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**Gwent Police
and Crime Panel**

**Panel Heddlu
& Throseddu Gwent**

Am bob ymholiad sy'n ymwneud a'r agenda hon, cysylltwch: Mark Jacques
(Ffon: 01443 864267 E-bost: jacqum@caerphilly.gov.uk)

Dyddiad: Dydd Iau, 20 Ionawr 2022 Dydd Iau, 20 Ionawr 2022

Annwyl Syr/Fadam,

Bydd cyfarfod **Banel Heddlu a Throseddu Gwent** yn cael ei gynnal yn Sirhowy, Tŷ Penallta, Parc Busnes Tredomen, Ystrad Mynach CF82 7PG **Dydd Gwener, 28ain Ionawr, 2022** am **10.00 am** i ystyried y materion yn yr agenda ganlynol.

Os yw unrhyw aelod o'r wasg neu'r cyhoedd yn dymuno bod yn bresennol yn y cyfarfod yn fyw, cysylltwch â ni er mwyn gwneud y trefniadau angenrheidiol i chi gael eich gwahodd fel sylwedydd gwadd drwy gynhadledd ffôn neu Microsoft Teams. Os ydych chi'n dymuno dod i'r cyfarfod yn bersonol, cysylltwch cyn gynted â phosibl fel y gallwn ni roi gwybod i chi ynghylch trefniadau diogelwch Coronafeirws ar gyfer pawb sy'n bresennol. Noder, er mwyn cadw pellter cymdeithasol, bydd nifer cyfyngedig o leodedd.

A G E N D A

Pages

1 Datganiadau o Ddiddordeb.

2 I dderbyn ymddiheuriadau am absenoldeb.

I gymeradwyo a llofnodi'r cofnodion canlynol:-

3	Cyfarfod Panel Heddlu a Throseddu Gwent a gynhaliwyd ar 10fed Rhagfyr, 2021	1 - 6
4	I dderbyn ac Ateb unrhyw Gwestiynau i Gomisiynydd yr Heddlu a Throseddu Gwent.	7 - 8
5	Comisiynydd yr Heddlu a Throseddu Gwent - Gofyniad Cyllideb a Chynnig Praesept Treth y Cyngor 2022/23.	9 - 126
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AELODAETH:

Cynghorydd John Killick, Torfaen County Borough Council
Cynghorydd Gwyn Jenkins, Torfaen County Borough Council
Cynghorydd Clive Meredith, Blaenau Gwent County Borough Council
Cynghorydd Mrs Lisa Winnett, Blaenau Gwent County Borough Council
Cynghorydd Mrs Christine Forehead, Caerphilly County Borough Council
Cynghorydd Colin Peter Mann, Caerphilly County Borough Council
Cynghorydd Tony Easson, Monmouthshire County Council
Councillor David Fouweather, Newport City Council
Cynghorydd Jason Jordan, Newport City Council
Cynghorydd Mark Spencer, Newport City Council
Cynghorydd Sean Morgan, Caerphilly County Borough Council

Aelodau Cyfetholedig- Mrs G. Howells a Mr P. Nuttall

Dtwy Wahoddiah

Mrs S. Curley, Office of the Gwent Police and Crime Commissioner
Mr D. Garwood-Pask, Office of the Gwent Police and Crime Commissioner
Mr J. Cuthbert, Office of the Gwent Police and Crime Commissioner
Ms E. Thomas, Office of the Gwent Police and Crime Commissioner

A Swyddogion Addas

Gwent Police
and Crime Panel

Panel Heddlu
Gwent a Throseddu

GWENT POLICE AND CRIME PANEL

MINUTES OF THE MEETING HELD AT PENALLTA HOUSE, TREDOMEN BUSINESS PARK, YSTRAD MYNACH ON FRIDAY 10TH DECEMBER 2021 AT 10.00AM

Present:

Mrs G. Howells – Chair

Councillor L. Winnett – Blaenau Gwent County Borough Council
Councillors C. Mann and S. Morgan – Caerphilly County Borough Council
Councillors J. Jordan and M. Spencer - Newport County Borough Council
Councillors G. Jenkins and J. Killick – Torfaen County Borough Council

Mr P. Nuttall – Co-opted Member

By invitation:

Ms E. Thomas - Deputy Police and Crime Commissioner for Gwent
Mrs S. Curley - Chief Executive, Office of the Police and Crime Commissioner for Gwent
Mr D. Garwood-Pask - Chief Finance Officer, Office of the Police and Crime Commissioner for Gwent
Mr S. Slater - Head of Strategy, Office of the Police and Crime Commissioner for Gwent

Mr R. Fuller – Inspector with Gwent Police (Staff Officer to the Chief Constable)
Ms P. Kelly – Chief Constable of Gwent Police

Together with:

Mrs C. Forbes-Thompson (Scrutiny Manager - CCBC) and Mr M. Jacques (Scrutiny Officer - CCBC).

1. DECLARATIONS OF INTEREST

No declarations of interest were declared by Members.

2. APOLOGIES FOR ABSENCE

Apologies were received from Councillor C. Meredith (Blaenau Gwent County Borough Council), Cllr C Forehead (Caerphilly County Borough Council), Cllr P Clarke and Cllr A Easson (Monmouthshire County Borough Council), Cllr D Fouweather (Newport County Council) and Mr J Cuthbert (Police and Crime Commissioner for Gwent).

The Chair took this opportunity to welcome Cllr Sean Morgan from Caerphilly County Borough Council onto the Gwent Police and Crime Panel.

3. TO APPROVE AND SIGN THE FOLLOWING MINUTES: Gwent Police and Crime Panel

held on 24th September 2021

RESOLVED that the minutes of the Gwent Police and Crime Panel meeting held on 24th September 2021 (minute no. 1 - 6) be approved as a correct record.

4. UPDATE BY THE POLICE AND CRIME COMMISSIONER FOR GWENT

The Deputy Police and Crime Commissioner for Gwent began by praising two Police Officers who received the bravery award for Wales at the Police Federation's National Police Bravery Awards the previous evening. The DPCC commended the actions of PC Smallwood and PC Burbridge for carrying out their duty in exceptional and traumatic circumstances in response to a tragic incident.

Members then heard how 20 new Special Constables had officially joined Gwent Police at a ceremony the previous evening. The DPCC also highlighted that the Cwmbran Centre for Children and Young People (which is partly funded by the OPCC) was awarded an outstanding contribution award for their efforts during the Covid 19 pandemic at the Welsh Government Youth Group Awards.

The DPCC thanked Members for their contributions and comments on the Police and Crime Plan which would be published shortly. The main priorities in the Plan were emphasised to Members. The DPCC also advised Members that plans to build a purpose-built Police station in Abergavenny had been recently announced and that subject to planning permission, building work would begin in 2022. The DPCC thanked Members for their support with this project.

The Chair also commended PC Smallwood and PC Burbridge for their actions which led to winning a National Police Bravery Award and invited questions from Members. One Member asked if there were any challenges that should be raised at this stage of the meeting. The DPCC highlighted the work being done in response to violence against women and girls. In particular Members heard about the work being done at a regional level to ensure trust in the Police following the murder of Sarah Everard in London. Ongoing work being done on the response to domestic abuse in a family environment was also highlighted and the DPCC stressed that more attention was needed in this area. Covid concerns were also highlighted by the DPCC, in particular with regard to the response to the new variant of the virus. The Member asked if work to combat sexist behaviour which might previously have been termed banter was being combated specifically within the force. The DPCC provided assurances that this was at the forefront of the work being done. An internal video on reporting sexism had been prepared by the Communications Team at Gwent Police and it was suggested that this could be shared with the Panel. The Chief Constable provided assurances that misogyny, bullying and an abuse of position would not be tolerated within the force. The Chief Constable highlighted to Members that the vast majority of her Police Officers displayed outstanding behaviour at work.

One Member stressed the importance of Youth Services providing a service outside of school hours. The DPCC agreed and highlighted the work being done with Youth Services and said that it was an investment that helped to reduce anti-social behaviour. It was outlined to the Member that the views of the Panel on Youth Services would be passed to the Gwent PSB. The DPCC also advised that she awaited the Welsh Government response to an Interim Youth Board report on youth work.

One Member asked about rolling out Safer Streets initiatives across the whole region. The DPCC advised that the Home Office criteria for their Safer Streets funding was very strict and therefore initiatives were only introduced in areas that met these requirements. But the DPCC said that resulting work was being extended across the Gwent Region. One Member questioned the choice of Abergavenny for Safer Streets funding as he believed other areas in the region had higher crime rates. The DPCC advised that locations were chosen based on

demand analysis and the criteria for the Home Office grant. The Chief Finance Officer provided further clarity on the criteria for Safer Streets funding. Profile bids were classified as either Primary, Secondary or Tertiary and the funding also followed this sequence. The Member then asked if the new Police station in Abergavenny would be a Community Hub that other services would be able to use. The DPCC advised that after extensive consultation on the feasibility of sharing the facility with other Emergency Services it was deemed that because of operational requirements the new station would solely be for policing.

5. TO RECEIVE AND ANSWER ANY QUESTIONS TO THE POLICE AND CRIME COMMISSIONER FOR GWENT.

The Chair advised that no questions had been received.

6. PRESENTATION ON OPERATIONAL CONTEXT AND REQUIREMENTS FOR THE FINANCE STRATEGY.

The DPCC introduced the Chief Constable and highlighted to Members how ensuring that adequate resources were available for effective policing was both critical and challenging. At the beginning of the presentation the Chief Constable praised the work being carried out by her officers in local communities and highlighted that in the previous 12 months nearly 5,000 emergency workers had been assaulted in Wales, with 80% being Police Officers.

The Chief Constable advised that the Finance Strategy outlined what was required to maintain the service. The context was set out to Members and highlighted savings made whilst operating in a challenging policing environment dominated by the Covid-19 pandemic, the pace of technological change and an increased demand across Serious and Organised Crime. The Chief Constable advised that there had been a 30% increase in 999 emergency calls over the last two years. Members heard how an investment in technology was allowing staff and officers self-isolating due to Covid to work from home. The Chief Constable also highlighted a senior officer restructuring policy and an investment in communications professionals which had greatly increased the force's Social Media presence.

The Chief Constable advised Panel Members on achievements against key commitments in her Delivery Plan. Members heard how there had been a 9% reduction in crime which was a big step towards the 5-year target of 20%. It was also outlined to Members that Safeguarding Hubs were now located in every Local Authority area, recruitment had increased, and crime prevention measures had been implemented. The Chief Constable outlined how public confidence had previously been an issue. But the presentation showed that following an independent survey more than three-quarters of those surveyed now believed that the Police were doing either a good or excellent job in their area. Survey results showing that 80% of women surveyed had confidence in the Police was particularly welcomed by the Chief Constable. Panel Members were then shown data showing a reduction in absence rates and an increase of 362 officers by 2023. Members also heard how the force had responded to a 35% increase in Cyber Crime. The Chief Constable then outlined the significant work taking place in order to engage with stakeholders and communities.

Panel Members were shown demand and impact figures from October 2020 to September 2021. 146,962 calls to 101 were received which was a significant increase, and 78,063 calls to the 999 service were received. The issue of domestic abuse was identified as a problem after 13,001 incidents were reported during this period. Panel Members heard how Police Officers dealt with 3,312 missing person incidents during the 12 months which each required significant dedicated resources. During the period identified Police Officers made 9,354 arrests, targeted 31 Organised Crime Groups and managed 843 registered sex offenders. The Chief Constable highlighted the 15,149 mental health incidents responded to and outlined

to Members that if future budgets were insufficient for core policing business, savings would have to be made in non-core areas. Panel Members were then shown examples of how Gwent Police was tackling Serious Organised Crime through initiatives such as Operation Javelin which had led to 9 arrests. On Operational Efficiencies Panel Members heard about a Futures Group which was responsible for future planning in terms of efficiencies through national best practice and innovation.

The Chief Constable outlined to Panel Members how the total budgetary requirement for policing services for 2022/23 was £158.119 M. It was highlighted that the force had identified savings of £1.021 M. The Chief Constable then concluded by outlining that even with an assumed precept growth of 6.82% there would be a shortfall of £1.909 M. The Chief Constable did not know where further savings could be made but had operational concerns about future non-core policing business because of this financial gap.

The Chief Finance Officer advised Members that he had received the Chief Constable's bid at the Strategy and Performance Board meeting in November and that details of the government grant to each force would be distributed next week. It was outlined how the Precept was set following a Public Survey and consultation with other Police Forces in both England and Wales. The Chief Finance Officer highlighted how the new money from Government was ring-fenced solely for new officers under Operation Uplift and increases in the NI rate. The Precept with efficiencies was therefore needed to pay for existing budgets. Members heard about various risks and how there was deficit despite the significant savings that had been made through efficiencies. The Chief Finance Officer outlined to Members that a new funding formula was needed based on new variables.

The Chair thanked the officers for their presentation and invited questions from Panel Members. One Member asked about the collation of Precept data and in particular the impact of austerity measures. The Chief Finance Officer outlined how austerity had impacted on the Force and highlighted the significance of efficiencies in terms of balancing the books. The Chief Constable highlighted to Panel Members that austerity measures meant that officers could respond to crime but did not have the resources to prevent it.

The DPCC outlined how the assumed precept growth of 6.82% was also used in the Medium-Term Financial Plan and would be challenged by the finance sub-group as part of the scrutiny process. The DPCC also welcomed interest from Panel Members who would like to join this sub-group. The Chair highlighted that membership of the sub-group was also discussed at the Panel's pre-meeting and that Cllr Jason Jordan had expressed a desire to become a member. The Chair advised Panel Members wishing to join to get in touch with either her or the Lead Officer.

7. OPCC EQUALITY ANNUAL REPORT.

The DPCC outlined to Panel Members how the report reflected the joint Strategic Equality Plan for both the Commissioner and Chief Constable and was now tabled for consideration and questions. Members heard how the Gwent Police and OPCC workforce should reflect the communities they served. The DPCC highlighted challenges such as the disproportionality of people from black and ethnic minority backgrounds in policing and criminal justice. The DPCC also highlighted an equality video which was launched on Gwent Police social media platforms.

The Chair thanked the DPCC and invited questions from Panel Members. One Member asked about national use of force figures and requested specific details for the Gwent region. The DPCC highlighted some figures for Gwent which were listed on page 32 of the report and also referred Members to a detailed presentation on Stop and Search and use of force which was given at the previous meeting. The DPCC also highlighted 6-monthly reports on use of force and stop and search which were published on the Gwent Police website and offered to share

the links to these reports with Panel Members after the meeting.

One Member highlighted the low percentage of BAME people shown in the report and suggested that significant work needed to take place to address this situation. The DPCC outlined that great progress had been made in terms of reaching out to all communities and that Positive Action officers were targeting all disadvantaged communities in the region. The Chief Constable recognised the challenge and advised Members that 12 BAME people were included in the latest intake of new recruits to Gwent Police. The Chief Constable also outlined how out-dated perceptions of the Police in some communities was a challenge which was being worked on and also highlighted the importance of retention.

One Member asked about mental health training to ensure that officers could recognise conditions such as PTSD amongst colleagues. The Chief Constable assured Members that this was a core part of training and highlighted how there were Well-being Champions in every Police Station.

8. GWENT POLICE AND CRIME PANEL RECORDED COMPLAINTS AND CONDUCT MATTERS REGISTER.

Mrs Forbes-Thompson, the Lead Officer for the Panel advised Members that this register was presented annually and that there were no new complaints for the period November 2020 to November 2021. It was also outlined that the outcome of a previous complaint was listed in the report and that it was determined that no further action was necessary.

RESOLVED that the Gwent Police and Crime Panel Recorded Complaints and Conduct Matters Register be fully endorsed.

9. FORWARD WORK PROGRAMME.

Mrs Forbes-Thompson, the Lead Officer for the Panel highlighted to Panel Members that the next meeting would be on 28th January 2022 when the Precept would be discussed. Members also heard that the Performance Framework Quarter 3 would be tabled at the Panel Meeting on 25th March 2022 and that dates for some of the items on the Forward Work Programme were yet to be assigned.

The Chair asked for any comments from Panel Members. One Member felt that there were too many items on meeting agendas and that this should be better regulated to ensure deeper scrutiny. The Chair noted this comment.

10. TREASURY MANAGEMENT UPDATE REPORT (FOR INFORMATION ONLY).

11. TREASURY MANAGEMENT STRATEGY (FOR INFORMATION ONLY).

12. PERFORMANCE FRAMEWORK Q 2 (FOR INFORMATION ONLY).

13. GWENT POLICE AND CRIME PANEL ANNUAL REPORT 2020- 21 (FOR INFORMATION ONLY).

Meeting Closed at 12:40 pm.

Gwent Police and Crime Panel

Questions to the Gwent Police and Crime Commissioner – 28th January 2022

Panel Member	Question
Gill Howells	<p>In light of recent news about police officer conduct and the BBC article dated 16th November Police vetting: Thousands of staff members not properly checked - BBC News</p> <p>Please can the Commissioner advise the Panel on what assurances he has received that</p> <p>a. The extent of and the status of Officer and Staff vetting in Gwent Police is up to date and in place for all staff.</p> <p>b. Any complaints/intelligence received about Officers and Staff is taken seriously throughout the organisation to ensure any potentially inappropriate behaviour is dealt with.</p>

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OFFICE OF POLICE AND CRIME COMMISSIONER

TITLE: Police and Crime Commissioner for Gwent's Budget Requirement and Council Tax Precept Proposal 2022/23

DATE: 28th January 2022

TIMING: Routine

PURPOSE: For Decision

1. RECOMMENDATION

That the Police and Crime Commissioner for Gwent (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 2022/23 of £156,103,774;
- (ii) The planned efficiency savings in 2022/23 of £1.021m and further planned efficiency savings of £3.308m (totalling £4.329m) detailed in Appendix 5b of the Annexe to this submission;
- (iii) The further proposed utilisation of the Reserves and Committed Funds (Appendix 7);
- (iv) The initial Capital Programme as described in Appendices 8a and 8b; and
- (v) The 2022/23 proposed Council Tax Precept to be levied in respect of general expenses of £67,821,818. (equivalent to a Council Tax Band D of £302.36) and that this sum be apportioned to each City/County/County Borough Council according to the following table:

Unitary Authorities	£	Tax Base Band D Equivalent
Blaenau Gwent	6,312,327	20,876.86
Caerphilly	18,462,921	61,062.71
Monmouthshire	14,323,640	47,372.80
Newport	18,398,222	60,848.73
Torfaen	10,324,708	34,147.07
Total	67,821,818	224,308.17

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

Council Tax Band	£
A	201.57
B	235.17
C	268.76

		D E F G H I	302.36 369.55 436.74 503.93 604.72 705.51	
2.	<u>INTRODUCTION & BACKGROUND</u> The Commissioner is required to determine the budget for 2022/23 and then set the Council Tax Precept following consultation with the Police and Crime Panel. The greater part of the budget will be allocated to Gwent Police for operational purposes, but an element needs to be retained to cover the cost of the Office of the Police and Crime Commissioner and the commissioning of services from organisations other than the Chief Constable.			
3.	<u>ISSUES FOR CONSIDERATION</u> In determining the budget requirement for 2022/23, the Commissioner has had regard to the Police and Crime Plan 2021-25; the Policing Vision 2025; the Strategic Policing Requirement; 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.			
4.	<u>NEXT STEPS</u> The Police and Crime Panel are required to review the proposed Council Tax Precept and make a report to the Commissioner on the proposed Council Tax Precept (whether it vetoes or not) by the 8 th February 2022.			
5.	<u>FINANCIAL CONSIDERATIONS</u> This is a major financial report with clear financial implications. These are fully articulated within the Annexe and Appendices.			
6.	<u>PERSONNEL CONSIDERATIONS</u> The majority of the Policing and Crime Budget covers Police Officer and Police Staff salaries and employer's contributions. Currently, Central Government Grant Funding is directed to nationally increasing Police Officer numbers by 20,000 at March 2023, but this is to the backdrop of significant reductions in real term funding for many years previous. Managing this situation in a sensible and timely manner as part of budget preparation demonstrates the actions of a good employer.			
7.	<u>LEGAL IMPLICATIONS</u> Setting the budget requirement and Council Tax Precept are statutory responsibilities of the Commissioner.			
8.	<u>EQUALITIES AND HUMAN RIGHTS CONSIDERATIONS</u>			

	<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>In preparing this report, consideration has been given to the requirements of the Articles contained in the European Convention on Human Rights and the Human Rights Act 1998.</p>
9.	<p><u>RISK</u></p> <p>A timely decision on the Council Tax Precept will minimise the risk of failing to achieve the statutory deadline.</p>
10.	<p><u>PUBLIC INTEREST</u></p> <p>This report will be placed on the website of both the Commissioner and the Police and Crime Panel.</p>
11.	<p><u>CONTACT OFFICER</u></p> <p>Darren Garwood-Pask, Chief Finance Officer to the Police and Crime Commissioner for Gwent.</p>
12.	<p><u>ANNEXES</u></p> <p>The Annexe to this report and its Appendices provide full details in support of the proposal.</p>

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POLICE AND CRIME COMMISSIONER FOR GWENT**BUDGET REQUIREMENT AND COUNCIL TAX PRECEPT PROPOSAL 2022/23****COMMISSIONER'S INTRODUCTION**

1. As the Police and Crime Commissioner for Gwent (Commissioner), 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 (Council Tax Precept). My Police and Crime Plan is reviewed annually in line with the joint Office of the Police and Crime Commissioner (OPCC) and Gwent Police's (the Force) Strategic and Financial Planning process. My current Police and Crime Plan was launched in December 2021 and is fully considered as part of this Budget Requirement and Council Tax Precept Proposal.
2. I am immensely proud that Gwent is one of the safest places in the United Kingdom and I am steadfast in my commitment to ensuring this remains the case. My Police and Crime Plan sets out my vision and priorities for Policing in Gwent for the next three years. I have developed my Police and Crime Plan following extensive public engagement and have listened to a range of views from diverse communities across Gwent. By gathering these views, I have sought to gain further understanding of what matters to the people of Gwent. My Police and Crime Plan priorities have been chosen to meet the needs of communities and ensure that Gwent Police are best placed to provide an effective Police Service. Tackling offending, supporting victims and increasing community confidence in Policing are all central to my Police and Crime Plan. Additionally, I have made it a priority to drive forward sustainable Policing practices to ensure a more efficient, environmentally friendly 21st Century Police Service.
3. As your Police and Crime Commissioner, it is my responsibility to hold the Chief Constable to account for delivering against my Police and Crime Plan. To do this, I have created a series of outcomes to be achieved over the next three years. These outcomes will allow me to measure both mine and Gwent Police's performance in implementing my Police and Crime Plan. In my second term, I will build on the strong foundations already established and consolidate the successes achieved alongside Gwent Police and partners. However, due to the ever-changing nature of crime, it is also important that Policing is forward-thinking and always looking for new and innovative ways to deal with emerging demands and challenges. Through close collaboration with the Chief Constable, I will continue to make sure that Gwent Police is equipped to respond to the challenges of both today and tomorrow.
4. Since I published my last Police and Crime Plan, the world has faced significant upheaval in the wake of the Coronavirus pandemic (Covid-19). The effects of the pandemic have been far reaching, touching all facets of society and placing immense pressure on public services. Policing has been no exception to this. During the most difficult periods of the pandemic, Gwent Police enforced

lockdown restrictions with fairness and understanding, taking decisive steps to safeguard the most vulnerable in our communities. I commend the conduct of Police Officers and Police Staff who rose to these challenges and made sure that Gwent Police was there for those in need. However, the impact of Covid-19 will extend beyond the public health crisis. The effects on society are expected to be generational. Policing, which was already stretched prior to the pandemic, will also need to recover.

