities around issues of crime and ASB;</li> <li>• Regular meetings between the Commissioner and Local Policing Unit representatives, community safety partners and Registered Social Landlords to discuss community safety initiatives</li> <li>• Provision of funding by the Commissioner that is being used to prevent and reduce crime and ASB as part of the Commissioning Strategy.</li> </ul> <p>Work will continue to address identified issues and to reduce and prevent</p>
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	activity.
3.2.4	<p><b>Priority 4: People in Gwent are protected from serious harm</b></p> <p>Offences in this area are always emotive and some high profile incidents have been seen in Gwent recently. Regular monitoring of all the Public Protection services provided by Gwent Police forms an integral part of the performance information provided to the Commissioner. Her Majesty's Inspectorate of Constabulary (HMIC) is inspecting the force during the coming year on a number of specific areas related to this priority, and the Commissioner is looking forward to their findings. Additional work in this area includes:</p> <ul style="list-style-type: none"> <li>• Provision of funding to the Gwent Drug Interventions Programme (DIP), to support people involved in the criminal justice system as a result of substance misuse. Gwent DIP directly aims to reduce further harm resulting from reoffending and continued substance misuse, including use of new psychoactive substances</li> <li>• Funding support, via the Police Property Act Fund, to the Partners and Communities Engaged (PACE) project to raise awareness of the impact and dangers of synthetic substance misuse</li> <li>• Supporting the multi-agency Gwent Domestic Abuse Pathfinder Project. The outcomes, due at the end of March 2014, will directly contribute to the strategic commissioning plan and the Commissioner's commitment to reducing the harm caused by domestic abuse in Gwent</li> <li>• Funding provision to Local Service Boards to support community safety work relating to the prevention and reduction of serious harm.</li> </ul> <p>The OPCC will continue to work with partners to reduce the level of offences.</p>
3.2.5	<p><b>Priority 5: The people of Gwent are provided with a police service that is value for money</b></p> <p>Austerity challenges continue to be faced in Gwent. The 2014/15 budget setting round represents the fourth and final year of the 2010 Comprehensive Spending Review (CSR) and the first year of the 2013 CSR. The 2010 CSR period (2011/12 to 2014/15) required the delivery of significant financial efficiencies and budget reductions. Other supporting activity undertaken includes:</p> <ul style="list-style-type: none"> <li>• Continued monitoring by the Commissioner of the Chief Constable's delivery against the Staying Ahead Programme via quarterly reports and on-going reviews of force strategies and delivery. To date, this has delivered cumulative recurring savings of £27.24m</li> <li>• The 'Employer of Choice' strand, led by the Assistant Chief Constable, is undertaking positive staff engagement within the workplace to help identify where improvements can be made and support continuous</li> </ul>

	<p>improvement within the force. The Commissioner is supporting this work through attendance at Team Gwent events, and meetings with staff and officers and the Gwent Police staff associations and networks</p> <ul style="list-style-type: none"> <li>• Preparations for the Second Stage Transfer of police staff, and revised corporate governance continue, with approval for the proposed staffing arrangements received from the Home Secretary on 6<sup>th</sup> December 2013</li> <li>• Collaboration with other forces and partners continues to provide more cost-effective service provision across a number of work streams but it is accepted that more can be done. It will remain an area of focus for the foreseeable future</li> <li>• The budget-setting process for 2014/15 is currently being undertaken and is subject to a separate report</li> <li>• Agreement by the Strategic Commissioning Board of the Commissioning Framework and Strategic Commissioning Intention that will provide financial support to local initiatives and projects that further the Commissioner's priorities. The Commissioning Intentions incorporate five key programmes of work that will ensure an effective focus whilst achieving increased efficiency, value for money and improved outcomes</li> <li>• Continued meetings between the Commissioner and the Police and Crime Panel to ensure their feedback is used effectively to improve the services delivered to the people of Gwent</li> <li>• Continued independent scrutiny of the force's and the OPCC's financial performance by the Joint Audit Committee.</li> </ul> <p>The OPCC and force will continue to work efficiently to deliver the required savings whilst ensuring that the service provided is value for money.</p>
<b>4.</b>	<p><b><u>NEXT STEPS</u></b></p>
4.1	<p>During the next reporting period, the Commissioner will continue to maintain overall focus on force performance by holding the Chief Constable to account for effective and efficient delivery of the priorities to ensure that Gwent Police provides a high quality, value for money service to the people in our communities.</p>
4.2	<p>Many of the issues faced in keeping our communities safe can only be resolved by working in partnership. As such, the OPCC places great importance on partnership working and engagement. Engagement will continue to develop with the Commissioner holding a number of Gwent-wide public surgeries throughout January and February to provide further opportunities for people to discuss concerns or issues with him. Comments and issues raised will be fed back to the force for action where appropriate. In addition, initial findings from Project Undivided are also anticipated at this time. These will be addressed by the appropriate partners through the local</p>