5. Over the next three years, I will make every effort to ensure that Gwent Police receives the support necessary to overcome any lasting challenges from Covid-19. I will also work closely with the Chief Constable and other partners to ensure that we are working together as public services to meet the needs of communities heavily hit by the pandemic. In addition to the pandemic in the past 18 months, serious concerns have been raised nationally and internationally on Policing's ability to tackle violence against women and girls (VAWG), and how Black, Asian and Minority Ethnic (BAME) communities are policed. The response to the murder of Sarah Everard by a serving Police Officer and the global Black Lives Matter movement showed the strength of feeling across society. This cannot be ignored. Like the pandemic, this appears to be a watershed moment for Policing, requiring a renewed focus and whole system response to tackling these issues, both within Policing and society at large.
6. I will ensure that these issues have significant focus within my Police and Crime Plan and, like the response to Covid-19, ensure that I work closely with the Chief Constable, the OPCC and partners to do all we can to make the necessary improvements. Finally, as your Police and Crime Commissioner, I will continue to seek your views and concerns, acting as your voice when holding the Chief Constable to account. Rest assured, the Chief Constable and I are both determined to do everything we can to deliver my Police and Crime Plan Priorities.
7. In the five years since I was first elected as Police and Crime Commissioner, the OPCC and Gwent Police have worked tirelessly to deliver my vision to make Gwent a safer place to live, work and visit. To deliver this vision, I have five strategic priorities which aim to:
 - a) Keep Neighbourhoods Safe;
 - b) Combat Serious Crime;
 - c) Support Victims and Protect the Vulnerable;
 - d) Increase Community Confidence in Policing; and
 - e) Drive Sustainable Policing.
8. In support of these priorities and running through the heart of my Police and Crime Plan, are five central commitments which will aim to ensure:

- a) Value For Money - How limited financial resources are used to provide an efficient Police Service is critical;
 - b) Equality – The principles of social justice and fairness remain the cornerstone of Policing in Gwent, with equality and respect integral to the way services are designed and delivered;
 - c) Sustainability – In recent years, the conversation around the environment and the approaches to reducing carbon emissions has increased;
 - d) Partnerships – Building strong, positive relationships that support effective partnership working is fundamental to the successful delivery of the Police and Crime Plan; and
 - e) Cyber-Related Crime – Cyber-related crime poses an ever-growing threat that relates to every part of this Police and Crime Plan.
9. The constant evolution of criminality poses significant challenges at a time when Policing Services are facing additional pressures, following years of reduced Government funding. Some challenges are predictable – for example, the increase in cyber-crime – but others are less so. This is evident when protecting the vulnerable and combatting Serious and Organised Crime (SOC) and the devastating impact this can have on communities. As these issues have evolved, so must our responses to tackle them. The areas of investment required to deliver my Police and Crime Plan therefore, continue to be reflected in my Budget Requirement and Council Tax Precept Proposal.
10. It is within this context that I commend the following report to you.

BACKGROUND

11. The Commissioner is required to determine the Police and Crime Budget Requirement for 2022/23 and set the Council Tax Precept, prior to the 1st March 2022, after taking into account the views of the Police and Crime Panel (PCP) in relation to the level of Council Tax Precept.
12. The Commissioner must also make arrangements, before the first Council Tax Precept for a financial year is issued, to obtain the views of:
- a) The people in that Police area; and
 - b) The relevant business ratepayers' representatives,
- on the proposals of the Commissioner for expenditure (including capital expenditure) in that financial year.
13. 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 2022/23, this report will include the longer-term financial issues facing the Police Service in Gwent and the wider portfolio of the Commissioner's responsibilities.

14. The bulk of the resources available to the Commissioner will be needed to cover operational Policing. 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, pressures, savings and efficiency opportunities. These projections are constantly under review and the latest updates are attached as appendices to this report. These projections, particularly the unavoidable service pressures and budget developments, have been fully scrutinised by the OPCC and the PCP's Finance Reference Group.
15. In the build up to the 2022/23 Budget setting round, a number of key factors are highlighted below.

The 2020 Spending Round and Final Settlement

16. As discussed in last year's Budget Requirement and Council Tax Precept Proposal Report (Budget Report), it was expected that the Government would commence a three-year Comprehensive Spending Review (CSR) in July 2020; on the basis that following Brexit, the UK economy would be on a less turbulent footing in 2020. However, the impact of Covid-19 has created a far greater uncertainty than that caused by Brexit and so it wasn't a surprise that the Government moved from its original three-year CSR plans to a one-year Spending Round (SR) announcement on the 21st October 2020. Therefore, CSR 2020 became SR 2020. SR 2020 is the third single-year SR in recent times - the 2015 General Election was the reason for the Conservative and Liberal Democrat Coalition Government's one-year SR 2013; whilst as explained above, Brexit was the reason behind the one-year SR 2019 - with a Bill for the 2019 General Election (which was published alongside the SR) further adding to uncertainty. With this continuing uncertainty in the Government's finances, it was anticipated that the next CSR would take place in the summer of 2021, bringing a degree of certainty over the short to medium-term on Police finances and ending the longest period without a multi-year Settlement since the introduction of multi-year planning in 1998.
17. With regards to the 2021/22 Final Settlement, it appeared very welcome in the headline investment figures. However, with the vast majority of the increase in Central Government Grant Funding in 2020/21 and 2021/22 ringfenced specifically for delivering a set number of new Police Officer posts and their associated consequential costs, the remaining Central Government Grant Funding only went part way towards remedying previous real term disinvestment in the Policing Service by Government and meeting future everyday pressures such as pay awards and inflation; new service pressures to

tackle more complex crime; and unavoidable cost increases from legislative or policy changes.

Spring 2021 Budget and March 2021 Economic and Fiscal Outlook

18. On the 3rd March 2021, the Chancellor of the Exchequer (the Chancellor), the Rt. Hon. Rishi Sunak MP made his Spring 2021 Budget announcement in the House of Commons. The Budget that was expected to take place in the Autumn of 2020 was deferred due to the Covid-19 pandemic and therefore took place on the later date of 3rd March 2021. This was the Chancellor's second Budget, the first taking place less than a month into his tenure. This Budget was also the second Budget following the UK's exit from the European Union on the 31st January 2020.
19. Whilst the Spring 2020 Budget included the first emergency steps made to protect the economy from shocks caused by Covid-19, at that time the magnitude of the economic effects of Covid-19 was uncertain (the virus was declared as a global pandemic hours after the Spring 2020 Budget announcement). Announcements made since the Spring 2020 Budget included the SR 2020 during which the Chancellor highlighted that GDP was down 11.3% and the debt forecasted to rise to 97% of GDP by 2025/26 - these figures have since been updated and are presented below.
20. Despite there being calls to "Balance the books and live within our means as a country again" in relation to Spring 2021 Budget, it was also the view of many that "Rishi Sunak must take his time balancing the books or risk punishing those hardest hit by Covid." Whilst precise views differ in Westminster and nationwide, it was generally accepted that the Chancellor faced a difficult balancing act of dealing with the 'black hole' in public finances, whilst also supporting families and businesses hit hard by Covid-19.
21. As usual, the Office for Budget Responsibility (OBR) published its Economic and Fiscal Outlook (EFO) alongside the Spring 2021 Budget, containing its forecasts for the economy and the public finances at that time. It should be noted however, that the comparative EFO figures in the Spring 2020 Budget did not measure the effects of Covid-19. Therefore, the updated figures produced by the OBR later in the year alongside SR 2020 (November 2020) are the only reasonable comparisons, and even then, the effect of further lockdowns was not yet known.
22. The magnitude of the recession caused by the Covid-19 outbreak is unprecedented in modern times. Gross Domestic Product (GDP) fell by 9.9% in 2020, the largest annual fall since 1709 (as a result of the 'Great Frost'). As stated above, corresponding figures from the Spring 2020 Budget did not account for the effect of Covid-19 beyond the early outbreak in China. As the pandemic hit, the UK entered its first recession in 11 years. GDP contracted by 24% between February and April 2020, with economic output then rising as restrictions were lifted. Increased cases into the Autumn of 2020 required renewed restrictions, which led to a slowing of activity and a further fall in GDP in November 2020.

23. At the time of the of the Spring 2021 Budget a quick bounce back was expected in 2021 and 2022, with forecast growth in GDP of 4.0% and 7.3% respectively. Whilst the UK economy is forecast to return to pre-Covid-19 growth levels by the middle of 2022, 'baked-in losses' (also known as 'permanent scarring') in the economy mean that, in 5 years' time, the economy is still expected to be 3% worse than forecasted pre-Covid-19.
24. In relation to inflation, previous OBR figures show that in 2018, Consumer Price Index (CPI) Inflation was 2.5% and fell to 1.8% in 2019. The impact of Covid-19 led to CPI of 0.9% in 2020 (0.5 percentage points lower than the Spring 2020 Budget forecast). Inflation rates for future years have been revised down by between 0.1 and 0.3 percentage points from the Spring 2020 Budget forecasts, now showing 1.5% in 2021 rising to 2.0% by 2025. Note however the revised CPI rises in the OBR's November 2021 EFO later in this report.
25. In the Spring of 2021, the unemployment rate was expected to peak in the fourth quarter of 2021/22, at 6.5% lower than the peak in the OBR's November 2020 EFO, with the OBR pointing to the extension of the Coronavirus Job Retention Scheme (CJRS) and additional fiscal support as being largely responsible for this reduction on forecast.
26. The effect of Covid-19 on average earnings and on wages and salaries is significant. Pre-Covid-19 forecasted increases of 3.6% (wages and salaries) and 3.3% (average earnings) in the November 2020 EFO have been significantly revised down to 1.7% and 1.1% respectively. In the Spring of 2021, wages and salaries were expected to increase by significantly less until 2023 or 2024 with average earnings only recovering to expected increases in 2024 or 2025.
27. Public Sector Net Debt (PSND) peaked as a share of GDP at 85.2% in 2016/17. Since then it had fallen and was projected to remain at roughly 75% of GDP for the remainder of the forecast period pre-Covid-19. Due to the pandemic, in the March 2021 EFO, PSND was expected to be greater than GDP in 2021/22 (100.2%) and was forecasted to peak at 109.7% in 2023/24, before falling to 103.8% in 2025/26.
28. Public Sector Net Borrowing (PSNB) had been continually revised down until the Spring 2020 Budget where, due to the fiscal loosening, it had been revised up. 2020/21 borrowing as reported in the Spring 2021 Budget (£354.6bn) is almost seven times higher than forecasted in the Spring 2020 Budget (£54.8bn) and at its highest levels in peacetime history. The previously planned peak borrowing from the Spring 2020 Budget of £66.7bn (in 2021/22) is now expected to be exceeded in each forecasted year up to 2025/26.
29. The OBR's March 2021 EFO Council Tax Base assumptions for 2021/22, i.e. the Band D equivalent number of properties upon which the Council Tax Precept is levied, were 0.4% for England and 0.8% for Wales – reflecting the ongoing impact at the time of Covid-19 on Council Tax Base growth. From 2022/23 to 2025/26 the English Tax Base showed increases of between 1.1% and 1.5%

per annum (p.a.) , with the Welsh Tax Base remaining consistent at an annual increase of 0.8% p.a. Members will agree this disparity between England and Wales is strange and the Welsh growth figure appears higher than seen locally.

30. In relation to Council Tax Precept levied by Local Authorities for 2021/22, English Authorities were showing growth of 4.4%, before falling back to a 1.9% increase forecast in the proceeding years up to 2025/26. For 2021/22, Welsh Authorities were showing growth of 4.6%, which then remains consistent at a 4.5% p.a. increase between 2022/23 and 2025/26 – higher than English growth due to devolved ‘capping powers’. Note however, that in the Spring of 2021, any easing of referendum principles for English Commissioners ahead of the expected CSR 2021 were unknown.
31. The Spring 2021 Budget provided further Covid-19 support of £65bn in 2020/21 and 2021/22. Taken together, with the direct support for the economy provided in response to Covid-19 to date, this represented around £352bn across 2020/21 and 2021/22. Also accounting for support provided at Spring 2020 Budget, which included a step change in capital investment, overall Covid-19 support from Government comes to £407bn.
32. Finally, the only Police-specific reference in the Spring 2021 Budget related to tackling Domestic Abuse. The Government will provide an additional £19m towards tackling Domestic Abuse. This will include £15m in 2021/22 across England and Wales to increase funding for perpetrator programmes, that work with offenders to reduce the risk of abuse continuing; as well as £4m between 2021/22 and 2022/23 to trail a network of ‘Respite Rooms’ across England only. These rooms will provide specialist support for homeless women facing severe disadvantage. This is as well as £125m that was announced at SR 2020 for Local Authorities to deliver the Domestic Abuse Bill’s new statutory duty to support victims.

CSR 2021, Autumn 2021 Budget and November 2021 Economic and Fiscal Outlook

33. As highlighted above, Brexit and Covid-19 uncertainties had already delayed the expected CSR 2019 and CSR 2020, therefore hopes of medium-term financial surety were boosted on the 7th September 2021, when the Chancellor launched the CSR 2021. The CSR 2021, which would be concluded and published on the 27th October 2021 alongside an Autumn 2021 Budget, would set out the Government’s plan for how public spending will deliver the people’s priorities over the next three years. CSR 2021 will confirm UK Government Departments’ revenue budgets for the years 2022/23 to 2024/25; capital budgets for the years 2022/23 until 2025/26; and devolved Administrations’ block grants for the same period.
34. Based on the 7th September announcement, in the CSR 2021, the Government would set out how it will ‘Build Back Better’; deliver the priorities of the British people; and continue to support businesses and jobs through:

- a) Ensuring strong and innovative public services - making people's lives better across the country by investing in the NHS, education, the Criminal Justice System and housing;
 - b) Levelling up across the UK to increase and spread opportunity - unleashing the potential of places by improving outcomes UK-wide where they lag behind; working closely with and empowering local leaders; and strengthening the private sector where it is weak;
 - c) Leading the transition to Net Zero across the country and more globally;
 - d) Advancing Global Britain and seizing the opportunities of EU Exit; and
 - e) Delivering a Plan for Growth - delivering on ambitious plans for an infrastructure and innovation revolution and cementing the UK as a scientific superpower, working in close partnership with the private sector.
35. The Chancellor stated "At the Spending Review [CSR 2021] later this year, I will set out how we will continue to invest in public services and drive growth while keeping the public finances on a sustainable path." He went on to say "This spending increase is part of our broader plan to return our public finances to a sustainable footing over the medium-term. The spending plans and focused tax changes we announced today, alongside the measures taken at the last Budget [Spring 2021], show that we are determined to get our fiscal position back on track, so that we can continue to fund excellent public services in the future." Unlike the equivalent announcement last year however, the Chancellor did set the spending envelope over the next three years:
- a) Core day-to-day Departmental spending will follow the path set out at the Spring 2021 Budget, with the addition of the net revenue raised by the new Health and Social Care Levy (the 1.25% rise in National Insurance (NI) from April 2022) and the increase to dividend tax rates announced today. The Government will make available around an additional £12bn per year for Health and Social Care on average over the next three years;
 - b) This additional funding for Health and Social Care allows the Government to announce a CSR 2021 revenue settlement for NHS England rising to £160bn by 2024/25;
 - c) In total, day-to-day spending will increase to £440bn by 2024/25, increasing by nearly £100bn a year in cash terms over the Parliament;
 - d) The Government will also deliver a step-change in capital investment, as set out at Spring 2021 Budget. The Government will invest over £600bn over five years, the highest sustained level of public sector net investment as a proportion of GDP since the late 1970s; and
 - e) Overall, the Government's plans will see total core Departmental spending (for day-to-day spending and investment) grow in real terms at nearly 4% per year on average (nearly 6% in cash terms) over this Parliament – a

£140bn cash increase and the largest real-terms increase in overall Departmental spending for any Parliament this century.

36. Given the impact Covid-19 has had on the economy, the Chancellor was clear that the Government's spending plans will be underpinned by a focus on ensuring every pound of taxpayer funding is well-spent, so that the Government can continue to deliver the highest-quality services to the public at the best value. Government Departments have therefore been asked to identify at least 5% savings and efficiencies from their day-to-day budgets as part of CSR 2021, which will be reinvested in the Government's priorities.
37. In order to provide a Policing Sector contribution into the forthcoming CSR 2021, a joint Association of Police and Crime Commissioners (APCC) and National Police Chief's Council (NPCC) Submission (Submission) was provided to the Home Office (HO) to support their own submission to Her Majesty's Treasury (HMT) as part of the CSR 2021 process. As highlighted above, September 2021 saw the formal announcement from the Chancellor of CSR 2021 and as part of the announcement, the Chancellor made it clear that one of the priorities of the review was improving outcomes in public services, including investing in the Criminal Justice System.
38. The Submission on behalf of the Policing Sector to the HO was an assessment of the financial opportunities and challenges for Policing, to help inform and shape their final submission to HMT. The Submission recognised that Policing continues to be at the front-line in delivering the Government's priorities and the vital contribution that local Policing makes to protecting communities at the heart of Government's national resilience capabilities. It was recognised that there are other elements of the wider Policing and security landscape that needed to be considered. SOC was included in the Submission, however, the National Crime Agency (NCA) and Counter Terrorism (CT), which would also be part of the HO's own final submission were not detailed within the Submission. The NCA and CT were, however, supportive of the Submission and there remained a regular flow of information to ensure a co-ordinated approach.
39. The overall objective of the Submission was for continued upward investment in Policing to complete the strategic move to a more preventative and proactive approach, by concluding and sustaining the 20,000 Police Officer Uplift Programme (PUP). It was not in the interest of communities for the uplift to be achieved and then quickly diminish, or for the uplift Police Officers to be deployed into Police Staff roles, due to the unavoidable financial pressures identified.
40. The Submission was made up of 5 distinct elements:
 - a) An Executive Summary which included an overview of key service wide issues, a summary of the additional funding requested and a table showing the 2021/22 financial baseline;
 - b) The specific areas of service delivery which the Policing Service considers is important in terms of delivering priority outcomes;

- c) Those areas which are needed in order to develop capacity and capability and which will strengthen the national functioning of the Policing Service;
- d) A financial section which set out the underpinning details of the request for additional funding; and
- e) A brief conclusion.

The above elements are expanded upon below and importantly, each rightfully reflects the situation at a local level here in Gwent.

41. Within the Executive Summary, the Submission made a number of key points:
- a) There is urgent public, political and operational necessity for greater crime prevention and a reduction in serious and neighbourhood crime, whilst protecting the most vulnerable in our society. This requires a sustained cross-Governmental effort and a coordinated Police Service able to focus upon its core mission;
 - b) There is a need to equip the Police to better deal with the current matrix of challenges they are facing; and begin to build a Policing System at national, regional and local levels that is able to deal with the challenges that are already see on the horizon. There have been increases in high-harm, high-cost recorded crime, which has stretched territorial Policing. As forces are finding it increasingly difficult to respond to demand and the increasing complexity of crime, (and Criminal Justice outcomes are falling) it is more important than ever that a whole system approach needs to be deployed in dealing with the current and future demand;
 - c) The Policing Service will need to see a strategic shift towards the prevention agenda, in order to remove significant amounts of non-crime demand from the system and also reduce crime. This will require a greater emphasis on partnership working; problem solving targeted at people and places: and third party working, which would contribute to easing the pressure on the Criminal Justice System. By capitalising on the investment of the additional 20,000 Police Officers, the Policing Service can focus on key areas of demand to improve investigations; lower incidences of reoffending; and improve Criminal Justice outcomes;
 - d) A key issue relates to the inter-connectedness of Police demand:
 - i SOC is increasingly seen as underpinning much of the crime in communities and a reformed system is necessary to elevate Policing and law enforcement capabilities; to match current and future threats;
 - ii VAWG has a profound impact on victims, with new and evolving crimes and better support for victims required. The Policing Service also recognises that men and boys are subject to abuse and violence too. Covid-19 has further signalled the challenge of demand management at a whole system level. Vulnerable citizens are increasingly at risk of being

- recruited into Organised Crime Groups (OCGs); exploited sexually; and being a victim of or actively participating in fraudulent activities. Much of this hidden criminality is administered through 'dark nets' that overlay networks requiring specific software and configurations which makes these crimes incredibly difficult to detect. There are strong and complex links therefore between the nature of Police demand, health, social exclusion and inequalities;
- iii Society is more digitally connected than ever and the Policing Service is clear in the need to strengthen its cyber capability, given that cybercrime is becoming more common, more sophisticated and more dangerous. Whilst traditional crime such as burglary and car theft may have reduced, they have been replaced by a rise in online crime and in sexual offences reported to the Police. The Policing Service has a responsibility to both individuals and businesses, through a preventative and service delivery agenda; and
 - iv The harm caused by drugs to individuals and communities is far-reaching and includes crime committed to fuel dependence, organised crime, violence and exploitation. This requires a whole-system approach based on preventing young people from becoming drug users in the first place; the targeting of criminals; and offering those with a drug dependence support to recover.
- e) Violence Reduction Units (VRU) are commended for bringing together partner agencies to reduce short- and long-term demand. This needs to be expanded;
 - f) The Police have contributed actively in supporting Government efforts to tackle Covid-19, focusing on visibility and engaging with the public, while also using the time proactively to tackle criminals - in particular related to violence and drug-dealing. While there were decreases across a range of individual crime types, particularly theft offences, these were offset by rises in fraud and computer misuse offences, resulting in no change in overall levels of crime;
 - g) Policing has also faced additional challenges throughout the pandemic period with the increase in demonstrations and counter demonstrations relating to the Climate Change emergency, Brexit, Covid-19 and the Black Lives Matter movement (up to the Summer of 2021, Gwent Police had managed over 90 protests/demonstrations on these matters within its borders, varying in size and complexity). This issue is likely to continue into the next financial year which adds a strain on Policing resources;
 - h) Related to the above, local Policing plays a significant role in co-ordinating the multi-agency response to major incidents and civil emergencies. In recent months Police Commanders across England and Wales have chaired Strategic Co-ordinating Groups to deal with major flooding and Covid-19. These are complex and resource intensive commitments which should be taken into consideration when assessing the demands on Policing. As yet the full impact and costs relating to Covid-19 remain unclear be it the impact

on wealth creation, tax receipts, the physical and mental health of citizens, or that of Police Officers and Police Staff;

- i) The PUP represents a once in a generation opportunity to deliver on the priority outcomes, underpinned by:
 - i Upskilled Police Officers in relation to digital Policing;
 - ii More specialised Police Staff such as cyber staff and data scientists; and
 - iii Sustained capital investment for short-life assets.

This will positively impact directly on local Policing, which is the cornerstone of all aspects of the Policing System. If that cornerstone is weakened, it will have an impact on all aspects of Policing from managing local demand, partnership working, roads Policing, right the way through to serious and organised criminality. The 20,000 additional Police Officers is a significant investment into Policing, which seeks to bolster capacity to deal with rising and changing demand. This is a real opportunity to go further in delivering shared priorities, through the recruitment of up to an additional 10,000 'Policing personnel'. This additional investment would enable a step change in preventative and proactive activity at neighbourhood level, addressing the underlying causes of high harm offending and contributing to the ambitions of the 'Beating Crime Plan'¹. The detail of this would need working through in terms of timescales, cost and desired outcomes, but the APCC and NPCC would welcome a discussion with the HO to talk through the next steps;

- j) Whilst local accountability will always be at the heart of Policing, a stronger strategic Policing centre needs to exist to:
 - i Enable the effective coordination and application of operational practice;
 - ii Build upon Policing's Digital Strategy, to ensure a world-class law enforcement technology blueprint;
 - iii Provide a future facing capability to build the Police workforce for the future;
 - iv Support BlueLight Commercial to maximise Policing efficiency; through bringing support services and procurement together;
 - v Ensure the sustainment of the learning from the PUP and the need for ongoing support for forces; and
 - vi Ensure the sustainment of learning from Operation Talla.²
- k) In terms of outcomes from CSR 2021 investment and beyond, the Police Service recognises the exceptional times it finds itself in. However, the Police Service will:
 - i Cut Crime – The Service will cut crime to help build stronger, safer and more prosperous communities;

¹ The Beating Crime Plan sets out the Government's approach to cutting crime and building capability and capacity to deal with fraud and online crime.

² The NPCC's national Covid-19 response which was set up in March 2020. Its aim was to get the most out of co-ordination, communication and collaboration between forces, so that wherever possible there were consistent national approaches and end results.

- ii Build a Better Criminal Justice System - For citizens to feel safe from harm and that they live in a just society, confidence in the Criminal Justice System is paramount; and
 - iii Improve Support for Victims - A victim's experience of the Criminal Justice System plays a crucial role in their ability to effectively engage in the system and subsequently cope and recover from the crime.
- l) In relation to finance, the APCC and NPCC recognise the importance of the CSR 2021 process, balancing the need for improved service delivery and scarcity of resources. Opportunities exist to do things differently in the future and this forms part of the wider efficiency and productivity agenda which the Policing Service is delivering;
- m) Policing is a labour-intensive service, which means that issues such as pay and reward, uplift, pensions and asset investment all convene and all require careful calibration. The Policing Service also requires regular investment in technology and other assets to maintain efficiency and enhance capability. It was acknowledged that the previous four years of Council Tax Precept flexibility has assisted the Policing Service, but feel that the financial ask within the Submission was reasonable in order to deliver an ambitious service to local communities;
- n) APCC elected members would like to see full Council Tax Precept flexibility, (for the fifth year in a row), so as to be able to meet the specific needs of their Policing areas and individual forces. Council Tax Precept forms an important part of overall Police funding and all Police and Crime Commissioners carry out public surveys in relation to potential Council Tax Precept increases. For the 2021/22 financial year, not all Police and Crime Commissioners increased the Council Tax Precept to the £15 limit; which reflected the economics and demographics of their individual areas, such as pressures on household finances. The APCC's view is that flexibility should be given to Police and Crime Commissioners to increase the Council Tax Precept, whilst recognition is given to local constraints which mean that this flexibility may not be fully used. This in turn underscores the importance of adequate Central Government Grant Funding. **Council Tax Precept increases should not be used to fund the PUP. Furthermore, decisions and programmes made and set centrally, such as Police Pay, Pensions, National Police Air Service (NPAS) and Major Technology Programmes, should be funded centrally;**
- o) The Submission sought to protect baseline funding as well as articulate a rationale for increased funding. The estimates within it were considered reasonable and well evidenced and cognizance was given to the existing Police funding model which contains a number of enforced efficiencies (such as flat cash Specific Pension Grant and Council Tax Freeze Grants), which act as cost challenges for forces. The Submission did not seek resource to cover these costs, moreover, it wished to make the point that forces absorb cost increases as a matter of course as part of the Service-wide approach to efficiency;

- p) A further important point relates to Reserves and Committed Funds held by Police and Crime Commissioners. The following table, from the latest survey of Chief Finance Officers, showed the current and expected position.

Category	2019/20	2022/23	2024/25
	Actual £bn	Forecast £bn	Forecast £bn
General Reserve	0.4	0.4	0.4
Earmarked Committed Funds	1.2	0.8	0.5
Total	1.6	1.2	0.9

The above shows that General Reserves are consistent and represent approx. 2.98% on total force spend, which is considered a reasonable level as General Reserves are held in order to fund unexpected expenditure and manage working capital. Earmarked Committed Funds are held for clear reasons and are expected to reduce over time due to the need to fund unavoidable capital expenditure such as the Estate, Fleet and ICT Strategies and to also fund future revenue deficits or change programmes. Grant income is also accounted for on receipt and can inflate Reserve levels until they are required. This is relevant given the PUP grant covers capital expenditure and also the Covid-19 grants received in March 2021, which will be carried forward for enforcement activity. Reserves and Committed Funds can only be used once, and financial resilience will therefore become more of an issue for forces over time;

- q) Chief Finance Officers and force Finance Directors have worked closely with the APCC/NPCC and HO Officials in preparing a resource case to HMT as part of the CSR 2021. The information requested consisted of a number of elements:
- i Narrative information on how efficiencies and savings will be delivered;
 - ii Narrative information on how income will be generated/cash recovered;
 - iii Estimates of cashable and non-cashable efficiencies and savings;
 - iv Narrative and estimates on Service pressures;
 - v Narrative and estimates on the delivery of the PUP; and
 - vi Narrative and estimates on Reserves and Committed Funds.
- r) The total cumulative revenue cost pressures (excluding future pension cost pressures) facing Policing over the CSR 2021 period are: an increase of £1.2bn in 2022/23; £1.5bn in 2023/24; and £1.9bn in 2024/25 – equating to approximately a 12% real terms increase on baseline.
42. The specific areas of service delivery which the Policing Service considered are important in terms of delivering priority outcomes are highlighted below. Whilst they are written as discrete areas of service delivery, they are all inter-related:
- a) VAWG - The Submission set out that tackling VAWG is a priority for Policing and recognises that whilst work is ongoing in specific areas, there is still a significant amount of work to be done to ensure public confidence and a

feeling of being safe. The submission gives an overview of the National VAWG Strategy and its key parts:

- i Rape and Serious Sexual Offences;
 - ii Domestic Abuse;
 - iii Stalking & Harassment; and
 - iv Honour Based Violence, Forced Marriage and Female Genital Mutilation.
- b) Local Policing - The Submission set out the context of local Policing in terms of:
- i The need for ongoing investment to support communities, the economy and national security;
 - ii The impact of dealing with mental health demand on the frontline;
 - iii Calls for service which are requested to support vulnerable people;
 - iv The need for early intervention and prevention as a way to avoid demand;
 - v The importance of volunteers as a resource to increase capacity and capability; and
 - vi Partnership working.
- c) Drugs - The Submission set out the current landscape in terms of Part 1 of Dame Carol Black's Drugs Review; the requirement for investment in preventative and treatment measures, alongside additional capacity in law enforcement to tackle illicit supply; and the significant linked harms e.g. from county lines. It outlined an approach based around:
- i Investing in force owned specialist operational teams to tackle local OCGs;
 - ii Increasing local intelligence capability and capacity;
 - iii Investing in additional financial investigation capacity and expertise;
 - iv The roll out of 'drugs focus desks' where experienced experts will deal with all offenders arrested for drug supply offences;
 - v Increasing forensic expertise and roll out of rapid drugs testing capability in custody;
 - vi Providing for an increase in drug and money detection trained dogs and handlers;
 - vii Enhancing force-level Policing activity to continue 'rolling up' county lines;
 - viii Increasing operational/investigative capacity and capability in Regional Organised Crime Units (ROCU); and
 - ix Increasing capacity to rapidly exploit seized media devices.

An effective response to the threat from drugs requires a system-wide response, utilising the high-end capabilities and international reach of the NCA; the networked specialist capabilities provided by ROCUs; the volume response driven by local forces; and coupled with effective working with users to improve their lives and reduce demand.

- d) SOC - The Submission set out the SOC portfolio priorities of:

- i Investing in capabilities to investigate, disrupt and prosecute SOC offenders;
 - ii Maximising the impact ROCUs will deliver through the PUP; and
 - iii Delivering the first phase of the ROCU Vision 2030.
- e) Criminal Justice System - The Submission set out the challenges within the Criminal Justice System which include:
 - i Witness Care Units;
 - ii Victims' Code and Victims' Law;
 - iii Section 28 (Pre-recorded Cross Examination);
 - iv Video Remand Hearings;
 - v Directors General and Attorney General Guidelines 2020;
 - vi Bail: The Policing and Crime Act 2017; and
 - vii Police, Crime, Sentencing and Courts Bill.

Pressures from the above are leading to increased costs for the Policing Service, which will undermine delivery of Policing outcomes. Criminal Justice improvements should be met with additional Ministry of Justice (MoJ) investment to maximise outcomes.

43. The six areas which are needed in order to develop capacity and capability and which will strengthen the national functioning of the Policing Service are summarised below:
- a) The National Police Coordination Centre (NPoCC) continuing to establish a clear, prioritised strategic hub with better coordination, influence and collaboration across NPCC and with partners;
 - b) Digital Services including the delivery of the HO's Digital, Data and Technology (DDaT) Strategy Delivery and Police Digital Service's (PDS) Business Engagement;
 - c) Covid-19 Recovery and Reform Programme to understand the impact of Covid-19 on Policing; to learn lessons for Policing from Covid-19; and understand the implications for future Policing;
 - d) In relation to the Crime Business Area, improving sharing between countries;
 - e) Transforming Forensics and Forensic Capability Network which seeks to baseline and grow both the Transforming Forensics Programme and Forensic Capability Network; and
 - f) Efficiency and Productivity to include the efficiency work of forces, BlueLight Commercial, and PDS. The Submission recognised the importance of improving efficiency and productivity as a way to increase outcomes, move towards more preventive work and better support the frontline. The cumulative impact will be to deliver a greater level of service to meet demand.

44. The following narrative outlines the most specific cost pressures facing the Policing Service. This part of the submission sought to balance reasonableness of request against evidenced need.

a) The PUP and Infrastructure - Key issues include ensuring sustainability of the PUP in terms of:

- i Incremental salary growth;
- ii Wellbeing;
- iii Learning and development; and
- iv Specialist staff roles e.g. cyber, to support the frontline.

This will ensure that the potential offered by the PUP is not wasted and also help ensure that retention of Police Officers is maximised;

b) Pay and Workforce Reform - Key issues included:

- i The need to fully fund future pay awards;
- ii Acknowledging the pay reform work to date such as targeted variable payments and future positive actions, such as introducing the pay progression standard; and
- iii Acknowledging the challenges in relation to recruiting certain skills e.g. detectives, cyber staff, data analysts and ICT staff.

Given that pay is the majority of force budgets, this issue was considered of pivotal importance;

c) Police Pensions - Key issues included:

- i Employer Contribution Rates - which are expected to increase at the next revaluation which is expected to impact force budgets in 2024/25;
- ii McCloud Compensation Costs - arising from the recent legal challenge; and
- iii Remedy Implementation Costs - for which forces are recruiting additional staff to manage the increased workload from recalculating pension for past and present Police Officers, coupled with ICT implementation costs.

The issue of pensions is a national one, which impacts other public services. For the Policing Service, it will continue to consume significant resources which cannot be absorbed by force budgets given its potential scale. It is vital that these costs are therefore met in full;

d) The Emergency Services Mobile Communication Programme's (ESMCP) Emergency Services Network (ESN) - Key issues were:

- i Airwave costs may need to be extended which will fall to forces, unless centrally funded. Forces have also invested in replacement Airwave devices due to the delays to the project to date;

- ii Resilience of the new network will be an issue to manage, which is likely to require additional resources to ensure adequate coverage; and
- iii Future operating structure of ESN is yet to be determined.

Overall affordability issues to forces of this project will increase over the CSR 2021 period and beyond;

e) National Law Enforcement Data Programme (NLEDP) - Key issues were:

- i Rising costs to forces;
- ii Uncertainty of timescales; and
- iii Uncertainty of benefits to forces.

Again, overall affordability issues to forces of this project will increase over the CSR 2021 period and beyond;

f) Home Office Biometrics (HOB) Programme

Again, a key issue relates to the rising costs of the Programme;

g) Short /Long Life Asset Investment - Key issues were:

- i The difficulty of forces' avoiding the need for capital spending in relation to ICT, Fleet and Estate;
- ii The low levels of capital grant (since confirmed as non-existent) compared to planned spend and reducing levels of Reserves and Committed Funds with which to fund capital; and
- iii The shunting of capital costs from capital to revenue.

There is a need to ensure that Police capital spending plans are affordable at a local and national level, so as not to undermine efficiency and productivity from the use of old, outdated assets;

h) Net Zero - Key issues were:

- i The cost implications to 'green the Fleet' compared to available capital resources; and
- ii The need to improve Police buildings as part of the net zero agenda, again compared to available resources.

The rate of progress on this area will be determined by the level of resources to invest in new assets and technology;

i) Degree Holder Entry Programme

The key issue was the funding of these costs, as they cannot be claimed against the Apprenticeship Levy; even though they are a more cost-effective way to train new recruits and also have a lower abstraction rate compared to the Police Constable Degree Apprenticeship;

j) Inflation

The key issue here related to the growing presence of inflation in areas such as construction prices, labour costs, insurance and national ICT charges. This is placing unexpected burdens on forces; and

k) National Police Air Service (NPAS)

The key issue here relates to the need to replace the existing Fleet which is ageing and had been the subject of a bid in SR 2020. The cost of replacement totals nearly £80m.

45. The Submission concluded that it fairly reflected the pressures facing the Policing Service at this challenging time. The Policing Service has policed the pandemic, policed protest and yet it has overdelivered the PUP and maintained service delivery. The Policing Service also recognised the challenges ahead in terms of managing all aspects of demand; the monetary challenge; and the need to recruit, reward and retain a talented workforce and give them licence to deliver. The Submission was soundly evidenced and requested a pragmatic funding settlement, which when underscored by the joint endeavour of the HO, the APCC and the NPCC it would ensure that national priorities are locally delivered - The Policing Service stands ready.
46. On 27th October 2021, the Chancellor announced the outcome of the CSR 2021, alongside his Autumn 2021 Budget, setting out public spending totals for the financial years 2022/23 to 2024/25. This was the Chancellor's first CSR (2020 only being a SR) and his third Budget. During his speech, the Chancellor said that the Budget "delivers a stronger economy for the British people, stronger growth with the UK recovering faster than our major competitors, stronger public finances with our debt under control, stronger employment with fewer people out of work."
47. Prior to the announcement, it was expected that the Chancellor would announce a small increase in Government spending, however, these were expected to be committed to the NHS, Defence and Education leaving other unprotected services (such as Policing) at a much greater risk of facing cuts.
48. It is important to note however, that it is not always clear what represents new funding, with many of the 'announcements' in the Autumn 2021 Budget and CSR 2021 having already been announced. The Chancellor has been criticised for this and has been particularly criticised by the Speaker of the House of Commons for announcing a significant amount of the Autumn 2021 Budget and CSR 2021 to the media before being announced to Parliament.
49. As highlighted in paragraph 20 above, it was generally accepted that the Chancellor faced a difficult balancing act of dealing with the black hole in public finances, while also supporting families and businesses that were hit hard by Covid-19. Following the announcement of an NI rise for Health and Social Care, the Chancellor used his Conservative party conference speech to say "Yes, I want tax cuts. But in order to do that our public finances must be put back on a

sustainable footing.” suggesting a difficult CSR for most Government Departments. Borrowing in the first half of 2020/21 was lower than expected and could be £50bn lower this year – due to lower furlough costs and higher tax receipts. That may have left the Chancellor some wriggle room to spend.

50. CSR 2021 confirmed the overall HO Settlement providing £4.2bn over the Parliament (including capital), increasing from £12.3bn in 2019/20, (£14.6bn in 2021/22) to £16.5bn in 2024/25. This is equivalent to a real-terms growth rate of 1.9% a year on average over the CSR 2021 period. In relation to Policing, Crime and Fire and Rescue Services, the key headlines were:
- a) CSR 2021 provides Police and Crime Commissioners in England with the flexibility to increase Council Tax Precepts in each year of the CSR 2021 period with a £10 (for a Band D) Council Tax Precept referendum limit. If all Police and Crime Commissioners in England and Wales were to take full advantage of this flexibility, this would raise up to an additional £774m by 2024/25 based on current forecasts. This equates to between 3.30% (North Wales Police) and 6.95% (Northumbria Police). This compares with a Local Authority referendum threshold of 2% (with an additional 1% for social care providing Local Authorities). In Wales, Council Tax Precept capping is the responsibility of Welsh Ministers and will be discussed further in paragraph 89;
 - b) SR 2019 included the Government’s plan to recruit 20,000 additional Police Officers by 2023 (the PUP), with up to 6,000 of these recruited by March 2021. SR 2020 confirmed that the Government remained committed to its target with a further 6,000 Police Officers to be recruited during 2021/22 – this was funded by further investment of £400m. CSR 2021 confirmed a further sum of £540m which will be given to Policing, to complete the recruitment of the final 8,000 Police Officers. This will bring the national total to 148,000 Police Officers by the end of 2023;
 - c) In relation to Crime Reduction and Drug Misuse – An additional £42m will be given to the Police for new programmes that reduce crime and drugs misuse. According to the release, this is on top of £108m for existing programmes such as the Safer Streets Fund and more enforcement to tackle drug misuse through the County Lines Programme and Project ADDER³;
 - d) An additional £18m in 2022/23 and £12m for 2023/24 and 2024/25 will be given to Police to tackle money laundering and fraud. This is in addition to the Economic Crime Levy which will provide additional funding from 2023/24;
 - e) CSR 2021 will provide £125m resource funding in 2022/23 and a saving of £17m by 2024/25; as well as £121m capital funding, for the ESMCP’s ESN during the CSR 2021 period;

³ Project ADDER (**Addiction, Diversion, Disruption, Enforcement, Recovery**) is a three-year pilot funded by the HO and managed by Public Health Blackpool. The project is aimed at reducing drug related deaths and moving individuals away from drug addiction.

- f) To tackle illegal immigration, an additional £85m of revenue funding will be provided by 2024/25, plus £50m capital funding over the CSR 2021 period. This is in addition to the continuation of the £110m of funding in 2021/22, bringing the total investment to £195m of resource funding by 2024/25. This money is earmarked for strengthening border security; improving asylum case working systems; and to “encourage more Local Authorities to participate in assisting asylum seekers;”
- g) The Government is giving an additional £468m by 2024/25 to protect vulnerable people by providing subsistence, accommodation and assistance to people seeking asylum. Funding will also be made available to resettle 20,000 refugees from Afghanistan to the UK over the next five years under the Afghan citizens resettlement scheme, including £20,520 per person for Local Authorities that resettle Afghan families. This is in addition to £17m available for housing costs and a £20m ‘flexible funding pot’;
- h) The Public Sector pay freeze will end in 2022;
- i) The National Living Wage will increase by 6.6% to £9.50 from 1st April 2022 and, as in 2021/22, it will apply to people aged 23. The Government continues to aim for a National Living Wage of two-thirds of median incomes by 2024. For 21-22 year-olds, the minimum wage will increase by 9.8 % to £9.18, for 18-20 year-olds it will rise by 4.1% to £6.83 and for 16-17 year-olds it will increase by 4.1% to £4.81. The corresponding apprentice rate will increase by 11.9% to £4.81 and the accommodation offset will increase by 4.1% to £8.70; and
- j) On 7th September 2021, the Prime Minister unveiled the Government’s plans to ‘fix’ the ailing social care system. Primarily, this included a 1.25% increase in NI contributions from April 2022, ringfenced for Health and Social Care. For 2022/23, this amounts to an additional pressure of £785k for Gwent on a recurrent basis.

51. In relation to the MoJ, the CSR 2021 announcement confirmed:

- a) The CSR 2021 provides a £3.2bn cash increase for the MoJ over the Parliament from £8.3bn in 2019/20 to £11.5bn in 2024/25, a real terms growth rate of 3.3% per year over the course of the CSR;
- b) In order to extend justice capacity, an additional £644m a year by 2024/25 will be made available for courts, prisons and probation services to ‘manage more offenders being brought to justice’;
- c) £477m will be made available to fund the Justice System’s recovery from Covid-19. A further £324m will be made available to increase the capacity in the civil, family and tribunal jurisdictions, to continue tackling the backlogs;
- d) The CSR 2021 confirms £3.8bn of investment across England and Wales over three years, to deliver 20,000 additional prison places by the mid-2020s;

- e) Money for victim's support services will be increasing to over £185m by 2024/25, an uplift of 85% from 2019/20;
 - f) In relation to rehabilitation, an additional £200m a year by 2024/25 will be made available to improve prison leavers' access to accommodation, employment support and substance misuse treatment. The £155m a year that was provided in SR 2019 and SR 2020 to create a 'new unified probation service' is to be made permanent;
 - g) An additional £75m a year will be made available by 2024/25 to expand the use of GPS-enabled and alcohol abstinence monitoring electronic tagging equipment; and
 - h) Finally for the MoJ, "over" £200m will be made available to complete the Department's "flagship" £1.3bn court reform programme by 2024/25, to deliver a "more modern and efficient" Justice Service.
52. In relation to other related Government Departments, the CSR 2021 announcement confirmed:
- a) Within the Law Officers' Department, CSR 2021 provides an over £80m cash increase in resource funding for the Crown Prosecution Service (CPS) by 2024/25. This will ensure the CPS can continue to support the work of the PUP and go further to improve its response to rape and sexual assault cases, in line with the ambitions set out in the Government's end-to-end Rape Review. It also delivers increased CPS investment in digital innovation and delivers annual increases to core funding for the Serious Fraud Office to fight fraud, bribery, and corruption;
 - b) The Government is also providing the Welsh Government (WG) with an additional £2.5bn per year on average through the Barnett Formula over the CSR 2021 period, on top of its annual baseline funding of £15.9bn. The WG is also receiving an additional £425m this year; and
 - c) CSR 2021 made no specific reference regarding Fire and Rescue Services, but announced Council Tax Precept referendum limits in 2022/23 in England of 2% on basic Precept (with an additional 1% for social care providing Local Authorities). Although CSR 2021 will provide £540m to Policing, this is in order to recruit the final tranche of the PUP. Although nothing of note has been confirmed regarding Fire and Rescue Service budgets for 2022/23, it is expected that they will be protected in real terms for 2022/23.
53. Alongside the CSR 2021, the OBR released its updated EFO at November 2021. Amid unusually high levels of uncertainty, the OBR forecasts that GDP will rise by 6.5% in 2021 (a 4.0% increase was forecast at the Spring 2021 Budget). The OBR now expects the economy to be back to its pre-pandemic size around the turn of the year, earlier than mid-2022 as previously expected. In the Spring 2021 Budget, a quick bounce back was expected in 2021 and

2022. This seems to be the case, with all medium-term forecasts revised upwards.

54. As stated in the Spring 2021 Budget, CPI inflation fell to just 0.9% in 2020, compared to a pre- Brexit target of around 2% and a pre-pandemic forecast of 1.4%. As the economy has ramped up, forecasts for CPI have risen in the short-term to a 2022 peak of 4.0%, but are expected to settle to around 2% (the Government's target) by 2024.
55. The unemployment rate is expected to peak in the fourth quarter of 2021/22, at 6.5% lower than the peak in the OBR's November 2020 forecast. The OBR points to the extension of the Coronavirus Job Retention Scheme (CJRS) and additional fiscal support, as being largely responsible for this reduction on forecast. This is consistent with the March 2021 EFO.
56. The effect of Covid-19 on average earnings, wages and salaries is significant. Pre-Covid-19 forecasted increases of 3.6% (wages and salaries) and 3.3% (average earnings) in the November 2020 EFO had been significantly revised down to 1.5% and 1.2% respectively. However, wages and salaries are now expected to recover significantly in 2021 and 2022 with 5.2% and 4.6% increases, with corresponding average earnings increasing by 5.0% and 3.9%.
57. Public Sector Net Debt (PSND) peaked as a share of GDP at 85.2% in 2016/17. Since then it had fallen and was projected to remain at roughly 75% of GDP for the remainder of the forecast period pre-Covid-19. Due to the pandemic, PSND was expected to be greater than GDP in 2020/21 (100.2%) and was forecasted to peak at 109.7% in 2023/24. However, these figures have been revised down to 96.6% in 2020/21 and a peak of 98.2% of GDP in 2021/22. PSND as a proportion of GDP is expected to be slightly higher than the pre-pandemic peak in 2026/27 at 88.0%. This is a significant improvement on the March 2021 EFO.
58. Public Sector Net Borrowing (PSNB) had been continually revised down until Spring 2020 Budget where, due to the fiscal loosening, it had been revised up. 2020/21 borrowing as forecast in the Autumn 2021 Budget (£319.9bn) is more than five and a half times higher than forecasted in the Spring 2020 Budget and at its highest levels in peacetime history. A previously planned peak borrowing of £66.7bn (in 2021/22) was expected to be exceeded in each forecasted year in the Spring 2021 Budget, however updated forecasts suggest that PSNB will fall to less than this amount each year from 2023/24, being less than 2% of GDP from 2024/25 onwards.
59. The OBR's November 2021 Council Tax Base assumptions for 2021/22, i.e. the Band D equivalent number of properties upon which the Council Tax Precept is levied, were 0.4% for England and 0.6% for Wales (0.8% at the March 2021 EFO) – reflecting the ongoing impact at the time of Covid-19 on Council Tax Base growth. From 2022/23 to 2025/26 the English Tax Base has increases of between 1.1% and 1.5% p.a., but in 2026/27 falling to zero. The Welsh Council Tax Base remains consistent through these years at an annual increase of 0.6% p.a. Members will agree this disparity between England and Wales is strange and the Welsh growth figure still appears higher than seen locally. This disparity

between England and Wales is a key consideration when setting the local Council Tax Precept.