	Criminal Justice Board.
4.3	The Budget-setting process is currently underway and the proposed Precept will be reported to the Panel in January, and further progress with Second Stage Transfer activities will ensure readiness to move to the new arrangements by April 2014.
4.4	In terms of the focus of work for the next 12 months, the original programme for the OPCC, included within the Police and Crime Plan, relates to the primary areas identified at the time of development. Since publication, changes to legislation, in particular regarding restorative justice and victims, have been seen as well as further development of the pan-Gwent Unified Needs Assessment and the Gwent Police Strategic Assessment in conjunction with the Plan. In order to ensure relevance of the programme of work, it is proposed that this is amended to reflect the requirements over the coming year. Under the Police Reform and Social Responsibility Act 2011 (the Act), the Commissioner may vary the Plan at any time and has a duty to keep it under review, particularly in the light of any recommendations made by the Panel and any changes to the surrounding legislation; an annual refresh in line with wider businesses and planning processes is considered as good practice.
4.5	The Chief Constable has been consulted on the proposed revised programme of work, which is attached at Annex A of this report.
4.6	As per the requirements of the Act, an Annual Report for the period April 2013 to March 2014 is being designed which will provide an update of activity in support of the priorities for the year 2013/2014. The Panel is requested to provide any comments on Annex 1 in terms of its focus to the Chief Executive by 31 <sup>st</sup> January 2014. The document will, in turn, be available electronically for public comment during February. The final revised work programme will be appended to the Annual Report which, in line with legislation, will be provided to the Police and Crime Panel for consideration at a subsequent meeting.
<b>5.</b>	<b><u>FINANCIAL CONSIDERATIONS</u></b>
5.1	Aside from the significant financial implications of the commissioning element of the programme coupled with the cost saving requirements, all other activities should be met within existing financial arrangements.
<b>6.</b>	<b><u>PERSONNEL CONSIDERATIONS</u></b>
6.1	There are no specific personnel considerations for this report and therefore progress will be made using existing arrangements.
<b>7.</b>	<b><u>LEGAL IMPLICATIONS</u></b>
7.1	The activity reported under the Police and Crime Plan serves to fulfil the

	requirements of the Police Reform and Social Responsibility Act 2011, as well as other associated legislation
<b>8.</b>	<b><u>EQUALITIES AND HUMAN RIGHTS CONSIDERATIONS</u></b>
8.1	The content of 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	In preparing this report, consideration has been given to requirements of the Articles contained in the European Convention on Human Rights and the Human Rights Act 1998.
<b>9.</b>	<b><u>RISK</u></b>
9.1	Each area of activity has its own assessment of risk considered as part of that programme. These will be mitigated under current procedures.
<b>10.</b>	<b><u>PUBLIC INTEREST</u></b>
10.1	This is a public document.
<b>11.</b>	<b><u>CONTACT OFFICER</u></b>
11.1	Neil Taylor, Head of Planning, Performance and Partnerships
<b>12.</b>	<b><u>ANNEXES</u></b>
12.1	Annex A: Proposed Revised Programme of Work for the OPCC, 2014-2017