60. In relation to Council Tax Precept levied by Local Authorities for 2021/22, English Authorities were showing growth of 4.8%, before falling back to a 2.6% average increase p.a. forecast up to 2026/27. This is an increase on rises compared to the March 2021 EFO. For 2021/22, Welsh Authorities were showing growth of 5.5%, which then remains consist at around 5.5% p.a. increase between from 2022/23 to 2026/27 – again, this increase is higher than the March 2021 EFO and higher than English growth due to devolved ‘capping powers’. Note however, that in the Spring of 2021, any easing of referendum principles for English Commissioners ahead of the expected 2021 CSR were unknown.
61. Since the March 2021 EFO forecast, the course of the pandemic, vaccine rollout and associated public health restrictions have unfolded broadly as the OBR expected, with positive developments on the vaccine balancing more adverse news concerning the Delta variant. The speed of vaccine rollout and their effectiveness in preventing hospitalisations and deaths surpassed initial expectations. Public health restrictions were lifted in line with the Government’s Roadmap, with the exception of Step 4 (lifting of remaining restrictions on hospitality, nightclubs, and large events) which was delayed four weeks to the 19th July 2021 – a delay that was probably of little economic or fiscal consequence. This was partly counterbalanced by the arrival of the more transmissible Delta variant, which meant case numbers remained elevated through the Summer and Autumn, though the successful vaccine rollout has limited the associated rise in hospitalisations and deaths.
62. Despite the ending of most legal restrictions, voluntary social distancing has remained elevated relative to pre-pandemic levels. Infections are likely to rise over the Autumn and Winter as indoor mixing increases and new variants emerge such as Omicron, but the UK is in a considerably better position to cope with relatively high case numbers than this time last year due to the vaccine programme.
63. The pandemic prompted an unprecedented peacetime fiscal expansion. Relative to pre-pandemic plans, £229bn of public spending was added in 2020/21 alone, as the Government responded to the increased pressures on the Health services and provided support to households and businesses while activity was constrained. As of July 2021, the UK had offered higher levels of discretionary fiscal support than 14 of 20 other advanced economies. Considerable support remains in place in 2021/22.
64. At the time of the announcement of the CSR 2021 outcomes (i.e. late October 2021), although the HO would be investing directly into additional Police Officer numbers through the PUP and supporting the 1.25% NI increase falling upon employers, on the basis that this funding would be ring-fenced, it was anticipated that the delivery of significant financial efficiencies and budget reductions would still continue as per previous Police Settlements. Indeed, in the build up to CSR 2021, the HO believed a significant contribution towards

Police Productivity and Efficiency was a necessary part of the negotiations with HMT and a figure of 5% savings and efficiencies from their day-to-day budgets would need to be identified, to be reinvested in the Government's priorities. **Within the CSR 2021, from a Policing perspective, it is understood that the budget available for Policing had been reduced by £100m by 2024/25, to contribute to this Government efficiency target.**

65. Members will recall that the Staying Ahead Programme was initiated by the Force to address the efficiency requirements from previous CSRs and to the end of 2020/21, has delivered cumulative recurring savings of £52.075m. The 2021/22 savings target of a further £676k will be met this year through the continuing success of the original Staying Ahead Programme, which over recent years has become core Force business as the 'Continuous Improvement Programme' within its Continuous Improvement Department.
66. Importantly, the CSR 2021 was silent on the HO's review of the Police Funding Formula – which along with the medium to long-term impact of Covid-19 on Police finances, provides additional future financial uncertainty to 2026/27. By way of background, once the overall size of the Policing budget is determined by the HO (via the CSR/SR process), then the amount of funding provided to respective Police and Crime Commissioners is determined by the Police Funding Formula. It has been well publicised that the current formula is out-dated, overly complex, opaque and in need of review. Following a 'false start' to the review process during the latter half of 2015, the review was brought back on track with a hope to produce its findings by February/March 2017, with implementation for the 2018/19 financial year. However, it is believed that with the significant implications of the Brexit negotiations; the result of the 'snap' General Election in June 2017 (and subsequent one in December 2019); the significant increase in the threat of terrorism; and the impact of Covid-19, the implementation has been further delayed.
67. In the late Summer of 2021 however, the review has re-commenced under significant academic rigour; a robust governance structure; and a challenging timetable in the early months. Completion and sign-off is expected by December 2024 at the latest, with the associated implementation from the 2025/26 financial year onwards. However, as December 2024 is the 'long-stop' date for the review to be completed (being the latest date at which the next General Election could be held), there is a likelihood that the review could be completed and implemented sooner, thereby accelerating the financial risk posed by the review which is explained below. On this basis, the impact of the review is reflected in the MTFP from the 2024/25 financial year onwards.
68. Importantly, early exemplifications from the HO received during 2015 (showing the effect of the then revised Police Funding Formula being suggested), identified a £6m cut in Central Government Grant Funding for Gwent. It could be expected therefore, that the HO will continue with their approach following the significant amount of work undertaken to date and that which has recommenced recently. The £6m could well be exceeded however, as the amount of 'Top-up' Grant that Gwent will receive from English Commissioners in 2022/23, amounts to £10.9m (totalling £62.9m for 2022/23 across all four

Welsh Police and Crime Commissioners, as all now receive 'Top up'). 'Top up' and 'Damping' is a process by which individual Police and Crime Commissioners' initial shares of formula funding are adjusted, to ensure that each Police and Crime Commissioner (or their equivalents) receive an equal percentage growth in Central Government Grant Funding each year – it's a simple 'fix' to a broken Funding Formula. Working on the historic figure therefore, from the 2024/25 financial year onwards, the Commissioner could be faced with a £6m cash cut in addition to the underlying 'real term' cuts forecast from the effect of the Government's future approach to Police funding. It is also likely that this cut will not be actioned in one fell swoop, but transitional arrangements will affect the cut over a number of financial years.

69. At this stage, although the outcomes of CSR 2021 appeared positive on the surface, until the receipt of the detailed Provisional Settlement (expected late December 2021), confirmation of the individual Commissioner levels of funding were unknown.

PROVISIONAL SETTLEMENT 2022/23

70. The Provisional 2022/23 Police Funding Settlement (Provisional Settlement) was announced in a Written Ministerial Statement (WMS) by the Minister of State for Crime and Policing Kit Malthouse MP on Thursday 16th December 2021. The WG also published their Provisional Settlement for Welsh Police and Crime Commissioners on the same date. Both documents outline the provisional levels of Central Government Grant Funding for Police and Crime Commissioners for 2022/23. The publication of the Draft 2022/23 Police Grant Report marks the start of the consultation period which ends on the 14th January 2022, with the Final 2022/23 Police Funding Settlement (Final Settlement) being issued shortly after this date. This Provisional Settlement follows the first three-year CSR for several years. Despite the economic landscape improving, there are still significant difficulties within the economy however. Inflation is of particular concern, with the Bank of England's prediction of a CPI figure of over 5% in 2022 coming to fruition.
71. Prior to the publication of the Provisional Settlement, the Policing Sector was expecting a continuation of additional PUP funding for the recruitment of 8,000 Police Officers (towards the 20,000 total). In a follow-up meeting after the CSR 2021 publication, Kit Malthouse MP confirmed that Policing would receive (on a cumulative basis) an extra £550m in 2022/23, £650m in 2023/24 and £800m by 2024/25. At the time of CSR 2021, how this money was to be distributed was unknown. It was suggested that as well as funding PUP, this would also give forces enough resource to fund the 1.25% NI increase.
72. The WMS goes on to state that overall funding for Policing will rise by up to £1.1bn compared to the 2021/22 Final Settlement, bringing the total up to £16.9bn. Within this, funding to Police and Crime Commissioners will increase by up to an additional £796m, assuming full take-up of Council Tax Precept flexibility. This would represent an increase to Police and Crime Commissioner

funding in cash terms of 5.8% on top of the 2021/22 Police Final Settlement in relation to Central Government Grant Funding.

73. The Government have been flexible over the amount of Council Tax Precept that can be increased without triggering a referendum in recent years. There remains no referendum mechanism in Wales. 2018/19 saw the first significant increase with £12 flexibility, this was followed by £24 flexibility in 2019/20, £10 flexibility for 2020/21 and £15 for 2021/22. CSR 2021 confirmed that for every year of the three-year CSR period, Police and Crime Commissioners in England would be given a £10 flexibility. The CSR stated that this would give Policing a total of £774m over the next three years, assuming every Police and Crime Commissioners in England and Wales took full advantage.
74. Assuming each Police and Crime Commissioner increases their Council Tax Precept by £10, combined with the HO's Council Tax Base assumptions (which are consistent with the OBR's November EFO at paragraph 59 above), there will be an additional £246m of funding for Policing from Council Tax Precept alone in 2022/23 (according to HO figures). Due to historic differences in Council Tax Precept, the proportional amount raised by each Police and Crime Commissioner can vary significantly. The £10 increase would be worth 2.4% of the overall budget for Dorset, Surrey and Wiltshire. In contrast, it would only be worth 1.2% of the budget in Merseyside, MOPAC and West Midlands. **Gwent's figure is 1.7%, which puts the Commissioner in the lowest third of beneficiaries at the £10 level.**
75. Assuming every Police and Crime Commissioner takes the £10 Council Tax Precept, the weighted average Band D Council Tax Precept in England and Wales will be £249.42, with an average of 41% of total funding coming from Council Tax Precept (including Council Tax Precept Grant and legacy Council Tax Support Grants), up from 38% in the previous Final Settlement. Gwent's Council Tax Precept would rise to £297.96 and on a like for like comparison, represent 43% of its total funding.
76. Assuming every force maximised the Council Tax Precept increase, means an extra £246m for Policing in 2022/23, which when added to the Central Government Grant Funding increase of £550m equals the £796m quoted in the WMS (paragraph 72 above).
77. **Although the Provisional Settlement appears favourable for the Policing Service (acknowledging that the entire amount to Policing is ringfenced though), it must be highlighted that it only represents the first year of CSR 2021 and that although indicative Policing budgets for years two and three have been released, they will not be confirmed until their individual year's Settlements. Therefore, years two and three of CSR 2021, could be more punitive if economic recovery is not sustained or Government priorities changed.**
78. Given the recent publication of the CSR 2021 on the 27th October 2021 and subsequent briefings with the Minister, some of the Provisional Settlement was already known. However, the Provisional Settlement for 2022/23 has quantified

a number of funding adjustments, the impact of which, were previously either unknown or uncertain and are detailed in the following paragraphs:

a) Central Government Grant Funding

Overall, Core Government Grant Funding (including the ringfenced PUP grant and Specific Pension Grant) increases from £9.1bn to £9.6bn, an increase of £549.9m (6.1%). For Gwent, this equates to an increase in Central Government Grant Funding of £5.186m between 2021/22 and 2022/23 – a 6.0% increase, so slightly lower than the national average increase of 6.1%. Importantly, the HO have ceased Capital Grant to Police and Crime Commissioners, instead, rolling it into the overall Central Government Grant Funding increase which is revenue in nature (see paragraph 197 below). **Of even greater importance, is that the increase is almost exclusively ‘written-off’ to fund the long-term costs of the final tranche of the PUP Police Officers and the 1.25% increase in employer NI Contributions;**

b) Reallocations

- i An integral part of the Provisional Settlement identifies the movement in finances from the overall national Government funding available for Policing and Crime services, to what is actually allocated to individual Police and Crime Commissioners. This movement takes account of ‘reallocations’ (previously known as topslices), from the HO’s overall Police and Crime budget into other parts of HO Policing responsibilities. For 2022/23 these reallocations total £1.374bn, £340m higher than last year (£1.034bn). Primarily, this difference comes from an increase in Police Technology Programmes at £121.8m, with an additional £325m going to new programmes including Police and Criminal Justice System Performance, Crime Reduction Programmes, Crime Reduction Capabilities, Rape Review, Drugs / County Lines, Capital Reallocations and Fraud;
- ii A number of programmes were also dropped, with the largest being the ‘Strengthening the response to Organised Crime’ which saw a reduction of £146.3m of funding. Others included: Pre-charge bail, BlueLight Commercial, Safer Streets Fund, Science Technology and Research and International Crime Coordination Centre; and
- iii Each of the above reallocations has an impact upon the amount of funding ultimately awarded to Police and Crime Commissioners. As a rule of thumb, the local financial impact (i.e. to the Commissioner’s budget in Gwent) of any reallocated amount, equates to roughly 1%. Therefore, the overall 2022/23 reallocations of £1.374bn above equates to a potential loss of £13.74m of Central Government Grant Funding into Gwent. Reallocations are increasingly becoming a difficult balancing act however; for as much as they take away funding that could normally be allocated directly to individual Commissioners, they can fund central initiatives that Commissioners will ultimately benefit from and in certain cases (such as Major Technology Programmes) are acutely reliant on.

c) Pensions Specific Grant

Pensions Specific Grant allocations remain unchanged from those in 2019/20, 2020/21 as well as 2021/22. They therefore remain as 'flat cash' and have not been updated to reflect the new forecasts. Members will recall from the last three year's equivalent reports, that following a revaluation of public sector pensions, Police forces are facing increased Police Officer pension costs of originally around £330m from 2019/20 onwards. As part of the 2016 Pension Valuation, HMT announced Public Sector Pension Valuation 'Directions', which served to increase the employer's contribution rate from 2019/20 for Public Sector Pension Schemes (including the Police Pension Scheme). The main change was the reduction to the 'discount rate', which is used to convert future pension payments into present day value. This rate reflects the OBR view at that time on the national economic outlook, which in turn reflected a particularly uncertain period prior to Brexit. The Chancellor at the time was correct to suggest at the Conservative Party Conference in October 2018, that *any* agreement on Brexit would see an improvement in economic growth predictions, however, put simply, markets like certainty. With the Brexit position becoming much clearer of late, **there is (and was at the time) a strong argument to say that using the amended rate as outlined below, risks corrective action in the future when markets stabilise – not taking account of the unanticipated at the time, Covid-19 impact on world markets.** The discount rate was reduced from 3.0% to 2.4% (although a reduction to 2.8% was contained in the Autumn 2016 Budget). The HO signalled at the time that Police and Crime Commissioners would need to budget for the resultant additional costs. Their share was valued at circa £302m in 2019/20, with the ongoing funding of the full discount rate reduction beyond 2019/20 being considered as part of the CSR 2019 (which was ultimately SR 2019, as was SR 2020). Unfortunately, the issue does not seem to have been considered in CSR 2021 either, based upon the Provisional Settlement. The Government specifically allocated £153m to help the Police pay for these increased costs. Of this, £143m went directly to Police and Crime Commissioners and £10m to CT Policing and the NCA. As can be seen however, only £143m of specific grant was provided to Police and Crime Commissioners to offset additional costs of £302m – therefore, the extra direct funding in 2019/20 from Central Government Grant (Formula) Funding to Police and Crime Commissioners of £146m, which was intended to ensure that "every Police and Crime Commissioner sees their Government grant funding protected in real terms", was fully consumed in meeting this shortfall, resulting in an overall shortfall of funding from Government of around £13m nationally in 2019/20. In relation to Gwent, the estimated increase in Police Officer employer pension contributions in 2019/20 was £3.255m and Central Government Grant Funding was £1.501m (Gwent's share of £146m) and Pension Specific Grant of £1.325m (Gwent's share of £143m), resulting in a shortfall to fund pensions in 2019/20 of circa £429k. With Police Officers and Police Staff receiving a 2.5% pay award in September 2019 and September 2020, coupled with a significant number of Gwent Police Officers being new to the Police Service and therefore receiving pay increments, the estimated pension shortfall (based on flat cash pension grant) rose by £669k to £1.098m in 2020/21 and by a further £605k to £1.703m for 2021/22. The issue compounds every year as recruitment takes place, pay awards are

made and increments happen against Pension Specific Grant which remains as 'flat cash'. The shortfall has now risen by a further £761k, resulting in an overall deficit of £2.464m for 2022/23. The original shortfall was met from a contribution from the Commissioner's Reserves and Committed Funds and not from Council Tax Precept in 2019/20, 2020/21 and 2021/22. However, for the 2022/23 financial year, the ability to address this recurrent shortfall on a non-recurrent basis is imprudent and funding of the shortfall moving forward should be placed on a recurrent footing. Even though the CSR 2021 is silent on the matter, the Provisional Settlement does separately identify the Pensions Specific Grant allocations, but not within Core Central Government Grant Funding – therefore this issue may be further compounded if the Specific Pension Grant is not placed on a recurrent basis moving forward; and

d) National and International Capital City Grant (NICC)

Within the overall Provisional Settlement, the Metropolitan Police Service, through the Greater London Authority, will continue to receive National and International Capital City (NICC) grant funding worth £185.4m (the same as in 2021/22). The City of London Police will also continue to receive NICC grant funding worth £4.8m (again, the same as in 2021/22). This is in recognition of the unique and additional demands of Policing the capital city of the United Kingdom. No such allocation is provided in recognition of Cardiff's status as the capital city of Wales and the associated events held there that draw resources from South Wales Police and its neighbouring forces. The HO have been lobbied on this matter for a number of years, but considers the additional demand that Cardiff's status creates to be comparable with a large English city such as Bristol. Furthermore, in a similar vein, the resultant demand upon Policing in Gwent as a result of the expansion of the International Convention Centre for Wales (ICCW) at the Celtic Manor Resort, has been part of the dialogue with the HO over recent months and years.

79. In terms of expectations from the Policing Sector, when announcing the WMS, Kit Malthouse MP said that "the Government is absolutely committed to keeping the public safe; the Police have a critical role to play in this, and in reducing crime. We are determined to strengthen our Police Service and, by providing a three-year Spending Review settlement, we are giving the Police the financial certainty and stability needed for longer-term, strategic reforms. We have confirmed total grant funding for Police forces for the next three years, with increases of £550m in 2022/23, at least £650m in 2023/24 and no less than £800m in 2024/25. In addition, PCCs will have up to £10 of precept flexibility in each of the next three years to use according to their local needs." With this substantial investment, this settlement supports the Police to:

a) Successfully complete the PUP by March 2023, building on the outstanding progress to date. In the WMS, Kit Malthouse MP confirmed that for 2022/23, Police and Crime Commissioners will receive an additional £550m of Central Government Grant Funding which includes funding for the recruitment of the final 8,000 additional Police Officers; and continued growth in Police Staff to support these Police Officers, by the end of March 2023. To ensure

recruitment is maintained, £135m of the £550m will be ringfenced and allocated in line with funding formula shares. As in previous years, Police and Crime Commissioners will be able to access this as they progress towards their recruitment target. Building on the commitments in the Beating Crime Plan, the Government is continuing to strengthen capability to confront SOC (300 Police Officers allocated in 2021/22), therefore, 425 further Police Officers will be deployed into ROCUs and equivalent capability in London. The Government has already invested significantly in increasing the number of Police Officers, providing £700m in 2020/21 and a further £425m in 2021/22. Forces have delivered on this commitment and as at the end of September 2021, over 11,000 Police Officers have been recruited, 55% of the 20,000 target. **Gwent's targets are a further 78 territorial Police Officers and 4 ROCU Police Officers recruited by the 31st March 2023. These Police Officers will be additional to the 123 Police Officers recruited by 31st March 2022 from years one and two of the PUP.** As well as the ringfenced funding, additional funding provided via the Central Government Grant Funding is expected to meet costs associated with the PUP in forces and ROCUs, such as additional Police Staff and equipment. Forces and regional leads will determine precisely how the uplift in main grant should be distributed across local and regional functions, but the Government's assumption is that this would be proportionate to the respective number of additional territorial and ROCU Police Officers the force has been allocated;

- b) Accelerate progress on the Government's key Policing priorities: reducing crime; ensuring the Criminal Justice System works for all; driving forward improvements in the service the public receive; and transforming critical capabilities and infrastructure. The Government expects Police and Crime Commissioners to continue to take responsibility for crime outcomes both locally and nationally, and they will support Police and Crime Commissioners and forces to deliver well-evidenced crime interventions as part of their core business. CSR 2021 has provided £150m of Government funding for crime reduction in each of the next three years, which will allow the continuation of existing programmes as well as some new investments to prevent crime and keep communities safe. The Government will confirm funding arrangements for specific crime reduction programmes in due course. These will follow a match-funding principle where funding for local intervention is supported via funding allocated to or raised by local leaders. This approach will maximise Police and Crime Commissioner investment in crime reduction and increase the total funding spent on crime priorities, thereby making communities safer; and
- c) Ensure an increase in productivity using enhanced technology and investigative tools. In return for this significant investment, the Government expects Police leaders to become more efficient and effective with Police Officer's' time; and in the fight against national threats. While the Government continues to invest in Policing, it is only right that the Government holds the Policing Sector, as with other public services, to account on delivering for the public. The Police must demonstrate to taxpayers that they are using this funding effectively, meeting the needs of

their community and ensuring the public receive the highest possible quality of service. As part of CSR 2021, the Government will expect to see over £100m of cashable efficiency savings delivered from force budgets by 2024/25. For 2022/23, The Government expects to see £80m of efficiency savings - **which have been reflected in the funding set out as part of the Provisional Settlement.** Ensuring the value of the Government's investment in Policing goes beyond efficiencies and following greater investment in modern technology infrastructure and interoperable systems, the Government expects to see an increase in productivity. This will enable more efficient data sharing and analysis; reduce the risk of service disruptions; and provide a foundation for future enhancements and innovations. The Government will continue to work with and support the Policing Sector through the Efficiency in Policing Board, with a renewed focus on improving the measurement and delivery of productivity gains.

80. From the Force's viewpoint, the Police Service across England and Wales has made great strides in all of the expectations above, so future funding should not be compromised through failure in their delivery. However, conversely, their ultimate success could see opportunities to reduce future Government funding for the Police, as productivity improvements take hold.
81. Within the WMS, Kit Malthouse MP concluded: "This Government has once again set out its commitment to giving the Police the resources they need to cut crime and keep the public safe – setting out today how up to an additional £1.1bn will be invested in the Policing System in 2022/23. We will continue to work with Policing to achieve the outcomes set out here. I would like to pay tribute and express my sincere gratitude to our Police Officers and Police Staff for the extraordinary bravery and dedication they display each day, to keep us all safe from harm." **This clearly articulates the immense work that the Police Service has done on the national behalf in response to Covid-19.**
82. **In short, the Provisional Settlement appears very welcome in the headline investment figures. However, with the vast majority of the increase in Central Government Grant Funding in 2022/23 ringfenced specifically for delivering a set number of new Police Officer posts and their associated consequential costs, the remaining Central Government Grant Funding only goes part way towards meeting national policy decision such as the NI increase and the shortfall in pension funding. Therefore, remedying previous real-term disinvestment in the Service by Government and meeting future everyday pressures such as pay awards and inflation; new service pressures to tackle more complex crime; and unavoidable cost increases falls to realising cashable efficiency savings elsewhere or the Council Tax Precept.**
83. It should be noted also that in relation to the Provisional Settlement, a number of remaining specific grants and external funding arrangements for 2022/23 are yet to be finalised (e.g. CT Specific Allocation (CTSA), Safety Camera Enforcement Unit and local partner schemes, etc.). This report has been prepared on the assumption that funding will remain at the 2021/22 levels with the following exceptions and points of note:

- a) Since the introduction of the Apprenticeship Levy in April 2017, Welsh forces have been disadvantaged to English counterparts in access to the Apprenticeship Levy to offset the costs of delivering the Police Education Qualifications Framework (PEQF). The HO and WG have been lobbied for a number of years to establish parity. Therefore over recent years there has been a non-recurrent annual contribution of £1m from the HO in respect of delivering the PEQF across Welsh Policing, to be shared on a funding formula basis. This is significantly short of the £6.7m gross costs of the Apprenticeship Levy, plus administering the PEQF in Wales. However, it has been confirmed in the Provisional Settlement that the HO has made a contribution towards compensation for Welsh forces, not able to utilise their full Apprenticeship Levy contribution in recent years. This contribution totals £2.4m in 2022/23 and which the HO stated, “will address this issue in full.” Whilst this is welcome, an understanding of how the figure has been arrived at will be undertaken by the Chief Finance Officers in Wales, prior to the commencement of the 2022/23 financial year. Gwent’s share of the £2.4m has been budgeted at £480k;
- b) It was confirmed in the 2018/19 budget setting round, that WG funding of £500k for Tarian (part of the ROCU of the three Southern Wales Police forces) was removed. This position was further compounded in the 2019/20 financial year with further reductions in HO’s ‘Police Transformation Fund’ (PTF) funding into the ROCU and additional cost pressures. This theme continued into the 2020/21 financial year with further cuts to HO PTF funding and additional cost pressures. The resultant forecast funding shortfall of the ROCU for 2020/21 of £2.383m necessitated an additional contribution from Gwent in both Police Officers and also a cash sum of £204k (over and above the £279k in the 2019/20 financial year) to maintain capacity. Again, collaborative pressures have emerged for the 2021/22 financial year totalling £300k across not only the ROCU, but also the Joint Firearms Unit (JFU) and Joint Scientific Investigation Unit (JSIU) – a further additional pressure of £450k across the three collaborative units is also forecast for 2022/23. These financial pressures are reflected on a recurrent basis in the MTFP;
- c) WG funding for the All Wales Schools Liaison Core Programme (AWSLCP) Police Officers in Gwent is expected to remain at £401k for 2022/23. The implementation of the findings of the review of this Programme undertaken over recent years, is being taken forward through a strategic and operational governance framework;
- d) The revenue support from the WG for Gwent’s Private Finance Initiative (PFI) funded Ystrad Mynach Police Station and Custody Suite, totalling £454k in 2022/23, is excluded from the Provisional Settlement in any given year. As reported in previous budget reports, over recent financial years, the Commissioner has been in negotiations to undertake a voluntary termination of the PFI scheme, thereby bringing the facility under the ownership and control of the Commissioner and releasing cashable savings. Agreement was reached and voluntary termination took place in January 2020. Negotiations took place with WG around the continuation of this

revenue support once the contract was terminated, with WG subsequently confirming the continuation of this funding, as it is provided to meet the specific requirements of maintaining and running the facility;

- e) Members will recall that historically, the 101 whole time equivalent (wte) WG Police Community Support Officers (PCSOs) have been flat cash funded year-on-year, therefore annual pay awards etc. were being funded by the Commissioner. Up to the 2020/21 financial year, the WG grant funding fully covered around 90 wte of the 101 wte PCSOs. However, during the last quarter of 2020/21, WG agreed to restore PCSO funding to 'real' cost levels moving forward and updated the grant documentation accordingly. Although not quite fully funding the actual costs of the 101 wte PCSOs, it is very close and very welcomed;
- f) In addition, the Welsh Labour's manifesto commitment to increase PCSO numbers in Wales by a further 100 has been implemented from this financial year and grant agreements have been received and signed. Allocations are as follows - British Transport Police 4, North Wales Police 20, South Wales Police 41, Dyfed Powys Police 15 and Gwent Police 20. Funding in-part from September 2021 and in full for the final quarter of 2021/22 has been confirmed and the 2022/23 funding amount for the entire 121 wte is estimated to be £4.556m for Gwent;
- g) In last year's budget report, the Commissioner and Chief Constable's outlined their commitment to increase the Force-funded PCSO establishment by 10 wte in 2021/22, a further 10 wte in 2022/23, a further 10 wte in 2023/24 and then a further 14 wte in 2024/25, amounting to a total of 75 wte Force-funded PCSOs to 'match' the 121 wte WG funded PCSOs. This is further discussed in paragraphs 125 b) ii. and iii.;
- h) Since 2013/14, Police and Crime Commissioners have received MoJ funding to provide services to victims of crime. For the 2021/22 financial year, the Commissioner received £691k in grant which was used exclusively to support Connect Gwent (the Victims' Hub) and provide additional services for victims of crime. Police and Crime Commissioners are yet to be notified of their 2022/23 allocations from the MoJ, however it is expected that this will be the same as the 2021/22 allocation, thereby representing a real term cut. Due to the importance of the service provided by Connect Gwent however, its funding to maintain its purchasing power will be supplemented from the Commissioner's overall funding from HO, WG and Council Tax Precept if necessary;
- i) In February 2020, the MoJ launched a £1m fund for additional Independent Sexual Violence Advocate (ISVA) provision. The purpose of the funding was to increase ISVA support provision in areas of need to ensure victims receive consistent, high-quality support that meets their needs and provides clarity on the Criminal Justice process (where pursued), so they feel informed and supported at every stage. The Commissioner was successful in securing £86k for two additional ISVA's during 2020/21 and £77k for 2021/22. In May 2020, in response to Covid-19, the MoJ announced a further £3m investment

p.a., into recruiting ISVAs. As a result, a further £31k was secured by the Commissioner for 2020/21 to fund a third ISVA, as well as £41k for 2021/22;

- j) In relation to the above, the sustainability of this ISVA provision was uncertain at the time of setting the 2021/22 budget, however, in January 2021 the Government announced an additional £40m for victims of Domestic Abuse and Sexual Violence. The Commissioner was successful in securing £783k from this fund of which £139k related to Domestic Abuse and Sexual Violence services for the 2021/22 financial year and £644k for IDVA and ISVA provisions for both the 2021/22 (£311k) and 2022/23 (£333k) financial years. Included in the figure of £644k is the confirmation of the £118k of ISVA funding in paragraph 83 i) above (£77k plus £41k), which was previously assured. This announcement confirmed the 2021/22 allocations above of £118k for ISVA services in 2021/22 and extended the same grant amount in 2022/23. Importantly, £139k of this funding ceases on 31st March 2022 and £333k in March 2023 – the pick-up of the cessation of these grants has not been reflected in the MTFP;
- k) In relation to other Covid-19 funding and grant arrangements, the Force received £308k of grant in 2020/21 as part of the £60m of 'surge' funding (divided equally between Police forces and Local Authorities), to step up their enforcement of Covid-19 rules as part of the Government's plans to tackle the rise in infections. The funding enabled the Force to increase patrols and ensure that people were complying with the new restrictions, particularly in high-risk areas. The Force also provided more support to the Local Authorities and NHS Test & Trace, to enforce self-isolation requirements. In addition, during 2020/21, the HO provided £1.004m to fund PPE (medical and non-medical grade) and pressures such as overtime, ICT equipment, Covid-19 testing; and other items such as cancelled training charges, Estate works, Estate/Fleet cleaning and lost income. Furthermore, WG and Local Authorities provided £112k for specific Policing initiatives such as additional Road's Policing. Therefore the total funding received during 2020/21 amounted to £1.424m – no further income has been received during 2021/22 (nor planned for 2022/23) and at the 30th October 2021 against the £1.424m of funding received, £1.276m has been spent leaving a balance of £148k which will be fully utilised by year-end;
- l) In August 2020, the HO opened up a grant funding scheme to Police and Crime Commissioners, to support the introduction of perpetrator-focused domestic abuse programmes. In October 2020, the Commissioner was notified of his success in being awarded £205k from the HO up until 31st March 2021; but only on the basis that the Commissioner supports the programme for at least the first six months of the 2021/22 financial year. In order to achieve this, £195k has been set aside on a non-recurrent basis to successfully deliver this programme. As this programme was piloting an approach to perpetrator-focussed intervention, it has been necessary to extend the work into the 2022/23 financial year, which again, will be funded on a non-recurrent basis. Potential recurrent costs beyond 2022/23 have not been reflected in the MTFP; and

- m) In January 2021, the HO launched Round 2 of its Safer Streets Fund, providing £20m to tackle acquisitive crime including burglary, robbery, vehicle crime and theft from the person. Two applications were submitted by Gwent Police and the OPCC - A primary bid for Pillgwenlly for £400k; and a Secondary bid for Rhymney for £300k. Gwent were successful in both the above bids and need to ensure the £700k is utilised and spent by 31st March 2022. Round 2 of Safer Streets followed Round 1 which was launched a year earlier and again focussing on reducing acquisitive crime. Although Gwent Police and the OPCC submitted a Round 1 bid to address issues in Stow Hill Newport for £424k, the application was unsuccessful. The tragic killing of Sarah Everard on the 3rd March 2021 brought to the forefront concerns about women and girls' safety in public places. To provide reassurance to women and girls and ensure the safety of public spaces, the Government announced, on 15th March 2021, an additional £25m for the Safer Streets Fund. This was being used to run a third round of Safer Streets Funding, with a focus on ensuring the safety of public places for all, but with a particular emphasis on improving the safety of public spaces for women and girls. Two applications were submitted by Gwent Police and the OPCC - A primary bid for Stow Hill Newport for £395k; and a secondary bid for Abergavenny for £278k. Gwent were again successful in both the above bids and need to ensure £673k is utilised and spent by 31st March 2022. The Safer Streets Funding Rounds, whilst very noble in cause, bring into sharp focus the short-term funding arrangements provided by the HO – for the 2021/22 financial year Gwent Police would have received £1.373m of funding, to be spent with exceptionally tight timelines, with no assurance of continued funding in 2022/23 - indeed the Provisional Settlement confirms the removal of the Safer Streets Fund in 2022/23. In addition, the operational resources consumed in compiling the bids (aside from the non-operational Police Staff component) was significant.
84. As part of the Provisional Settlement, the HO has removed Capital Funding for Police and Crime Commissioners, moving it instead into reallocations and therefore no longer available to individual Police and Crime Commissioners. Whilst last year's (2021/22) Capital Funding allocation for Gwent was a mere £120k, the point of principle remained that the Government were funding a small aspect of Police and Crime Commissioners' Capital Programmes. Therefore, the increase in Central Government Grant Funding outlined in paragraph 78 a), which is revenue in nature, must now also be utilised for the Capital Programme. This move by Government ends the journey of recent years. Even if the £120k was maintained it would remain significantly lower than that received as recently as 2019/20 (which was £459k) and roughly only 10% of that received in 2014/15 (which was then £1.100m). The cessation of this Capital Funding, places a significant burden on Reserves and Committed Funds as well as revenue budgets and the Council Tax Precept debate; as to maintain an appropriate Capital Programme moving forward, the revenue budget will need to contribute through a revenue contribution to capital or through new borrowing costs. This creates an inherent risk particularly when financing short-life assets such as vehicles and ICT (which do not lend themselves to long-term borrowing); interest rate exposure; and also around public perception on how the Council

Tax Precept will need to be spent to provide the infrastructure to support the front-line.

85. The latest MTFPs have been updated following receipt of the Provisional Settlement and indicate a budgetary deficit (before the application of efficiency savings and contributions from Reserves and Committed Funds) for the 2022/23 financial year of £3.546m (Appendix 1b, Line 20), increasing to a budgetary deficit of £14.102m by 2026/27.

COUNCIL TAX ISSUES (Appendix 1a)

86. For 2022/23, legacy Council Tax Freeze grants and Local Council Tax Support grants (totalling £545.658m) will continue to be available to Police and Crime Commissioners in England. Furthermore, the City of London Police will receive a Precept Grant of £5.321m to reflect the fact that they do not benefit from increases in Council Tax Precept.
87. As highlighted already, the Provisional Settlement confirms what was announced in CSR 2021, in that English Police and Crime Commissioners, or their equivalents, will be able to increase Band D Council Tax Precept bills by as much as £10 for 2022/23, without triggering a referendum. Assuming each Police and Crime Commissioner increases their Band D Council Tax Precept by £10, combined with Council Tax Base assumptions (as described in paragraph 59 above), there will be an additional £246m of resources for Policing from Council Tax Precept alone. Due to historic differences in Council Tax Precept, increases for individual Police and Crime Commissioners range from 3.3% in North Wales Police (or 3.87% including forecast Council Tax Base movements) to 6.95% in Northumbria Police (or 8.15% including forecast Council Tax Base movements). The unweighted average increase for all Police and Crime Commissioners is 4.22% (or 5.32% including assumed Council Tax Base movements). Assuming every force takes the £10 increase in Council Tax Precept, the average Band D Council Tax Precept in England and Wales will be £249.42, with an average of 41% of total funding coming from Council Tax Precept. Gwent's figures would be a Council Tax Precept of £297.96, representing a Council Tax Precept increase of 3.47%, or 4.07% including forecast Council Tax Base movements. Council Tax Precept in this scenario would represent 43% of its total funding.
88. In 2018/19 the referendum threshold in England (Wales does not have Council Tax Precept referendum limits) was a Council Tax Precept increase of £12, meaning that a Band D Council Tax Precept could increase by £12 between years, without triggering a referendum to be called. In 2019/20 the limit doubled to £24, with many commentators speculating that this doubling to £24 in 2019/20 was essentially two years' increases in one year – recognising that 2020 was an election year for Police and Crime Commissioners. However, 2020/21 saw a referendum principle of £10 and 2021/22 a limit of £15. **The vast majority of English Police and Crime Commissioners opted to maximise the opportunities to increase Council Tax Precept over these four years, adding £61 to their Band D Council Tax Precept in doing so. For context,**

the rise in Gwent's Band D Council Tax Precept over the same period was £59.12, which was also the second lowest in overall growth across Welsh forces.

89. In Wales, Council Tax Precept capping is the responsibility of Welsh Ministers. There are two forms of capping - designation and nomination. WG may designate or nominate an Authority (including Welsh Police and Crime Commissioners) for capping its Council Tax Precept, if in their opinion its Budget Requirement is excessive. Designation requires an Authority to reduce its Budget Requirement and re-bill the Council Tax Precept payers (through the Unitary Authorities). Nomination effectively puts an Authority on notice that WG will stipulate a budget limit for the following year. WG is responsible for determining the criteria (the principles) for capping for all Local Authorities and Police and Crime Commissioners in Wales. The principles must include a comparison between the calculated Budget Requirement with that calculated for the previous financial year. Ministers are free to include in the principles any other matters they consider relevant.
90. Both the Commissioner and Chief Constable have maintained effective communications with both Ministers and WG during 2021/22, which saw the further embedding of the Policing Partnership Board for Wales and the effective operation of 'Policing in Wales'. Both these forums, along with the further strengthening of the relationship of the Police Liaison Unit with WG, have provided a valuable and additional opportunity to highlight the financial pressures and operational demands that are being faced by Gwent Police and the wider Policing Service in Wales. Indeed, Covid-19 over recent years has exemplified this relationship.
91. At the time of writing, no official announcement has been made by the WG in relation to the levels of Council Tax Precept rises over the forthcoming years, which would be deemed unreasonable and therefore capped. Historically, indications have been given that increases in Council Tax Precept for Police and Crime purposes of up to 5% would not be considered unreasonable, **although for the purposes of parity, capping principles must be considered in the light of any flexibility afforded to English counterparts in 2022/23.**
92. MTFPs that have previously been issued during this budget setting cycle have assumed Council Tax Precept increases of 6.82% p.a. over the five-year projected period. The rationale for this figure was that at the January 2019 meeting of the PCP to consider the Commissioner's Budget Requirement and Council Tax Precept increase for 2019/20, the Commissioner gave assurance that a 6.99% Council Tax Precept increase through the life of the current MTFP, would maintain the Police Officer investment of around 170 new Police Officer posts in the Force since 2016 (of which forty 'Police resources' were agreed for 2019/20). This pragmatic and longer-term approach to local funding, allowed the Commissioner, not to take 'advantage' of the local Council Tax Precept flexibility of £24 p.a. in 2019/20. In honouring the arrangements discussed in January 2019, the 6.99% increase for 2020/21 (which equated to an extra £1.49 per month (£17.86 per year) for the average Band D property) was reflected in

the Budget Requirement that year, but following discussions with the PCP in January 2020 and receipt of their Council Tax Precept Proposal Response Report, the Commissioner opted to reduce his Council Tax Precept increase for 2020/21 to 6.82% (£17.43 per year or £1.45 per month) from 6.99%, by virtue of reduced costs of borrowing due to the timing of PUP funding. In a similar vein, the 2021/22 Budget Report confirmed the rationale and four key drivers for moving from a planned 6.82% increase in Council Tax Precept in 2021/22 down to the agreed proposal of 5.49% (£15.00 per year or £1.25 per month).

93. Moving to the here and now, the Chief Constable's 'robust, compelling and justified' 2022/23 budget bid was formally received and scrutinised at the Commissioner's Strategy and Performance Board on the 29th November 2021 and was based on financial assumptions prior to the receipt of the Provisional Settlement. The budget bid therefore asked that the Council Tax Precept revert back to an increase of 6.82% p.a. over the life of the MTFP (as opposed to the one-off 5.49% increase agreed for 2021/22), to support the detailed Policing justifications in the Chief Constable's bid, which are articulated in paragraphs 129 to 163 below.
94. **This Budget Requirement and Council Tax Precept Proposal however revises the 2022/23 Council Tax Precept increase requested by the Chief Constable down from 6.82% to 5.00% (£14.40) for the 2022/23 financial year only – this reduces 2022/23 Council Tax Precept income by £1.175m from that planned before receipt of the Provisional Settlement, which when compounded each year through the MTFP, results in a cumulative recurrent reduction by 2026/27 of £6.272m in Council Tax Precept. This significant impact accepted, this level of Council Tax Precept increase will over the short-term:**
 - a) Deliver the Chief Constable's requirements within the funding envelope requested to:
 - i Maintain previous investment in Police Officer numbers;
 - ii Contribute to an investment of an additional 10 PCSOs in 2022/23; and
 - iii Minimise any impact on frontline service delivery.
95. **The proposed level of Council Tax Precept does not however, set a balanced budget in 2022/23 even after taking account of £1.021m of cashable efficiency schemes – the recurrent shortfall of £2.525m will need to be risk-managed during the 2022/23 financial year; necessitate extensive further cashable efficiencies to be delivered; or met by a contribution from the Commissioner's Reserves and Committed funds. Furthermore, this level of Council Tax Precept places a further burden on borrowing in order to fund the current Capital Programme and therefore heightens the risk of exposure to negative fluctuations in interest rates. As such, a review of the Estate Strategy will be undertaken at the commencement of the 2022/23 financial year, in collaboration with the PCP's Estate Reference Group and other key stakeholders, in order to realign Operational Policing and the public's requirements (incorporating**

both the principles of VFM and environmental sustainability), with an appropriately risk based approach to funding.

96. In addition to the points directly above, the revision in the Council Tax Precept increase from the 6.82% requested and planned in the MTFP prior to the receipt of the Provisional Settlement down to 5.00% reflects six key factors:
- a) Receipt of the Provisional Settlement confirms that the entire increase in Central Government Grant Funding in 2022/23 is ringfenced specifically for delivering a set number of new Police Officer posts and their associated consequential costs on a future-proofed basis and meets the local requirements to fund an additional 1.25% of Employer NI contributions. However, the Central Government Grant Funding for PUP in the short-term provides a non-recurrent revenue contribution to capital to fund both short-term and long-term assets; but does not remedy the need for sustainable funding for the Capital Programme;
 - b) An expectation from Government, as highlighted throughout this report, for Police and Crime Commissioners to maximise Council Tax Precept increases to £10 p.a. in England to invest in the Policing Service and complement the PUP – the equivalent Council Tax Precept from a Welsh perspective at the capping /referendum limit, as explained previously, is 5%;
 - c) Reflects the results of the public engagement exercise (see paragraphs 102 to 121 below);
 - d) Similar to above, reflects early positive engagement with the PCP's Finance Reference Group. The Finance Reference Group reaffirmed the public's view that although they are exceptionally supportive of Gwent Police, the stark reality of the economic factors beyond Policing, such as unprecedented rises in utility costs and inflation growth on fuel and more general commodities, places an unaffordable ask at the feet of Gwent Council Tax Precept payers;
 - e) Policing nationally and the Force itself have responded magnificently to Covid-19 (as independently verified by the HMICFRS) and foresee the increased Policing demands (and costs) continuing over the short to medium-term. However, the Commissioner acutely acknowledges the economic impact of Covid-19 and inflationary burdens across the Communities of Gwent and to this end, needs to balance the local investment expectations of the Government (which it is expected will be replicated by other Commissioners across England and Wales); those of the Chief Constable to deliver an effective and efficient Policing Service too; with the affordability of the increase to Gwent residents; and
 - f) With the above five factors acknowledged however, although the Provisional Settlement has been more positive than expected for the Policing Service in the short-term, it must be acknowledged that the Provisional Settlement has only confirmed the funding for the first year of CSR 2021. Therefore, until the full economic impact of Covid-19 and Brexit are known, funding in years

two and three of CSR 2021 could be more punitive as OBR forecasts are revised. To this end, the future Council Tax Precept increases within the MTFP revert back to 6.82% from 2023/24, due to the uncertainty of the funding position. However, even reverting back to 6.82% from 2023/24 onwards does not remedy the forecast recurrent deficit of £9.773m by 2026/27.