## Annex A: Proposed Revised Programme of Work for the OPCC, 2014-2017

<b>Priorities</b> <ol style="list-style-type: none"> <li><b>To deliver the best quality of service available</b></li> <li><b>To reduce and prevent crime</b></li> <li><b>To take more effective action to reduce ASB</b></li> <li><b>To protect people from serious harm</b></li> <li><b>To make the best use of resources and provide Value for Money</b></li> </ol>					
	PROGRAMME & PRIORITIES	TIMESCALE			RELATED ACTIVITIES INCLUDE
		2014/ 2015	2015/ 2016	2016/ 2017	
1 Revised	Focus on victims and witnesses – 1,2,3,4	√	√		Victims' Charter; work with victim's services
2	Listening to people in our communities – 1,2,3,4	√	√	√	Public surgeries; PACT review
3	Improving public confidence – 1,2,3,4	√	√	√	Building greater transparency into force misconduct arrangements
4	Preventing crime and disorder and antisocial behaviour – 1,2,3,4,5	√	√	√	Improving problem solving with communities and partners; Commissioner's Partnership Fund
5	Continuing review of on-going force strategies (non-operational) – 1,2,3,4,5	√	√	√	Policy Review Group
6 New	Wider community awareness of the role of Gwent Police – 1,2,3,4,5	√			Public engagement
7	Continuing efficiency savings and value for money – 1,2,3,4,5	√	√	√	Staying Ahead programme; supporting Employer of Choice
8	Commissioning implementation and monitoring/evaluation – 1,2,3,4,5	√	√	√	Collaboration; delivery of Strategic Commissioning Intentions
9 New	Offender management and youth justice – 1,2,3,4	√	√	√	Restorative justice initiatives
10 New	Improving safeguarding of vulnerable people – 1,2,3,4	√			Monitor force performance
11 New	Improving criminal justice process – 1,2,3,4	√			Project Undivided; Victims' Charter
12 New	Tackling Cybercrime – 1,2,3,4,5	√	√	√	Monitor force performance

These work areas are supplemental to the statutory duties placed on the Commissioner by the Police Reform and Social Responsibility Act 2011.

**OFFICE OF THE POLICE AND CRIME COMMISSIONER**  
**OFFICE OF THE CHIEF CONSTABLE**

**JOINT AUDIT COMMITTEE**

3<sup>rd</sup> December 2013

Present: Mr R Leadbeter (Chair)  
Ms D Brace, Mr G Hughes, Mr D Mullan and Mr J Sheppard

Together With: Mr I Johnston – Police and Crime Commissioner (Commissioner)  
Mrs S Bosson – Chief Executive (CEX)  
Mr D Garwood-Pask – Chief Finance Officer (CFO)  
Mr N Taylor – Head of Performance, Planning and Partnerships (HoPPP)  
Mrs J Regan – Information Officer  
Mr N Stephens – Assistant Chief Officer, Resources (ACOR)  
Mr R Wigginton – Deloitte (Internal Audit)  
Mr A Bruce – Wales Audit Office (WAO)  
Mr M Coe – Wales Audit Office

We welcomed Mr A Bruce, WAO to the meeting.

**The meeting commenced at 10.00 a.m.**

**APOLOGIES**

**Action**

1. Apologies for absence were received from Mr I Howse, Deloitte and Mr J Herniman, WAO.

**DECLARATIONS OF INTEREST**

2. There were no advance declarations made in relation to the business to be transacted.

**WAO PRESENTATION ON PUBLIC ENGAGEMENT RESULTS**

3. We received a presentation from Mr A Bruce on the WAO police public engagement review.

The findings of the review were very positive with a significant increase in public contact since the appointment of the Commissioner. Effective ways of engaging with the public were in use such as social media, public meetings, the development of public surgeries and a user friendly website.