97. It must be emphasised however, that this reduced Council Tax Precept Proposal, in no way undermines the integrity, robustness and justification of the Chief Constable's bid. Instead it is a simple case of having to risk manage the Policing budget over the short-term, in order to provide an affordable increase to support Policing on the householders of Gwent.
98. Within the MTFP, it has also been assumed that there will be no further impact from the Council Tax Reduction Scheme in Wales in 2022/23, particularly in relation to that associated in the response to Covid-19. This Budget Requirement and Council Tax Precept Proposal confirms Council Tax Base growth in 2022/23 of 0.67%. This is higher than the original local estimates of an increase of 0.46% (which was based on the 2021/22 actual growth) and marginally higher than the OBR estimate at November 2021 of 0.6%. At the time of writing, it is understood that the Council Tax Bases from each Local Authority do not reflect any WG 'assistance' for 2022/23 in relation to further application of the Council Tax Reduction Scheme. Although Local Authorities have received payments to offset Council Tax Precept collection rate drops during 2021/22 from the WG's 'Hardship Fund', Local Authorities appear to be managing the perceived short-term drop in Council Tax Precept collection rates through their respective Balance Sheets by increasing debtors and provisions for bad debt, thereby delaying any 'permanent' impact on the Council Tax Base billed by the Commissioner. This could prove problematic beyond 2022/23 if this debt 'bubble' bursts, possibly driven by increased unemployment, when the 'true' Council Tax Precept collection rates and Council Tax Bases reduce.
99. As articulated above, from 2023/24 the Council Tax Precept reverts back to 6.82% p.a. and the Council Tax Base growth p.a. has been estimated at 0.67%. Members will note that this continues the change from normal practice, which would normally take the underlying average Council Tax Base growth over the last three years, not that just seen in the previous year. Maintaining this change in practice is driven by the current uncertainty of the impact of Covid-19 on the Council Tax Base. Aside from addressing the uncertainty that years two and three of the current CSR 2021 could bring and the potential impact of the funding Formula review, the Council Tax Precept is primarily set at this level (6.82%) moving forward from 2023/24 to maintain the significant investment in Police Officer numbers since 2016/17, in order to meet the complex changes in Policing demand. However, once the certainty on overall Government Funding is known as we move to December 2022, this assumption may need revisiting in subsequent budget setting rounds.
100. Appendix 1a shows the impact that incremental changes on the Council Tax Precept rate would have on funding assumptions for 2022/23. As noted in previous Budget Requirement and Council Tax Precept Proposal reports, the

overarching CSR 2015 strategy in relation to Policing assumed (even expected) that the 'maximisation' of increases in Council Tax Precept year on year over that Parliament, coupled with consistent national Council Tax Base growth, would 'maintain' Police and Crime Commissioner's cash budgets whilst Central Government Grant Funding was cut. This moved on somewhat with the 2018/19 financial year seeing Police and Crime Commissioner's 'flat cash budgets' being 'maintained' by Central Government Grant Funding alone and the 2019/20 Police Settlement providing an increase in Central Government Grant Funding, which when added to Specific Pension Grant was consumed in totality in meeting increased Police Officer Pension costs. The position in 2020/21, 2021/22 and 2022/23, with increases in Central Government Grant Funding being specifically applied to growth in new Police Officer numbers (and NI increases in the case of 2022/23), still continues to ignore the costs of inflation and pay awards within existing budgets; new service pressures and budget developments; capital funding; and importantly, the impact of revisions to the Police Funding Formula. **These existing pressures will still need to be met by a combination of efficiency scheme savings and importantly Council Tax Precept growth, a point which Government had clearly recognised by virtue of allowing increased Council Tax Precept flexibility for the fifth year in a row of up to £10 p.a. for English Police and Crime Commissioners in 2022/23.**

101. To support the Commissioner's financial planning and to meet statutory requirements, the OPCC ran an engagement exercise regarding the proposed Council Tax Precept increase from the 18th October 2021 to the 9th January 2022. This was a total of twelve weeks compared to nine weeks for the equivalent exercise last year.
102. This year the OPCC returned to a dual approach for engagement, with a series of face-to-face engagement events across all Local Authorities, being complemented with an online survey. This allowed the OPCC to engage with a sufficient number of people to provide a representative sample of the population of Gwent; and to then provide these people with the maximum available timeframe of purposeful engagement. In total, 25 outdoor community engagement events were planned, with 21 being completed. This totalled 165 hours of engagement in communities, with the OPCC engaging with more than 1,000 people and 360 people completing the survey as a result. The final 4 community engagement events were cancelled due to the widening spread of the Omicron variant. An additional 1,337 people completed the survey online.
103. This approach was part of a wider OPCC drive over the last few years to deliver more efficient, effective and holistic engagement. Engaging with people in the communities that they live and work increased visibility of the OPCC and provided opportunities for members of the public to have their say. This also helps ensure that the OPCC isn't overly reliant on digital feedback and captures opinions from a wider selection of people. Residents of Gwent were asked for their views on a number of Policing issues in Gwent, as well as the proposed level of increase for the Council Tax Precept in 2022/23. In total, up to 15 questions (depending on answers) were asked, which was 3 more than last year and excludes demographic questions.

104. In order to maximise opportunities for engagement, it was determined that the engagement exercise would be launched in advance of receiving the Chief Constable's Budget Bid (received 29th November 2021) and the expected date of a Provisional Settlement (mid to late December 2021). Therefore, when the survey was launched (18th October 2021), it was based, as a minimum, upon estimated financial projections and assumed Council Tax Precept increases of 6.82% p.a. over the MTFP, in order to attempt to maintain Police Officer investment over recent years. However, with a significant amount of financial detail yet to be received by the Commissioner, in order to provide a degree of 'headroom' in setting the Council Tax Precept, the residents of Gwent were asked the following key question:

"Would you support the principle of increasing the Police part of Council Tax by up to £2 a month (based on a band D property) for 2022/23 to maintain Policing at current levels?"

Importantly, a £2 a month increase equates to a rise of 8.33% p.a. The proposed Council Tax Precept increase of 5.00% equates to a monthly rise of only £1.20.

105. The online survey was proactively and repeatedly publicised via social media, local press and the Commissioner's website. In addition to this, public partners, community groups and third sector organisations shared the posts with their audiences via their social media channels.
106. To ensure the OPCC engaged with as wide a range of people as possible, communications were translated into Bengali, Polish, Punjabi Indian and Urdu, before being shared with Local Authority's community cohesion officers. Stamped addressed envelopes with paper copies of the survey were also provided to partners.
107. In addition to general promotion of the survey, a concerted effort was made to ensure the voices of people with protected characteristics were heard. Communications were cascaded to partners working with elderly residents (Age Connect Cymru) and LGBTQ+ residents (Umbrella Cymru). Communications were shared with local registered social landlords and organisations working with Gypsy Travellers. Information was also shared and participants encouraged to voice their views, at the weekly community conference calls with representatives from a wide range of organisations that work with people with protected characteristics. All Town, Community and County Councillors were sent information on the survey with an offer for the OPCC to attend any forthcoming meetings and discuss the survey virtually, as well asking them to share details in their role as community leaders. This approach has been part of a wider drive by the OPCC to establish and grow effective working relationships with partners and stakeholders, complemented by the bespoke content for their channels.
108. As in the last few years, the OPCC used the survey as an opportunity to increase visibility of the Commissioner and the OPCC, while highlighting the core

functions and purposes of the OPCC. To ensure the work was as efficient and holistic as possible, the survey also captured other aspects of public opinion linked to public confidence.

109. In total, this resulted in **1,664** people answering the Council Tax Precept question, "Would you support the principle of increasing the Police part of Council Tax by up to £2 a month (based on a band D property) for 2022/23 to maintain Policing at current levels?"
110. The survey was conducted bilingually and was proactively promoted through the same Welsh Language networks in Gwent as the previous three years.
111. The survey was only open to Gwent residents and details of the Local Authority area in which they lived were recorded. Equality information was also collected and of the people who chose to complete the equalities questions, the majority of people stated their ethnicity as White British. However, 114 people (6.84%) stated another ethnicity. Furthermore, in total, 16% of all respondents stated that they considered themselves to have a disability.
112. It was agreed prior to the launch of the engagement exercise that a representative sample size of 600 would be used, based on the entire population of Gwent. This sample size provided the OPCC with a 95% confidence level that the answers received would be within +/- 4% margin of error on the actual results.
113. A total of 1,697 responses were received by the closing date, meaning a representative sample was achieved. In fact, due to the high level of response, the survey achieved a 99% confidence level that the answers received would be within +/- 4% margin of error on the actual results. For comparison, the 2021/22, 2020/21, 2019/20 and 2018/19 surveys managed representative samples of 1,259, 1,707, 1,875 and 609 responses respectively; this was not the case in years prior to these.
114. Of the 1,697 survey respondents:
 - a) 1,337 completed it online; and
 - b) 360 completed it as part of virtual face-to-face engagement.
115. The results were:
 - a) 750 (44.2%) of respondents supported the principle of up to a £2 per month increase;
 - b) 649 (38.2%) of respondents would not support the principle of up to a £2 per month increase;
 - c) 265 (15.6%) of respondents were unsure; and
 - d) 33 (2%) of respondents didn't answer the question.

116. From a prudent perspective, taking into account a negative swing in the margin of error (minus 4% on the actual results), an increase in Council Tax Precept of £2 per month was supported by the majority of people who took part. **Members should note that the Commissioner's 5.00% proposed increase in the Council Tax Precept amounts to only an additional £14.40 p.a. or £1.20 per month for a Band D household, i.e. only 60% of the value of the increase supported by the majority of residents in Gwent in the survey.**
117. The survey results of the last two years have seen a material move from "yes" to "no", with "unsure" remaining static. It is important that the OPCC understands what it is causing this. When completing the survey and engaging face-to-face, both for the budget setting survey and more generally, residents are given the opportunity to provide extra comments in relation to Policing issues. As with previous years, there was a lot of feedback focused on Police visibility. This is overwhelmingly the biggest factor highlighted to the OPCC around people feeling safe in their communities. The amount of visible frontline Police Officers is always the dominant narrative during engagement, with respondents either supporting an increase in the Council Tax Precept because they wouldn't want any reduction in Police Officer numbers or not supporting it as they want more frontline Police Officers, not just maintaining the status quo. **However, as explained throughout this report, the increase in the Council Tax Precept is designed to maintain previous investment in Police Officers and to complement and maximise the Central Government Grant Funding for the PUP.**
118. This year there was significant feedback about the 'cost of living crisis' and people's ability to pay more for services. The household finances for many people are facing the 'perfect storm' of rises in interest rates, inflation, NI and the energy price cap increase in April 2022. This is compounded by further potential long-term effects from both Brexit and Covid-19. These issues were all repeatedly brought up during engagement by residents.
119. It is important to note however, that residents overwhelmingly support the work of Gwent Police, with less than 10% stating that they do not. The budget question saw a "no" response of just over 38% of respondents however, which emphasises the issue of affordability for many people.
120. Whilst these findings of the engagement exercise are instrumental in assisting the Commissioner in setting his Council Tax Precept for 2022/23, the comments provided in the 'free text' element contain invaluable feedback to both the Commissioner and Chief Constable. As such, a detailed report has been prepared on this exercise which will be considered at the OPCC Management Board on 24th January 2022 and will be shared with Members.

MEDIUM-TERM FINANCIAL PROJECTIONS (MTFP) 2022/23 to 2026/27 (Appendix 1b)

121. The latest MTFP is shown at Appendix 1b and its objective analysis, detailed assumptions, service pressures, budget developments, budgetary savings and efficiency schemes which support the projections, are provided at Appendices 1c, 2, 3, 4, 5a and 5b.
122. Members will note that a balanced recurrent budget (after efficiency savings) is **not** achieved in 2022/23, as it relies on potential Reserve and Committed Funds utilisation of £2.525m. This is to the backdrop of sustaining £52.751m of cumulative efficiency savings already accounted for, up to and including 2021/22; the delivery of £1.021m of savings in 2022/23; and future funding uncertainties such as sustaining PUP; and the potential implications of years two and three of CSR 2021. Moving forward, reflecting the Provisional Settlement and estimating the impact of CSR 2021; Covid-19 and Brexit implications; the Police Funding Formula review; and coupled with internal assumptions beyond this, present further funding pressures. It is forecast therefore, that these will form a recurring funding deficit (after future planned efficiency savings) of £9.773m by 2026/27.

FUNDING ASSUMPTIONS (Appendix 2)

123. The following funding bases and assumptions (Appendix 2) have been incorporated within the current MTFP:

a) Central Government Grant Funding (HO/WG):

- i Funding growth on Central Government Grant Funding for 2023/24 of £1m and a further £1.5m in 2024/25 as per the CSR 2021 assumption, before reverting to 'flat cash' in 2025/26 and beyond – this therefore does not take account of growth in future reallocations (as seen between 2017/18, 2018/19, 2019/20, 2020/21 and 2022/23 – 2021/22 saw a drop back to 2019/20 levels) and also the inherent risk in the sustainability of public finances in the current economic turmoil, particularly with reference to Covid-19 and Brexit;
- ii The revision of the Police Funding Formula from 2024/25, (postponed from the original expected date of 2016/17), results in a £6m reduction in Central Government Grant Funding across three years to 2026/27. This remains a real and present threat as the review has recommenced; and
- iii Specific Grants, which have yet to be confirmed, have been assessed to remain at 2021/22 levels; provisionally indicated amounts; or removed as per the narrative earlier in this report. The major item of risk in this assumption is the Specific Pension Grant of £1.325m received in 2019/20, 2020/21, 2021/22 and 2022/23. As this has **not** formed part of core Central Government Grant Funding in each of the four years highlighted and also that future funding of the increased Police Officer pension costs has not been resolved as part CSR 2021, it may not be prudent to assume that this funding stream is recurrent.

b) Council Tax Precept and Base:

- i An increase in Council Tax Precept of 5.00% in 2022/23 and 6.82% thereafter to 2026/27. This growth is required to part-fund not only the maintenance of a full Police Officer, Police Staff and PCSO establishment, but meet unavoidable service pressures throughout the MTFP. **Importantly, the Council Tax Precept Growth will also contribute to an additional 10 PCSOs who will be recruited in 2022/23, taking the total PCSO establishment to 172. The ambition of the Commissioner and Chief Constable is to further grow the PCSO establishment through Council Tax Precept to 196 by 2026/27.** This Council Tax Precept increase is insufficient, however, to counter the effect of 'ring-fenced' Central Government Grant Funding in 2020/21, 2021/22 and 2022/23; the modest growth forecast for 2023/24 and 2024/25 and flat cash beyond this; nor the potential £6m reduction from the revision to the Police Funding Formula. These variables have all been incorporated into the MTFP at Appendix 1b; and
- ii The Council Tax Base will increase in 2022/23 by 0.67%, exactly half the annual growth seen in the financial year prior to Covid-19 and consistent with the OBR's revised November 2021 forecast of 0.6% (the OBR's March 2021 forecast was 0.8%). It has been assumed that for 2023/24 onwards, the Council Tax Base growth will continue at a rate of 0.67% (as opposed to the average of the preceding three years, due to the impact of Covid-19).

EXPENDITURE ASSUMPTIONS (Appendices 2, 3 and 4)

- 124. The pay and non-pay cashable efficiency target for 2021/22 of £676k will be met and furthermore, budget reductions of £194k have been identified for 2022/23. Both these amounts have been fully recognised in the 2022/23 base expenditure budget and the MTFP reflects the impact of these savings/reductions moving forward. The 2022/23 Continuous Improvement cashable efficiency scheme target of £1.021m will be delivered through the year.
- 125. In terms of the largest area of spend, Police Officer, PCSO and Police Staff establishments have been set at current authorised levels as determined by the Operational Policing Model review and the Continuous Improvement Programme; then refined for future expected leavers, efficiency schemes and recruitment plans. In summary:

a) Police Officer Establishments:

- i The MTFP plans towards a sustainable Operational Policing Model by 2026/27 of 1,506.0 wte, reflecting the investment in Police Officer numbers funded by Council Tax Precept growth over 2016/17, 2017/18, 2018/19 and 2019/20 and also Police Officer investment by virtue of the PUP from 2020/21 to 2022/23. At the 31st March 2022, the estimated actual numbers of Police Officers will be 1,464.0 wte (41.0 wte over establishment). Members will recall that the budgeted establishments in preceding years stood at 1,423.0 in 2021/22, 1,362.5 wte in 2020/21, 1,330.0 wte in 2019/20, 1,282.0 wte in 2018/19, 1,236.0 wte in 2017/18

and 1,196.0 wte in 2016/17, therefore the Commissioner and Chief Constable have tangibly invested additional Council Tax Precept into frontline Policing delivery. Members will also note that to meet this budgeted establishment, between 2016/17 and 2021/22, the Force will have recruited around 725 new Police Officers to replace not only those who have left, but also to new posts to tackle new and emergent demand. It is the Commissioner and Chief Constable's intentions to maintain Police Officer numbers over the medium-term, only reducing them as a last resort if efficiency schemes from other conventional areas of Policing demand as per the HMICFRS Value For Money (VFM) Profiles (see paragraphs 164 to 175) fail to deliver savings to meet the recurrent deficit. This said however, the requirements of the PUP funding necessitated forces to submit baseline establishments from which the PUP numbers could be measured from – to reduce this baseline therefore, by virtue of the need to make efficiency savings, may not be tolerated by the HO. This is an issue which will need careful negotiation. Recruitment of 133 probationer Police Officers (plus an additional 5 from external sources such as other forces and 'Police Now') is scheduled throughout 2022/23 to replace natural vacancies in the Operational Policing Model and also new Police Officers funded through the PUP. Maintenance and review of the Police Officer establishment is a core component of the Continuous Improvement Programme; therefore recruitment requirements will be constantly under review and will be necessary to meet particular specialist needs and to support longer-term sustainability.

b) Police Staff Establishments:

- i The Police Staff establishment will need to complement and support the Operational Policing Model. Design of the Police Staff establishment continues to be developed through the Continuous Improvement Programme, with the budgeted establishment in the MTFP of 819.9 wte in 2022/23, remaining at this level to 2026/27 (excluding PCSOs), reflecting the continuing investment in Police Staff (on a 3:1 ratio) from the PUP. The 2021/22 budgeted establishment was 803.9 wte. At the 31st December 2021, the actual numbers of Police Staff were 773.8 wte, supplemented by a further 37 wte agency staff (therefore 30.1 wte under the 2021/22 budgeted establishment or 6.9 wte over including agency staff). This agency staff flexibility has been designed to facilitate the delivery of the Continuous Improvement Programme's efficiency schemes throughout past and present MTFPs; and whose programme of work will determine the affordable and therefore sustainable Police Staff establishment moving forward. However, it has been well publicised in previous budget reports that these agency roles are undertaking duties to support frontline Policing work (e.g. Major Incident Team Support Officers (MITSOs)), necessitating an acknowledgement that the Police Staff establishment needs to keep pace with the growth in the Police Officer establishment. This position has been amplified with the recruitment of the PUP Police Officers, with the allocation of funding to recruit the associated Police Staff also;

- ii The actual PCSO numbers at 31st December 2021 were 156.55 wte compared to a budgeted establishment of 172.0 wte for the start of the 2022/23 financial year (162 wte was budgeted for 2021/22). Plans are already in place to recruit PCSOs in order to not only reach establishment for the start of the 2022/23 financial year and to also counter natural wastage (particularly into Police Officer roles), but to also increase the PCSO budgeted establishment by 10 during 2022/23 to 172 wte. The Chief Constable and the Commissioner have committed to this recruitment, which will improve visibility and re-assurance across Gwent's communities. **Holding the Council Tax Precept increase at 5.00% will directly contribute to this £350k new investment during 2022/23; and**
 - iii **As mentioned previously in this report, the ambition of the Commissioner and Chief Constable is to further grow the PCSO establishment through Council Tax Precept to 196 by 2026/27 (including 121 wte funded by WG).**
126. The assumptions for pay awards, allowances, enhancements and non-staff inflation have been revised to those used in the 2021/22 budget setting round. They have been thoroughly scrutinised throughout the budget preparation and are as follows:
- a) Pay awards, allowances, enhancements etc.:
 - i Following SR 2020, pay awards for Police Officers and Police Staff in 2021/22 were zero. However, CSR 2021 confirmed that the Public Sector pay award freeze will end in 2022 and to this end, a 3.5% pay award has been reflected for 2022/23, 2.5% for 2023/24, 2% for 2024/25, then reverting to 3% p.a. for the rest of the MTFP. The basis for these assumptions is dialogue within the Policing Sector and a drive for consistency across Chief Finance Officers;
 - ii As discussed previously in this report, the additional 1.25% on employer NI rates from April 2022 adds a recurrent pressure of £785k in 2022/23, which will grow each year on account of pay awards and incremental growth; and
 - iii Aside from the increased employer contribution rates as a result of the revaluation of the public sector pensions (including Police Officer pensions) considered extensively in this report thus far, the LGPS has also undergone its triennial revaluation in 2019 (reported March 2020). From the 2016 revaluation 2018/19 saw Police Staff (including PCSOs) employer contributions rise by 1% to 16.8% with a further rise of 1% to 17.8% in 2019/20. By accepting these increases, the rate of 17.8% is set until the end of 2022/23 financial year, therefore obviating any changes from the recent 2019 revaluation.
 - b) Non-staff inflation (2022/23 to 2026/27):
 - i General – 2% throughout the MTFP, which although lower than the short-term spike, provides for the medium-term position from the OBR. The financial risk will therefore be managed during 2022/23;

- ii Utilities – Based on market expectation, Gas and Electric bills are expected to rise significantly from the 1st April 2022 by 16% and 15% respectively. Moving on from this new base beyond 2022/23, annual rises are expected to be 4% p.a. and
 - iii Fuel – limited to 4% p.a.
127. Base expenditure service pressures and budget developments that have been identified during the detailed budget preparation, which are not able to be absorbed within the existing budgets, have been incorporated. These are shown at Appendix 4. Members will note these marginal increases on base budgets, however, paragraphs 130 to 164 below draw out not only these, but the demands and pressures that are being absorbed by existing base budgets, such as that for Police Officers and also the ‘case’ for continuing to invest in Police Officer and PCSO numbers moving forward, through the delivery of recurrent efficiency schemes and increases in Council Tax Precept.
128. Additional borrowing revenue costs for capital investment have been reflected to help fund the Commissioner’s Capital Programme. This amounts to revenue interest charges of £189k p.a. in 2022/23 cumulating to £1.962m p.a. by 2026/27, as borrowing is undertaken to fund the future Capital Programme as the Commissioner’s Reserves and Committed Funds become fully utilised. A further revenue charge in relation to the Minimum Revenue Provision (MRP) is recognised from 2023/24 onwards, increasing from £197k p.a. in 2023/24 to a cumulative total of £1.953m p.a. by 2026/27. This is to the backdrop of the removal of capital funding by the Government and the finite nature of the Commissioner’s Reserves and other Committed Funds. The full funding of the capital strategies is discussed within the ‘Reserves and Committed Funds’ section of this report.
129. As discussed previously, the Commissioner received the Chief Constable’s 2022/23 budget bid on 29th November 2021, which commenced a period of robust scrutiny and testing by the OPCC with the Force’s Chief Officer Team. Subsequently, a presentation based on the budget bid was presented to Members on the 10th December 2021, as a core part of setting the Finance Strategy, Council Tax Precept and 2022/23 budget.
130. The context of the Force’s bid was very much building upon improvements in recent years and planning for the future. The Force needs to continue positioning itself to deliver the Commissioner’s Police and Crime Plan 2021 - 2025 (whilst acknowledging that there will most likely be Police and Crime Commissioner elections in May 2024), the Government’s Beating Crime Plan and the Policing Vision 2025; all to the backdrop of financial constraints; increasing unavoidable service pressures (Appendix 4); Policing more complex crime types; and Policing in the digital age. In summary, the context of the Force’s bid was:
- a) Focussing (since 2009/10) on improving quality of service whilst making significant financial savings of £52.1m to date – but financial challenges remain;

- b) Facing a complex Policing environment – the pace of technological change; changing terrorism threat level; public services funding; Brexit; Covid-19; VAWG; public confidence and Criminal Justice challenges;
 - c) Increasing demand across SOC, Vulnerability and Hate Crime. The budget bid is predicated on continuing to provide the necessary specialist Police Officers to address these risks and manage the threats identified;
 - d) Continuing focus and prioritisation of Threat, Risk and Harm to the most vulnerable in society, with the implementation of the Safeguarding and Problem Solving Hubs;
 - e) Collaborative work programme to improve systems, enhance efficiency & effectiveness;
 - f) Continued monitoring of workforce skills, capability and capacity, while also recruiting through the PUP and local recruitment drives; and
 - g) Working with partners, the OPCC and Welsh and UK Governments to build a sustainable service for the future and learning from Covid-19 for Gwent's Police Officers, Police Staff and wider communities.
131. The 2022/23 areas of focus remain consistent with those outlined in the Chief Constable's 2021/22 budget bid, providing a high level of consistency for the Force over the medium-term. The drivers for the Chief Constable's bid for 2022/23 are discussed below:

Building upon the Successes in the Chief Constable's 2021/22 Delivery Plan

132. Looking back over the current financial year, a number of key achievements are highlighted below:
- a) Continuing to strive towards a 20% reduction in crime over next five years;
 - b) Increasing crime prevention through the development and implementation of Problem Solving Hubs, Diversion Provision and Safeguarding Hubs;
 - c) The implementation of Gwent Police's new Operating Model, ensuring more efficient and effective ways of working are embedded to improve service delivery;
 - d) Significant progress made against the PUP - 205 total additional Police Officers, including 123 through 2020/21 and 2021/22 and another 82 by 2023 through the ringfenced PUP;
 - e) An ongoing commitment to Equality, Diversity and Inclusion through significant investment in the Joint Strategic Equality Plan;
 - f) Increasing Public Confidence as a measure of Gwent Police's service delivery;

- g) Successful working with the Strategic Coordinating Group for the Covid-19 response and recovery;
- h) Continued investment in the Wellbeing and People Plan;
- i) Gwent Police's continued success in collaboration across Wales and across services; and
- j) A new approach to Governance and Commissioning, aligning OPCC and Force priorities through the Strategic Planning Group, Service Improvement Board and Commissioning Group.