The Commissioner and the new Chief Constable had instigated a

change of emphasis within the organisation where people were more important than crime figures; the WAO believed that this was a good focus.

**Action**

We were informed that the WAO would share best practice from all public sector organisations across Wales.

We thanked the WAO for their presentation and commented that we were pleased with the position that Gwent was in. The Commissioner stated that work on engaging with the public was on-going; he thanked the Police Authority for the legacy they had left and also thanked the HoPPP who leads on engagement for the Office of the Police and Crime Commissioner (OPCC) for the excellent work carried out in this area.

We queried if the Commissioner had identified an area that he thought could be delivered in a more appropriate way. The Commissioner stated that he was currently reviewing the Partners And Communities Together (PACT) process, as the feedback he had received from the public indicated that the meetings were no longer fit for purpose. The Chief Executive also informed us that the monthly Strategy and Performance Board where the Commissioner holds the Chief Constable to account, was also being reviewed as public attendance had been limited. These meetings were now being held in private with a new process and meeting format likely to be implemented next year.

We agreed it was important to challenge existing arrangements and queried how this review of engagement could be linked to reducing offending rates; did an increase in engagement or the type of engagement carried out in an area have an impact on offending rates. The HoPPP stated that he would take this forward as increasing public confidence in the police was a key priority.

**CEx**

### **APPOINTMENT OF CHAIR**

4. Mr R Leadbeter was re-appointed as Chair for the ensuing year and thanked members for their continued support.

The Commissioner congratulated Mr Leadbeter on his re-appointment.

### **APPOINTMENT OF VICE CHAIR**

5. Ms D Brace was appointed as Vice-Chair for the ensuing year.

## **REVIEW OF TERMS OF REFERENCE**

## **Action**

6. We received the Terms of Reference (ToR) of the Joint Audit Committee (JAC) for review.

The CEx, CFO and ACOR had reviewed the ToR and were satisfied that as the meetings had worked well over the last twelve months that there was no need for any major amendments to be made.

We highlighted that although we had oversight of general governance matters and would comment on new or amended policies and strategies significant with regards to financial risk and probity, we relied on the CFO and ACOR to bring these to our attention. We were informed that we could also request to review a relevant policy or strategy.

We requested that the following amendments were made:

**Page 1, Section 2, 'Force Performance'** – the ToR stated that force performance did not fall within the scope of the JAC. We requested that this was amended to state that crime statistic performance did not fall within the scope of the Committee.

**CEx**

**Page 2, Section 4, 'Medium Term Financial Strategy'** – we requested that 'medium term' was removed and that in all future meetings and reports the term Financial Strategy was used.

**CEx**

**Page 3, Section 4, 'Head of Internal Audit'** – we requested that 'Head of' was removed from this sentence.

**CEx**

**Page 3, Section 9, 'Election of Chair & Vice-Chair'** – we requested that the current maximum to serve two years as Committee Chair was increased to three to allow for continuity.

**CEx**

**Page 3, Section 10, 'Number of Meetings'** – with the movement of the January 2014 meeting to December 2013 in order that the budget setting process was commented upon in a timely manner, there was not a meeting of the JAC until April 2014. We requested that for 2015, the timetable of meetings was adjusted where appropriate. IA informed us that there would likely be a large number of reports at the meeting scheduled for April. We agreed, rather than schedule an extra meeting to deal with the IA reports, the detailed reports would be distributed to members prior to April; only the summary report and any outstanding detailed reports would be added to the agenda. Any concerns with previously circulated reports could be raised when discussing the summary report. It was agreed that this would be the way forward for all future meetings.