The above successes are explored further below.

Continuing to Improve Force Performance and Improving the Quality of Service

133. The Force along with the OPCC and PCP have continued to develop a new Performance Framework over recent times, giving greater holistic accountability.
134. The Force's investment in crime prevention and problem solving is having a measurable and positive impact for Gwent communities:
 - a) In return for the 20,000 new Police Officers under PUP, the Government has set an expectation of a 20% reduction in crime over the next five years. In the first half of the year, recorded crime fell from 29,478 crimes in 2019/20 to 26,830 in 2021/22 - **a 9% reduction**;
 - b) Crime fell even further in the full Covid-19 year of 2020/21 to 25,525 and as can be seen, the Force has managed to sustain many of those reductions;
 - c) In 2020/21, the Force reached positive outcomes in 16.4% of cases. This was a significant increase from the previous year's total of 11.6%; and
 - d) Public Confidence in Gwent Police stands at 76%:
 - i Almost 9 in every 10 people surveyed said that Gwent Police has their support;
 - ii Around four fifths are confident they can easily speak to the Police in their area;
 - iii More than 8 in every 10 people surveyed are confident that they would receive a good service from Gwent Police;
 - iv More than three-quarters believe that Gwent Police are doing an excellent or good job; and
 - v Public confidence is highest amongst females - at 80%.
135. From an external perspective, the following HMICFRS headlines are worthy of note:

a) 2021/22 inspections:

- i **A review of 'Fraud: Time to choose'** - The inspection examined how the Police Service and other interested bodies responded to the recommendations and areas for improvement (AFIs) made in the original 2019 inspection. Gwent Police was one of eleven forces selected for fieldwork which took place in February 2021. This comprised a document review, meetings with business leads and focus groups with frontline staff. The report was published in August 2021 and concluded that some of the sixteen recommendations and five AFI's issued in 2019 had been met and further work was required for others. In support of this, HMICFRS issued three new recommendations which are being progressed through business leads;
- ii **Neurodiversity in the Criminal Justice System: A review of evidence** - Although not a formal inspection, following the Force's submission to a call for evidence from the Inspectorates, Gwent Police was identified as having positive practice in this area and was selected as a force for fieldwork activity in March 2021. The final report was published in July 2021 by Her Majesty's Inspectorate of Prisons, Her Majesty's Inspectorate of Probation along with HMICFRS. Recommendations were not issued to Chief Constables, however, the Force awaits publication of the overarching national strategy by the MoJ and the outcomes of the national recommendations;
- iii **Police super-complaints: force response to Police perpetrated domestic abuse** - This is an on-going Super-Complaint investigation of which Gwent Police were subject to fieldwork in March 2021, which comprised of a file review. Initial feedback was delivered by HMICFRS to business leads following the review, however forces are awaiting a data request by the College of Policing to support the investigation; and
- iv **A joint thematic inspection of the Criminal Justice journey for individuals with mental health needs and disorders** - The inspection was led by HM Inspectorate of Probation with input from HMICFRS, Her Majesty's Crime Prosecution Service Inspectorate, Her Majesty's Inspectorate of Prisons and the healthcare inspectorates in England and Wales. It followed the progress of individuals through the Criminal Justice System from first contact with the Police to release from prison. Fieldwork took place in April 2021 and comprised of a case file review, document review, interviews with force leads and focus groups with frontline staff. The report was published in November 2021 and recommendations have been issued to all Police forces. Gwent Police were commented on positively in the report with regard to the Mental Health and Learning Difficulties Criminal Justice group and mental health professionals and social workers in the Force's Control Room.

- b) The Force's next PEEL (Police Effectiveness, Efficiency and Legitimacy) Inspection is scheduled for November 2022. This timeframe affords the opportunity to progress work against outstanding recommendations and areas for improvement as well as to address any areas that the Force has identified. PEEL is designed to give the public information about how their local Police force is performing in several important areas, in a way that is

comparable both across England and Wales and year on year. The assessments are updated throughout the year following inspection findings and reports;

- c) In relation to HMICFRS's 'Areas For Improvement', these will continue to be monitored by a newly created internal 'Inspection Team', consisting of a small team of dedicated Sergeants; and
- d) The Force's 'Force Management Statement 2021/22' (FMS) is in draft form and will be submitted to HMICFRS in May 2022.

136. For context, 2019/20 saw HMICFRS' fifth PEEL assessment of the Force. The final findings for the 2019/20 PEEL assessment were as follows:

- a) The extent to which the Force is **effective** at keeping people safe and reducing crime – Overall **Good**:
 - i Preventing Crime and Tackling ASB – **Good**;
 - ii Investigating Crime – **Good**;
 - iii Protecting Vulnerable People – **Good**; and
 - iv Tackling SOC – **Good**.
- b) The extent to which the Force is **efficient** at keeping people safe and reducing crime – Overall **Good**:
 - i Meeting Current Demands and Using Resources – **Good**; and
 - ii Planning for the Future – **Good**.
- c) The extent to which the Force is **legitimate** at keeping people safe and reducing crime – Overall **Requires Improvement**:
 - i Fair Treatment of the Public (Stop and Search) – **Requires Improvement**;
 - ii Ethical and Lawful Workforce – **Requires Improvement**; and
 - iii Fair Treatment of Workforce – **Good**.
- d) In relation to the areas that 'Require Improvement', the Force recognises:
 - i The importance of working closely with communities, with Police Officers and Police Staff understanding how important it is to treat people with fairness and respect. However, it was acknowledged that frontline Police Officers and Police Staff varied in their knowledge of unconscious bias;
 - ii That the workforce understands how and when to use 'Stop and Search', however, the monitoring of the use of 'Stop and Search' needs to improve;
 - iii That more needs to be done to ensure that all members of the workforce are appropriately vetted for the posts they hold. In addition, the monitoring of people who apply for roles needs to be undertaken, to see if they belong to certain protected minority groups; and

- iv The need to improve how it spots and manages risk of corruption and to ensure it has enough people and resources to do this work.

Maximising Returns on Investment and Delivering Efficiencies and Benefits

- 137. Since 2009/10 the Force has been on a journey that has continuously focussed on improving the quality of the service provided to the public, whilst at the same time making significant financial savings in light of the austerity challenges that have and continue to face Policing. As highlighted previously, since 2009/10 the Force has made over £52m of cashable efficiency savings.
- 138. Within the last five financial years, the journey has been one of re-shaping services where there has been an increase in demand and more importantly increased risk to the public.
- 139. Resources have been focussed on the following service areas over the last five financial years:
 - a) 2017/18 - Risk, Harm and Threat to ensure the public of Gwent are safe and included investment in:
 - i Public Protection and Vulnerability;
 - ii Cyber Crime; and
 - iii Mental Health Services.
 - b) 2018/19 - The resources were focussed on development and innovation including:
 - i Investing in People – Recruitment, Wellbeing/Occupational Health and Learning and Development;
 - ii Custody Provision;
 - iii First Point of Contact (FPOC); and
 - iv Digital Policing.
 - c) 2019/20 - The resources were focussed on the following programmes of change:
 - i Digital and ICT solutions such as 'Single Online Home' (SOH) and the Microsoft Office 365 (M365) National Enabling Project;
 - ii Review of the Operational Policing Model;
 - iii Implementing the Investigation Strategy;
 - iv Developing the Criminal Investigation Department (CID) Services within the Public Protection Unit (PPU);
 - v Developing the Neighbourhood Policing Strategy; and
 - vi Delivering the New Headquarters (HQ) and associated projects.
 - d) 2020/21 - The resources were focussed on the following programmes of change:

- i Concluding the review of the Operational Policing Model and delivering PUP;
 - ii Continuing to develop ICT System improvements such as SOH;
 - iii Maintaining Diversion provision - Working with partners to create perpetrator programmes;
 - iv Uplifting Taser trained Police Officers in Gwent to 342, thereby improving capacity;
 - v Continuing to work to develop a regional approach to Sexual Assault Referral Centres (SARC);
 - vi Maintaining the focus on victims – reviewing victims’ services provided by Connect Gwent and evaluating safeguarding and mental health services provided within FPOC;
 - vii Ongoing disruption of OCGs – continuing to develop proactive and coordinated provision to tackle OCG activity in Gwent;
 - viii Reviewing the Estate Strategy to ensure it reflects changes to the Operational Policing Model, to ensure sustainability and green issues are fully accommodated and to also ensure that it will release cashable efficiency savings;
 - ix Investing in the Anti-Corruption Unit (ACU) and associated technology to ensure a more proactive approach;
 - x Continuing to embed the PEQF, which has been in operation since March 2019;
 - xi Delivering the Early Action Together programme, with 1,300 Police Officers and Police Staff having been trained to date, in addition to 400 staff across partner agencies; and
 - xii Continuing delivery of the Continuous Improvement Programme of work, to deliver an efficient and effective service provision.
- a) 2021/22 - The resources were focussed on various services experiencing increased demand including:
- i Crime prevention – including Problem Solving Hubs and the ‘We Don’t Buy Crime’ initiative;
 - ii Response Policing;
 - iii Cyber Crime;
 - iv Victims’ Services;
 - v PPU – particularly in relation to the establishment of Multi-agency Safeguarding Hubs in each of the five Local Authorities;
 - vi PCSOs – The Chief Constable and the Commissioner committed to the recruitment of a further additional 10 PCSOs that were added to the establishment to increase the numbers to 142 wte which will improve visibility and re-assurance across our communities. WG also committed to increase their contribution of PCSOs to the Force from 101 wte by 20 wte which means the establishment is 162 wte in 2021/22. Furthermore, as previously discussed, as part of this year’s budget and the increase in Council Tax Precept, an additional 10 wte Force funded PCSOs will be added to the establishment in 2022/23; and
 - vii New technologies to support Policing, such as Facial Recognition and Digital Evidence Management.

140. In successfully implementing the Force's new Operating Model and the above focus on resources, a number of investments and operational changes are bearing fruit:

- a) Dedicated Problem Solving Hubs have been established in each Local Authority area to prevent crime and tackle issues facing communities;
- b) The 'We Don't Buy Crime' initiative has been rolled out to work closely with Problem Solving Hubs to improve crime prevention and target volume crime reduction;
- c) Neighbourhood Policing delivery and engagement has been improved through recent and planned investment in PCSOs;
- d) Response Policing capability and capacity has been realigned to improve performance;
- e) Operational Support Departments such as the Area Support Unit, Dog Section and Roads Policing have been centralised and aligned to better support the front-line response;
- f) Dedicated Safeguarding Hubs have been established in each Local Authority Area, based on co-location of multi-agency staff. Their work is to optimise opportunities for safeguarding, streamline processes and communication and ultimately support the front-line;
- g) Increasing capacity to tackle Cyber Crime by investing in the Police On-Line Investigation Team (POLIT), to address the 35% increase in demand in a year;
- h) Improving capacity and realigning expertise with the Criminal Investigation Department's Public Protection Unit (CID PPU) to improve safeguarding in support of the Safeguarding Hubs;
- i) Investment into Victims' Care Officers in Connect Gwent, to improve the victim's journey through the Criminal Justice process;
- j) Recruitment of a 'Benefits Realisation Officer' within the Force's Continuous Improvement Department, to establish and track the benefits from investments;
- k) Maintaining the investment in Taser trained Police Officers, taking the total number from 342 in December 2020 to 450 by April 2022; and
- l) Continuing the successful investment in technology by introducing Retrospective Facial Recognition and the Digital Evidence Management System.

141. The following narrative highlights a number of Operational efficiencies from recent investments:

- a) Releasing Police Officers to the front line by employing Police Staff to reduce waste/demand (e.g. Police Staff Investigators (PSIs) and the 'Cyber' PCSO);
- b) Better alignment of HR Business Partners, providing consistent absence support bringing people back to work;
- c) Developing and embedding the 'Futures Group' which undertakes 'horizon scanning' to bring efficiencies through national best practice and innovation;
- d) 'Ignite Innovation Platform' – introduced to allow Gwent's Police Officers and Police Staff to solution-build where inefficiencies are found;
- e) Chief's Roadshow - Keeping Police Officers and Police Staff better informed and working smarter through providing direction and strong leadership; and
- f) Gwent's and the All-Wales Productivity and Efficiency Group – Ensuring benefits are the focus of our improvement work.

142. The following narrative highlights a number of Technological efficiencies from recent investments:

- a) Previous investment in technology enabled Police Officers and Police Staff to work flexibly, whilst ensuring service delivery was not affected for partners or communities across Gwent as a result of Covid-19. Workers previously defined as 'Fixed' (i.e. unable to work on an agile basis) were mobilised utilising staff from the Force's joint (with South Wales Police) Digital Services Division (DSD) and the multi-agency Shared Resource Services (SRS) to develop a process to prioritise, build and issue laptops and associated equipment to support those working at home or whilst self-isolating/shielding. The Force's FPOC suite was split over three sites to protect this critical service, thereby maintaining social distancing rules and providing resilience. FPOC staff working from home were able to take 101 calls;
- b) Recruitment – Four Force investment in a single online recruitment platform;
- c) Pensions Hub – Collaborative hub now serving Police Officers across Wales and thereby saving time and money;
- d) Digital Evidence Management System – Success Pilot in Newport and now rolling out across the Force to drive £325k in productivity efficiencies and £26k annual cashable savings;
- e) DSD – Field, Fixed and Flexible roll-out and implementation of the National Enabling Programme has realised productivity efficiencies and cashable savings of £992k;
- f) SOH - Review of SOH is due imminently to show the demand reduction in the Force's FPOC Suite;

- g) Telephony – the ‘Voice Analytics’ business case due for Post Implementation Review in July 2022;
 - h) Telematics – This will deliver real-time vehicle tracking, electronic log book and predictive servicing;
 - i) Facial Recognition – This has been running recently and has been delivering faster identification of suspects, victims and witnesses thereby improving investigations, with 24 positive hits resulting in 3 arrests; and
 - j) Microsoft Office 365 – Enabling partners to be more efficient, resulting in reduced travelling and less delayed/cancelled meetings.
143. The following narrative highlights a number of planned Estate benefits from recent and planned investments:
- a) New Headquarters – This Flagship Building will significantly contribute to the Greener Gwent Strategy and deliver over a £1m of cashable savings in running costs. It was completed in November 2021 within its £32m budget;
 - b) Abergavenny Police Station – This will deliver a fit for purpose, environmentally sustainable provision, to meet operational and public requirements in the north of the Force area; and
 - c) Gwent Police Operational Facility – Again, this will deliver a fit for purpose, environmentally sustainable provision to meet operational needs for Custody, training, Fleet workshops and local Policing response. It will be built in the most beneficial location for Police Officer travel time and access to other Policing partners.
144. All the above said however, by 2026/27 the Force still faces a recurrent deficit of £9.773m after accounting for £4.329m of cashable efficiency savings.
145. The Force will continue its delivery of an efficient and effective service provision - the Continuous Improvement approach of this work will see reviews of Learning and Development, along with various cost saving measures that can be implemented as the Force moves to the new Headquarters in early 2022. The Continuous Improvement approach includes demand analysis, end-to-end process reviews, future demand modelling, service levels and benchmarking.
146. In summary, the Force will focus both on sustaining Policing Services to the public to meet the emerging demand arising from Brexit and Covid-19, whilst also developing its services in line with the new Operational Policing Model, which has been complemented through the Government’s investment in the PUP.

Investing in People

147. With 74% of the 2021/22 Gross Revenue Budget (GRE) (83% of Net Revenue Expenditure (NRE)) dedicated to pay related costs and the critical roles they play, it is imperative that the Force maximises the returns from its people:

- a) Gwent Police have reduced Police Officer absence from 4.8% in March 2020 to 2.6% in March 2021;
- b) Similarly, in the same timeframe, Police Staff absence has reduced from 3.8% to 2.6%;
- c) Between 2016 and 2023, Gwent Police will see an increase of around 360 Police Officers – 198 will be funded through the PUP with around 160 funded via the Commissioner through Council Tax Precept increases prior to the PUP. 7 further Police Officers will be deployed to the ROCU;
- d) Gwent Police will have increased their percentage of female Police Officers by 5% between 2017 and 2021, representing over 36% of the Police Officer numbers;
- e) In addition, Gwent Police's workforce diversity has seen improvement since 2017, with 2.9% of Gwent Police Officers now from BAME backgrounds. At the 31st June 2021, the percentage of people from BAME backgrounds in Gwent amounted to 5.3%. Newport has nearly 5 times the percentage BAME population than its next closest Local Authority, therefore, to provide context across the other Local Authorities in Gwent, whose percentage of BAME population are similar, their percentage of people from BAME backgrounds amounts to 2.2%. Gwent Police therefore continues its journey to be representative of its communities;

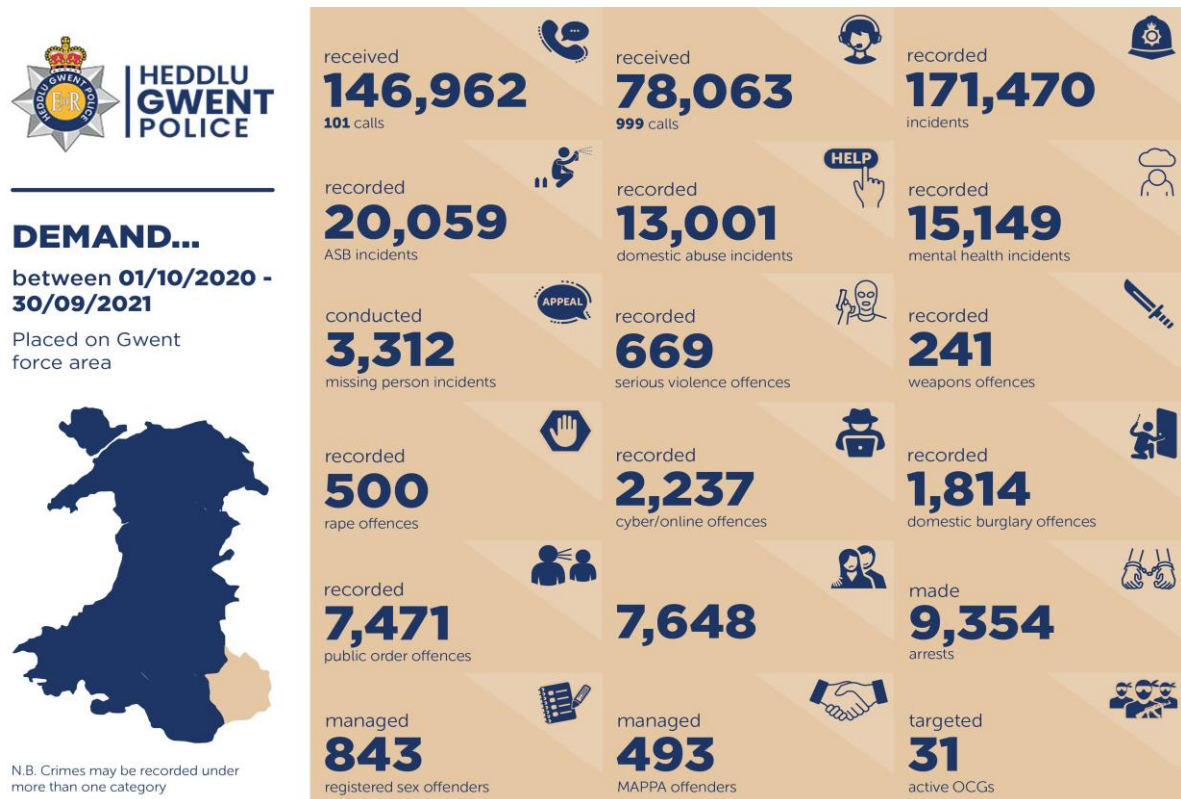
148. The following narrative highlights a number of Welfare benefits from recent investments:

- a) Oscar Kilo – This is the National Police Wellbeing Service and now includes a new Men's Health Forum;
- b) Samsung Galaxy Pro – Wellbeing apps are now issued on Force mobile phones;
- c) MORALE Contract – This is delivered in-Force and reinforces the commitment to staff support and wellbeing;
- d) Wellbeing Strategy – Delivered by the Head of People Services and supported and reinforced through the Chief's Roadshows;
- e) Joint Strategic Equality Plan – This supports equality in the workplace and is scrutinised through the Legitimacy Board;
- f) Challenging our Culture – This ensures Police Officers and Police Staff are happy and safe in the work place;

- g) Chwarae Teg Surveys – These surveys and action plans support the equality agenda through diversity and safe workplace workshops; and
- h) Occupational Health Department's support.