**CEx**

**IA**

The WAO queried if there were any further groups within the OPCC/force that the Committee may want to forge links with. The CEx stated that the JAC minutes were on the agenda of the Strategy

and Performance Board which is the forum in which the Commissioner holds the Chief Constable to account; if there was an item that the JAC would like considered further it would need to be minuted and highlighted to the Commissioner and/or Chief Constable. We discussed the benefits associated in having a wider understanding of what was happening throughout the force. We agreed that a link to the decisions that the Commissioner made would be circulated to all members on a monthly basis.

**Action**

**CEx**

**Mr I Johnston and Mr A Bruce left the meeting at 10.55am**

## **MINUTES**

7. We received and confirmed the minutes from the meeting held on the 19<sup>th</sup> September 2013. The following were highlighted:

### Item 6, Audit of Financial Statements and Letters of Representation

We queried if any progress had been made with the lease for Torfaen County Borough Council staff to rent office space at police headquarters. The CEx informed us that the legal department had the lease to finalise.

We queried why the lease with Torfaen CBC and the IT Fixed Asset register, which had been discussed at the last meeting, were not included in the External Audit Recommendations section of the Outstanding Audit Report. The ACOR informed us that the IT Fixed Asset register was included in the internal audit section of the report as it had also been identified as an issue via this process. The ACOR would ensure that the lease with Torfaen was included in the report in readiness for the next meeting.

**ACOR**

### Item 9, Stage 2 Transfers Update

The CEx informed us that we had still not received confirmation from the Home Secretary that the staff transfer proposal had been approved. Those commissioners, for whom their proposal was of concern, had already been contacted, we therefore anticipated that there would be no problems with the proposal we submitted.

### Item 10, Update on Chief Constable Recruitment

We requested that our congratulations were passed to Mr Jeff Farrar on his appointment as the new Chief Constable for Gwent.

**CEx**

## **ACTIONS**

8. We received and noted the action sheet from the meeting held on the 19<sup>th</sup> September 2013. The following were highlighted:

### Action 1, Minutes

We received a briefing note on the meeting attended by the Chair of the Committee and the CEx with representatives of the Gwent Police

and Crime Panel (PCP).

**Action**

We noted that PCP members suggested that the Chair was invited to attend the meeting of the Panel at which the precept was discussed in January. Concern was raised that the Chair of the JAC may be asked to give his opinion on the level of precept that was being set which was outside the ToR of this Committee. We agreed that if the Chair of the JAC was to attend it may confuse the differences between the two groups.

Action 2, Actions Audit Feedback on JAC Operation

We agreed that the feedback from internal and external audit would be provided to coincide with the completion of the self-assessment survey which would take place once all members had been in post for twelve months. We also suggested that this could be undertaken across all JACs in Wales so we were able to compare the results. The WAO informed us that in the Health Service a member survey against audit committee effectiveness was undertaken; this survey was also undertaken by internal and external audit.

**WAO**

We suggested it may be beneficial to allocate time on an agenda to look at a specific topic in detail at each meeting. It was agreed that the original schedule of reports that had been provided to a previous meeting was re-circulated to all members in order to review and feedback any comments they had on areas they would like to consider for a more in-depth discussion.

**CEx**

Action 6 Internal Audit Annual Report

The ACOR informed us that we were hoping to complete the Disaster Recovery Business Case and confirm a collaborative service with South Wales in December.

Action 9 Treasury Management Activity Report 2012/13

The CFO informed us that an auction was to be held in January 2014 regarding the potential sale of our Landsbanki investment. If we were offered a percentage in line with what we had determined to be reasonable then the offer would be accepted.

**WAO ANNUAL AUDITORS REPORT FOR THE POLICE AND CRIME COMMISSIONER AND THE CHIEF CONSTABLE**

9. We received the annual auditors reports for the Police and Crime Commissioner and the Chief Constable.

The WAO informed us that reports had been produced for both organisations although both reports contained similar findings. The reports summarised findings of the ISA 260 report and confirmed that there were appropriate arrangements in place to support the effective use of resources, although this did not comment on the effectiveness of these process.



The reports would be published on the website of the WAO in both English and Welsh.

**Action**

We queried why sections of the report only gave information to 31<sup>st</sup> March 2013 whilst others provided information to the end of November 2013. We were informed that the financial audit ran to the end of 31<sup>st</sup> March 2013 in relation to the financial year whilst the performance audit was not limited to the same time constraints so was able to contain more recent information.

The WAO informed us there was no reference to the retirement of the previous Chief Constable as this had been looked into by numerous other bodies such as HMIC and the Home Affairs Select Committee.

We noted the issues identified in the audit of financial statements set out at exhibit 1 in both the Commissioner's and Chief Constable's annual audit reports. We were reassured that the lease with Torfaen County Borough Council was being progressed and that the audit fee would be split equally between the two organisations for 2013/14.

### **WALES AUDIT OFFICE UPDATE REPORT**

10. We received and noted an update report from the WAO.

Work had been completed on the audit of the 2012/13 financial statements which were approved and signed by the Commissioner, Chief Constable and Appointed Auditor by the required deadline of 30<sup>th</sup> September 2013.

The workshop held to assess the accounts process for all four Commissioners and forces was very productive, with a practitioner group established to share emerging issues and best practice.

We were informed that the work looking at public engagement within Gwent Police and the annual audit reports had been completed and reported earlier to this meeting.

### **INTERNAL AUDIT UPDATE REPORT**

11. We received and noted a progress report from IA.

We were informed that the following final reports had been issued:

- Data Protection Act (2012/13);
- Management of Police Information (MoPI) (2012/13);
- Preparations for the Police and Crime Commissioner (2012/13);
- Management of Seized Property (2012/13); and
- Counter Fraud (2013/14).

The following draft reports had also been issued:

**Action**

- Implementation of the Joint Payroll HR System, Phase 1;
- Business Benefits Realisation; and
- Risk Management.

In addition, work is being undertaken in the following areas:

- Transport Services and Fleet;
- Business Continuity and Disaster Recovery;
- Creditors; and
- Health and Safety.

We queried if we should be concerned with the key performance indicator 'Management comments received by Deloitte from Gwent Police within 10 days of issue', as the target was set at 20% and had an actual rate of 6%. IA informed us that they were not concerned as there were various factors that affected these percentages and a 10 day response allowance was not always practicable, hence why the target rate was low. We suggested that the number of days for a force response to be received and the target rate were increased.

**IA**

We raised concern that three of the audits reported had only been given a 'Limited' assurance level and queried if a debate was had with IA regarding the level provided. The ACOR informed us that assurance levels were challenged where appropriate. We stated that the area of assurance given to compliance with the Data Protection Act was of most concern and requested that all actions were completed as per the due dates established in the report due to the importance of this area. We also queried if the force were prepared for the amendments to the current government security classification scheme which were due to be implemented in April 2014. The ACOR stated that this was being dealt with by the Information Assurance Board.

**ACOR**

We queried why the 'Preparations for the Police and Crime Commissioner' had been allocated a 'Reasonable' assurance level when only one minor recommendation had been made. The Chair stated that from his previous role as a member of the Police Authority working on the transfer process and the excellent feedback that had been provided during the engagement presentation by the WAO earlier in this meeting, he found the assurance level difficult to understand. The Chief Executive stated that she was disappointed with the assurance level provided and had challenged it. IA offered to review the assurance level.

**IA**

We noted that there was little supporting evidence for staff vetting in the Counter Fraud Audit and queried why the completion date was set at November 2014. The ACOR informed us that vetting for new staff was comprehensive; the issue identified was with existing staff

who had worked for the organisation for a number of years, before the vetting system had been implemented. A decision had been taken that based on there being no behavioural concerns with those in post, that resources would not be used to undertake vetting at present. Instead, the staff in question would be vetted alongside other staff in force when the new management level vetting procedure was being implemented, hence the completion date of November 2014.

We queried how often management rejected findings and if they were challenged by IA. IA informed us that the findings of the audits were generally accepted; it was the recommendations that were rejected although these were usually minor. We stated that we would expect IA to draw to our attention any recommendations that were rejected that they believed should have been accepted.

### **OUTSTANDING AUDIT INSPECTION RECOMMENDATIONS**

12. We received a report from the ACOR containing schedules of outstanding recommendations from previous audit reports and the current status of the work necessary to implement the required actions.

We stated that, where appropriate, it may be beneficial for the ACOR to invite staff from the force to the meeting to provide an explanation as to why deadlines were not being met.

#### **R03 IT Disaster Recovery 2010/11**

We queried if the revised completion date for December 2013 was realistic. The ACOR stated that he had been assured that it was and that the reason it had been delayed previously was the complexity of working collaboratively. Once the Plan had been completed we were informed that implementation would not be until March 2015.

We agreed to extend the completion dates as requested.

### **KEY PERFORMANCE INDICATORS**

13. We received and noted a report from the ACOR providing an update on progress against financial and non-financial indicators. We were informed that the current ratio which assesses the liquidity of the Commissioner was very good.

We noted that the number of days from invoice date to payment date for purchase order invoices was slightly above the industry standard of 30 days but work was on-going to reduce this.

We noted the outstanding debts as at 31<sup>st</sup> October 2013.

## **SPONSORSHIP POLICY AND PROCEDURE**

**Action**

14. We received and considered the joint Sponsorship Policy and Procedure.

The ACOR informed us that the policy and procedure set out a clear governance structure for the OPCC and the force to operate within.

We noted that the Commissioner had approved the policy and procedure on the 14<sup>th</sup> November 2013.

We queried why there was no mention of the OPCC's sponsorship of other organisations. The CFO stated that this was being developed under the commissioning strand of the Commissioner's work and the strategy would be brought to the JAC in April 2014.

**CFO**

The CFO informed us that there was a £1million cap referred to in the policy that was set by the Home Office; this cap had now been relaxed and the policy would need to be amended.

**ACOR**

## **TREASURY MANAGEMENT STRATEGY 2014/15**

15. We considered and noted the Treasury Management Strategy and actual Prudential Indicators for 2014/15 from the CFO.

We were informed that the Treasury Management Strategy had been brought to this meeting for consideration and comment prior to its approval by the Commissioner. The Strategy had to be approved before setting the budget and council tax precept for 2014/15.

We queried if the Private Financial Initiative (PFI) scheme for Ystrad Mynach Police Station was being reviewed. The CFO stated that work was currently underway to review the PFI that was in place, to determine if costs could be reduced. The CFO would provide an update on progress at the next meeting.

**CFO**

We stated that the formalised approach to producing this report, although complex, ensured that information flowed and gave confidence that the Strategy was being followed appropriately.

We requested that any changes to the Strategy were highlighted in future reports for ease of reference.

**CFO**

The CFO suggested that a training session in which he discussed the Gwent Treasury Management Strategy in detail with members to increase their understanding was held in the new year. We agreed that this would be beneficial and requested that the Information Officer arranged a suitable date.

**CEx**

## **MEDIUM TERM FINANCIAL PROJECTIONS**

**Action**

16. We received a report on the Medium Term Financial Plan (MTFP) for 2014/15 to 2017/18.

The CFO informed us that this report would also be presented to the Police and Crime Panel as part of the budget setting process for 2013/14. It had been presented to JAC for their consideration and comment on the budget setting process to date, in line with the ToR.

The provisional police settlement for 2014/15 was not due to be announced until mid-December 2013 although the CFO confirmed he was satisfied with the robustness of the estimates used to achieve a balanced budget for 2014/15.

The Council Tax Base was assumed to be maintained at the growth rate for 2013/14 of 0.88%; we were still awaiting confirmation of the council tax base from two of the five Local Authority areas in Gwent.

We noted that the Police Community Support Officer numbers were proposed to be reduced as vacancies arose, until such a time that a parity of 101 whole time equivalent (wte) to 101 wte was achieved between PCSOs and the Welsh Government funded Community Safety Officers (CSOs). We were informed that the Welsh Government were currently considering this reduction in PCSO numbers and were in discussions with the four Chief Constables across Wales and the Chief Constable of the British Transport Police. We noted that there were a small number of PCSO's part-funded by external organisations; these were in addition to the current 240 PCSO's employed by the force from Home Office and Welsh Government funding. We requested that clarification was added to future versions of this report.

**ACOR**

We clarified that the our role was to challenge if the budget process had been properly considered and to ensure the reasons for setting the precept level were robust; the role was not to challenge the precept level.

We noted the assumptions made on Band D council tax increase for 2014/15, 2015/16, 2016/17 and 2017/18 and queried if the impact an increase would have on the public had been considered. The CFO stated that the impact of issues such as these would be considered by the Commissioner and were fundamental in the decision being made on the precept level.

We queried if any further information had been provided from the Home Office regarding the review of the Funding Formula. The CFO informed us that the review had commenced but no further update had been received. We requested that we were kept updated with

**CFO**

any future developments in this area.

**Action**

### **Appendix 3, In-service Pressures and Developments 2014/15 to 2017/18**

Line 10 referred to the Wales Audit Office-Increase in Fees. The CFO informed us that the figure for 2014/15 was incorrect and would need to be amended before the meeting of the Police and Crime Panel on 13<sup>th</sup> December 2013.

**CFO**

The CEx requested that further clarification was included in the description column to ensure ease of understanding.

**ACOR**

We raised concern over the implications associated with the introduction of the single state pension. The cost for Gwent alone was estimated to be £2.5 million in 2016/17; we had not been aware of the financial impact this would have and that the general public were also unlikely to be aware.

### **Appendix 7, Reserves and Sinking Funds**

We noted that no mention of the Estate Strategy was included. The CEx informed us that work was still on-going with regards to the location of Headquarters. The CFO stated that the appendix would be revised prior to the meeting with the Police and Crime Panel in January 2014.

**CFO**

## **EXCLUSION OF REPORT(S) FROM PUBLIC**

17. The information contained in the report(s) below has been subjected to the requirements of the Freedom of Information Act 2000, Data Protection Act 1998 and the Office of the Police and Crime Commissioner for Gwent's public interest test and is deemed to be exempt from publication under sections 4 and 7.

## **RISK REGISTER**

18. We received and noted the Joint Strategic Risk Register.

The ACOR informed us that risk owners had been asked to include 'If/Then' statements in to the risk description. Work was currently on-going to capture this information and would be included in the report provided to the next meeting.

We noted that many of the risks were allocated to one Chief Superintendent who had also been allocated the responsibility of co-ordinating the NATO summit and queried if some of the risk responsibility should be re-distributed. The CEx informed us that since the publication of this report, NATO had now been allocated to a Chief Superintendent with the substantive role backfilled.

## **STAGE 2 TRANSFERS VERBAL UPDATE**

## **Action**

19. We received an update from the CEx on progress with the Stage 2 transfer process.

We were informed that we had still not received approval from the Home Office with regards to the Stage 2 Transfer Plans.

The agenda and the minutes were now circulated to the WAO as requested at the previous meeting.

The review of the Manual of Corporate Governance was under way.

A further update would be provided to the next meeting in April; we noted that the staff were due to transfer from the employment of the Commissioner to the Chief Constable on the 1<sup>st</sup> April 2014.

## **ANY OTHER BUSINESS**

20. We requested that when setting meeting dates for 2015, the possibility of holding more frequent meetings or another method of distributing the number of reports received were considered as the agendas were currently quite large.

**CEX/ACOR**

## **RISKS**

21. No risks were identified as a result of this meeting

**The meeting closed at 1.50 pm.**