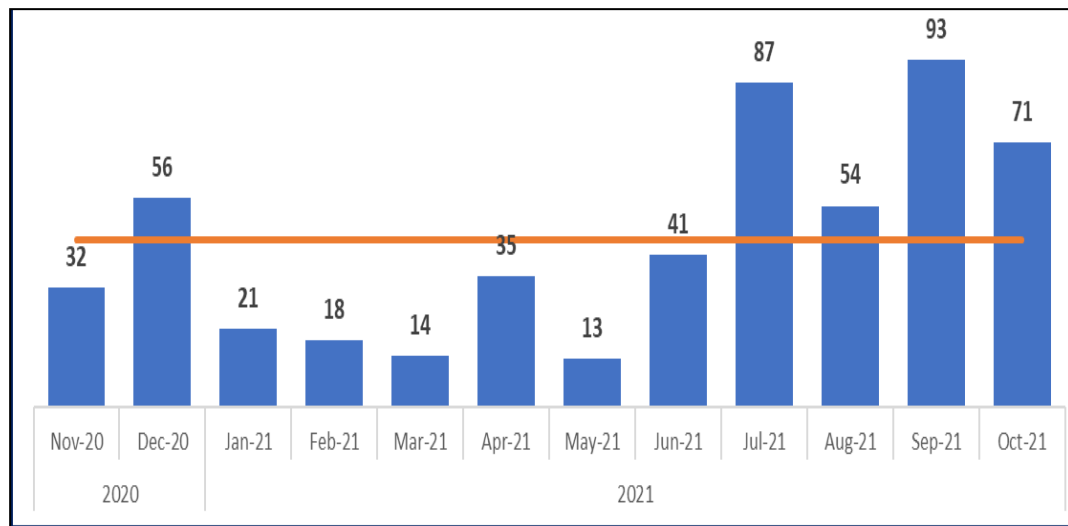
Managing Demand and Successful working with Partners

149. The following infographic captures the demand placed upon the Gwent Police Force area between 1st October 2020 and the 30th September 2021:



150. In addition to the above, the infographic at the end of this report highlights a typical day in the Force.

151. The following infographic captures the number of incidents in which Gwent Police supported partners in delivering their activities, such as Welsh Ambulance Service NHS Trust attendance; supporting Social Services in Local Authorities; and dealing with individuals in a mental health crisis.



Planning for the future

152. The Force continues to deliver the Six Strands of the Policing Vision 2025:

- a) Local Policing – The Force continues to tailor Local Policing to society's complex and diverse needs, continually balancing the:
 - i Capacity and capability of Police Officers and Police Staff;
 - ii Requirements for warranted powers;
 - iii Visibility of Police Officers against dealing with non-visible crime;
 - iv Requirements and ability to maintain community cohesion; and
 - v The need to focus on prevention and intervention e.g. the programme of work to deal with 'Adverse Childhood Experiences (ACEs)', through the multi-agency Early Action Together programme.
- b) Specialist Capabilities – To better protect the public, the Force will enhance its response to new and complex threats and will develop its network and the way it delivers specialist capabilities by reinforcing and connecting Policing locally, nationally and beyond;
- c) Workforce – By 2025 Policing will be a profession with a more representative workforce that will align the right skills, powers and experience to meet challenging requirements; thereby retaining a workforce that is able to operate with a high degree of autonomy and accountability;
- d) Digital Policing – Digital Policing will make it easier and more consistent for the public to make digital contact; improve the Force's use of digital intelligence and evidence; and ensure the Force can transfer all material in a digital format to the Criminal Justice System;
- e) Enabling Business Delivery – Police forces and partners working together in a consistent manner to enable joined up service delivery; and

- f) Governance and Accountability – Ensuring clear accountability arrangements to support Policing at the local, regional and national levels.
153. The planned programme for the 2022/23 financial year was developed following the review of operational delivery through both the FMS, HMICFRS Inspections and Audit Wales findings. In addition, the Force has also needed to consider three other factors. These are the longer-term impact of Brexit; the transition from Covid-19; and also the opportunities presented through the PUP.
154. The draft 2021/22 FMS identifies the following key challenges facing the Force:
- a) Continued reductions in real terms funding leaving a deficit of £9.773m by 2026/27;
 - b) 38% of the Police Officer workforce will be under five years of service by March 2023;
 - c) The need to align resources and processes across the Force for the management of offenders;
 - d) Improvement to file quality;
 - e) Youth Offending Services development;
 - f) Capacity and capability issues across a number of areas to support:
 - i Investigation of Child Centred Exploitation and Children Sexual Exploitation;
 - ii Management of Sex Offenders and Violent Offenders; and
 - iii Investigation of Cyber Crime.
 - g) Increased training of Police Officers in areas of stalking, harassment and coercive control.
155. Whilst the economic impact of Covid-19 and Brexit have been discussed previously, both have seen an increase in public order demand through protests and demonstrations. All 'Blue-Light' services have seen an increase in demand (particularly through Covid-19) and there is significant pressure on the Health Service which has created displaced demand into Gwent Police.
156. In respect of the PUP, the MTFP plans for an extra 205 Police Officers in Gwent to fight crime by March 2023, as part of 20,000 extra Police Officers nationally. A total of 123 additional Police Officers will have been recruited by the start of the new financial year and this has fed into the review of the Operational Policing Model.
157. During 2021/22, the Force successfully collaborated on Information Governance arrangements and have embedded National Enabling Programmes such as M365 and SOH. These programmes have seen significant change through the Force in the delivery of service both to the public

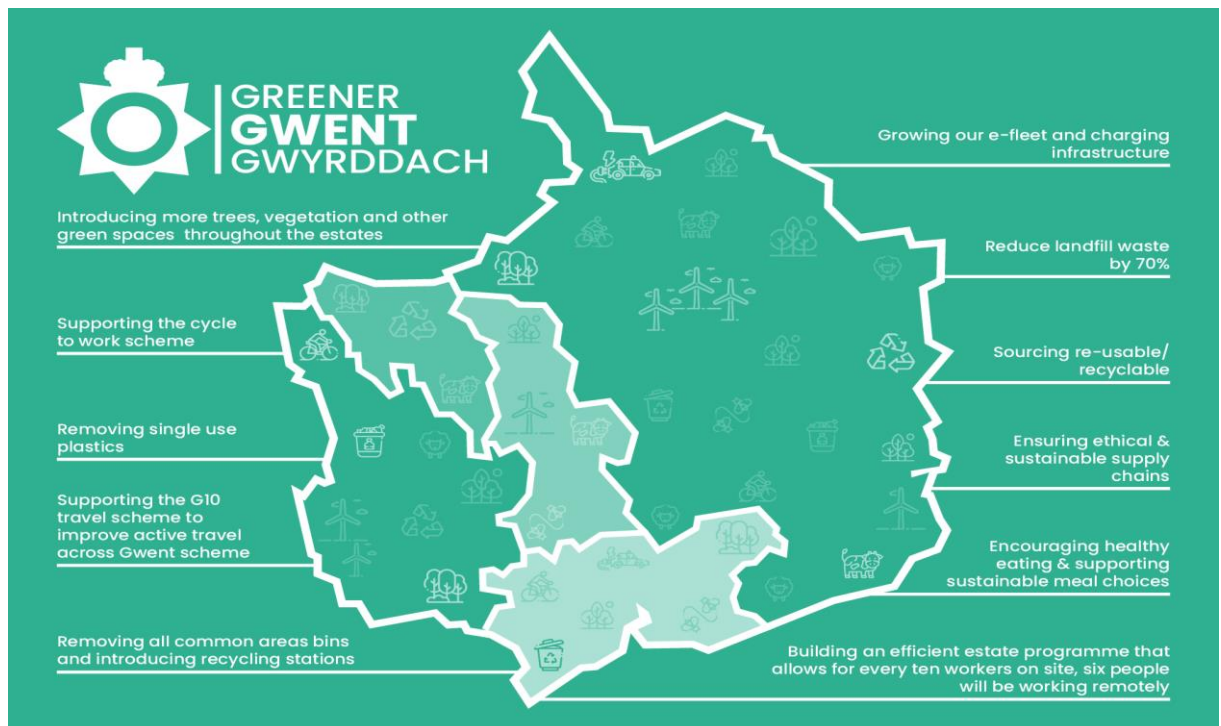
and also internally for Police Officers and Police Staff. The Force will seek to maximise the benefits and efficiencies by utilising the new systems and processes.

158. During 2022/23, the Force will continue its collaboration journey on the following programmes of work:

- a) Joint Firearms Unit Range;
- b) Specialist Operations Regional Support Services;
- c) Wales Forensic Accreditation;
- d) SARC ISO accreditation;
- e) National Child Abuse Image Database;
- f) Recommendations from the Audit Wales Collaboration Report;
- g) ESMCP's ESN transition; and
- h) Co-working with WG on 'Child Centred Policing';

159. Environmental sustainability is at the forefront of the delivery of Policing Services. The Force's Greener Gwent Group (which has OPCC representation) is responsible for driving the delivery of the sustainability strategy and net zero agenda at a local and national level. The Group allocates resources and develops ongoing internal sustainability awareness campaigns to enable, promote and encourage sustainable initiatives. The work of the Group is supported by 'Green Champions' who help promote Greener Gwent and sustainability initiatives in the workplace, engaging other members of Police Staff and Police Officers and acting as a point of contact for those wanting to take action. Within the Force's 2022/23 Budget Bid, £500k has been earmarked to drive the environmental sustainability strategy forward.

160. The following infographic highlights the progress to date:



161. A key target of Greener Gwent is to be 'Net Zero' by 2030, whereby choosing zero carbon will be routine; culturally embedded; and self-regulating across the Welsh public sector. What this actually means for Gwent Police is highlighted below:

a) Buildings and Infrastructure:

- i Contribute to the target for Wales to generate 70% of its electricity consumption from renewable energy by 2030;
- ii Achieve biodiversity net gain on all capital projects; and
- iii Continue to introduce more sit/stand desks across the estate (1:10 ratio) and promotion of ergonomic working patterns such as walking meetings.

b) Travel (Deliver Healthy Travel - Gwent's Public Sector Commitments 2020-23):

- i Reduce the proportion of journeys commuting to and from work made by car from 87% to 77%;
- ii Increase the proportion of staff who use public transport to travel to and from work from 3% to 8%;
- iii Increase the proportion of staff who work from home 1 or more days per week from 14% to 25%; and
- iv Increase the proportion of vehicles used during the day which are ultra-low emission from <1% to 5%.

c) Procurement:

- i Include a minimum weighting of 10% in tenders for social value;
- ii Ensure 100% of paper purchased is produced from 100% recycled sources;

- iii Reduce packaging waste by at least 25% by 2025; and
- iv Receive carbon reporting by 2023 as part of tenders or contractual obligations, whilst demonstrating progress towards net zero goal.

d) Waste:

- i Zero waste to landfill;
- ii Reduce Departmental printing by 10% each quarter; and
- iii Increase recycling to 70% by 2025.

162. When all the above is brought together, it is clear that the Force is investing in people and in key areas of risk; whilst driving through service improvements at a local level and regionally/nationally through its extensive collaboration portfolio.

163. The above areas of focus and investment have delivered tangible improvements in performance during an unprecedented year.

BUDGETARY SAVINGS, HMICFRS VFM PROFILES AND FUTURE EFFICIENCY OPPORTUNITIES (Appendices 5a and 5b)

164. Appendix 5a details budgetary savings identified through this budget setting round which can be removed from the 2022/23 budget and in some cases, from future budgets. Of particular note is the sustainability of the removal of £1m from the Force's overall overtime budget since the 2020/21 financial year.

165. The Continuous Improvement Programme will continue to remain focused on delivering a new generation of savings schemes and maintaining a detailed schedule of planned work to review functions and Departments across the whole of the organisation. To this end, the HMICFRS VFM Profiles are a key tool in indicating potential areas for saving schemes' opportunities.

166. The VFM Profiles have been produced annually by HMICFRS since the 2009/10 financial year. The main purpose of these Profiles is to help forces compare performance, outcomes and cost. They are designed for use by force management, Police and Crime Commissioners, the HMICFRS and the public. The comparisons are across all English and Welsh forces, but exclude the Metropolitan Police and City of London Police, due to their uniqueness of data. The Profiles enable comparison across all forces (with the exception of the two named above) and also within individual force's 'Most Similar Groups' (MSG), i.e. those forces that share similar characteristics with your own, such as demographics.

167. However, the 2021/22 Profiles are not yet published, due to the impact of Covid-19 on forces' ability to produce the figures. Therefore, 2021/22 VFM Profiles are not expected to be published until February 2022. This said however, the 2020/21 Profiles (whose publication was also delayed until February 2021 due to Covid-19) have been scrutinised and considered as part of the Continuous Improvement Programme.

168. Furthermore, the Commissioner and Chief Constable's Joint Audit Committee (JAC) also have a remit to 'Consider the arrangements to secure VFM and review assurances and assessments on the effectiveness of these arrangements'. To support this, the Profiles were presented to the Joint Audit Committee in June 2021.
169. In terms of an overview, the Force has the third highest cost per head of population across England and Wales and the highest within its MSG of forces. All Welsh forces are amongst the top seven most expensive (excluding London) forces. Amongst the four Welsh forces Gwent is first, followed by North Wales Police (fourth overall), South Wales Police (fifth overall) and then than Dyfed Powys Police (seventh overall).
170. Consistent with previous years, the Force stands as an outlier in eight objective areas. For seven, the Force is more expensive than both its MSG and against an all-force comparison, whilst in the one objective area, the Force is cheaper in delivering this function than both its MSG and all force counterparts:

Objective Area	MSG Difference (£m)	All Force Difference (£m)
Support Functions	9.275	9.856
Local Policing	5.020	7.637
Central Costs	2.696	3.763
Dealing with the Public	1.712	2.363
Road Policing	1.344	1.074
Operational Support	1.316	0.925
Criminal Justice Arrangements	0.236	0.890
Public Protection	(0.963)	(0.823)

171. From the above findings, Support Functions, Local Policing and Central Costs are most in need of context to its costs. Within the Support Function's sub-categories, ICT and Estate costs appear as a significant outlier:
- a) ICT costs are £3.880m and £3.108m more expensive than the force MSG and all force comparison respectively, predominantly in the area of collaboration. This difference can be attributed to a number of factors:
 - i Although the Force is in collaborative arrangements with Local Authority partners in the SRS and South Wales Police in the DSD for the provision of ICT, its 'fixed' costs for service delivery (e.g. data centre, network etc.) are apportioned (based on the methodology of the VFM profiles) across the population of Gwent. Therefore comparing the same cost of service between two forces (one with a relatively small population and one with a relatively large population), will show the smaller force as more expensive per head of population;
 - ii As highlighted predominantly in paragraph 142 above, the Force is well advanced (when compared to other forces) in delivering its digital strategy in support of the Policing Vision 2025 and which has been

- successfully demonstrated in the agile working arrangements necessitated by Covid-19. This is evidenced in that every Police Officer has a personal issue laptop, smart phone and body worn video device, which are supported in advanced software and applications which support mobile data and the 'Triple F' project. The business benefits therefore of this investment, are already beginning to materialise in cash savings and productivity improvements; and
- iii Also, it was identified that a number of ICT costs are treated as revenue in the Force (as opposed to capital), such as certain arrangements with the DSD for digital investment and also the set aside of sums for the replacement of Airwave (and ultimately ESN) technology. Other forces within the MSG will have categorised these costs elsewhere.
- b) Estate costs are £2.438m and £1.825m more expensive than the force MSG and all force comparison respectively, again predominantly in the area of collaboration. This difference can be attributed to a number of factors:
- i In 2021/20 the Force changed the accounting classification for the Estate Maintenance budget (£500k), as upon analysis the majority of the spend was revenue as opposed to capital in nature. Other forces may well have maintained the classification of their equivalent budget as capital;
 - ii In a similar vein to ICT costs above, a number of Estate costs are treated as revenue in the Force (as opposed to capital), such as the roll out of Agile working and delivering environmental sustainability. Other forces within the MSG will have categorised these costs elsewhere; and
 - iii The position is further compounded in the arrangements the Force has with Monmouthshire County Council in their joint 'Shared Facilities Management' (SFM) team. The Commissioner's Estate Strategy, already recognises that investment in the Estate is required to deliver a fit for purpose Estate, which whilst delivering value for money and environment excellence, meets the needs of Operational Policing and the Public of Gwent. Key aspects of this work are delivered via the SFM from an initially set aside revenue budget, which are subsequently capitalised when individual schemes within the Estate Strategy are commenced – thus reducing the revenue spend accordingly.
- c) Local Policing costs are £5.020m and £7.637m more expensive than the force MSG and all force comparison respectively. As in previous years, the Police Officer and PCSO costs are above the MSG and national average per head of population. These indicators could be viewed as demonstrating that Gwent is over-resourced, however, Gwent has above average visible front-line provision – reflecting the approach in Gwent throughout the years of austerity to 'protect' the frontline. As the Force (and the other three Welsh forces) benefit from WG PCSO funding, this will make the Welsh forces seem more expensive on the Local Policing analysis than their English counterparts; and

- d) Central Costs are £2.696m and £3.763m more expensive than the force MSG and all force comparison respectively. This is wholly attributable to the revenue contribution to capital budget which has been non-recurrently increased in recent years to account for the effects of the PUP funding received for the consequential costs of Police Officer and Police Staff recruitment. These consequential costs relate to the spend required to provide ICT, Fleet and the new Police Officer's requirement for additional Estate. The Force has accounting for this funding on a revenue basis, which will then be used to fund the future Capital Programme in due course - predominantly and appropriately for short-life assets. Other forces may have accounted for and used this funding differently.
172. Again, as highlighted in previous years, as a small force, Gwent does not enjoy the economies of scale that larger forces benefit from, therefore the headlines above need to be considered in this context. Furthermore, Force performance needs to be considered too, in that the cheapest and most efficient force may well not be the top performing. Reiterating points made above, the Profiles do not reflect conscious local decisions to invest in particular areas of spend; the receipt of additional specific grants such as the WG funded PCSOs; nor distinguish that forces with small populations will sometimes be disadvantaged because they hold the similar levels of fixed costs to larger forces.
173. Although the Force awaits its latest 2021/22 VFM Profiles to undertake self-assessment and benchmarking, Audit Wales undertake an annual assessment (published as part of their wider Annual Audit Letter) on the Commissioner and Chief Constable's arrangements to secure economy, efficiency and effectiveness (i.e. VFM) in their use of resources.
174. On the 1st December 2021, the Auditor General for Wales confirmed that: "I am satisfied that the Commissioner and Chief Constable have appropriate arrangements in place to secure economy, efficiency and effectiveness in its use of resources. My consideration of the body's arrangements to secure economy, efficiency and effectiveness has been based on:
- a) The audit work undertaken on the Financial Statements;
 - b) The results of the audit work undertaken on the Commissioner's and the Chief Constable's systems of internal control, as reported in the Annual Governance Statement;
 - c) The results of other work carried out by the Auditor General including our review of collaboration of emergency services in Wales and between the four Welsh forces;
 - d) The results of the work of other external review bodies, e.g. HMICFRS, where relevant to my responsibilities; and
 - e) Any other work, including from Internal Audit, that I considered necessary to discharge my responsibilities.

For the purposes of my work, I evaluated the Commissioner's and the Chief Constable's systems against a number of questions. For each question, I consider whether there are gaps in the arrangements expected to be in place, and the significance of those gaps. Based on the work I have undertaken, I am satisfied that the Commissioner and Chief Constable have appropriate arrangements in place to secure economy, efficiency and effectiveness in their use of resources."

175. Appendix 5b currently lists areas of review as determined by the work plan of the Continuous Improvement Programme. However, between now and the commencement of the 2022/23 financial year and the expected receipt of the 2021/22 HMICFRS VFM Profiles, Appendix 5b will be developed further to identify those areas where the Force is an outlier when compared with the average cost of delivering the same area of service against the average of the MSG; but only after those areas have been scoped to determine those which will provide best value to the Force.

REVENUE AND CAPITAL OUTTURN 2020/21 Appendix 6 and Appendix 8a

176. A key component in the setting of the 2022/23 budget is the financial performance in the current financial year. Quarterly financial management reports are produced and scrutinised at both the OPCC's Management Board; the Force's Chief Officer Team meetings; and ultimately at the Commissioner's Strategy and Performance Board. From Quarter 2, these reports include a financial outturn, indicating the expected variance of total annual expenditure against the full-year budget at the year-end (i.e. the 31st March).
177. Appendix 6 confirms that the initial forecast outturn reported at Quarter 2 indicated a non-recurrent £4.582m surplus against GRE of £164.664m; which equates to a 2.78% variance against overall budget.
178. The major contributors to this net surplus position are provided below:

a) Police Officer Pay and Allowances – £3.178m surplus

Police Officer pay and salary allowances forecast at the end of the financial year are under budget by £3.178m. This is the result of differences between the timing of actual recruitment of the additional 61 Police Officers due under the PUP by 31st March 2022, compared to the full year cost of those additional Police Officers fully grant funded at the start of the year. The assumptions for the 2022/23 budget already reflect Police Officer probationers being recruited at lower than the mid-point of the salary scale;

b) Police Staff (incl. PCSOs) Pay and Allowances – £0.447m surplus

Police Staff and PCSO pay and salary allowances are forecast to be underbudget by £0.447m at the end of the financial year. Within this, Police Staff and PCSO pay and allowances was underspent by £1.177m, again due to the need to reflect the full year cost of posts in the budget for the PUP

funded posts and a number of ongoing vacancies. This is offset by agency costs of £730k that cover some of those vacancies in the short-term;

c) Police Officer, Police Staff (incl. PCSOs) Overtime and Enhancements – £796k deficit

Total overtime costs (Police Officer and Police Staff (incl. PCSOs)) at year-end are forecast to show a net deficit of £796k, made up as follows:

Police Officer overtime deficit	(£309k)
Police Officer rest day overtime deficit	(£859k)
Police Officer public holiday surplus	£324k
Police Staff overtime deficit	(£273k)
Police Staff weekend and public holiday enhancements surplus	£321k
Total forecast deficit at 31st March 2022	(£796k)

The annual overtime budget was reduced by £1m for 2020/21 and remained unchanged for the 2021/22 financial year. The overspend relates to increased levels of demand in recent months, as well as additional efforts to tackle backlogs and improve performance. If the current overspend trend continues for the rest of the financial year, there is a risk that the deficit will be much higher, offsetting any surplus on pay and allowances. The Force is currently reviewing the sustainability position for individual Departments and units with regard to this overspend position. The position above excludes overtime for Major Incidents and Tasking, as this is reported separately – currently both areas are forecast to break-even at year-end;

d) Other Employee Related Costs – £48k deficit

There is a forecast deficit of £48k for other employee related costs. The easing of Covid-19 restrictions means more external training is taking place, but it is not at the same level as the pre-Covid-19 period yet. Pension costs are forecast to be down by £66k, with lower injury pension payments and currently no '30+ pension scheme' commitments. However, this is offset by an increase in Employer Liability insurance premiums, that have effectively doubled the original budgeted cost to £222k for the year;

e) Premises Costs – £404k surplus

Premises costs are forecast to be underbudget at year-end by £404k, due primarily to the reduced planned maintenance activity in the first half of the year. This is offset by higher reactive maintenance costs and cleaning costs following additional cleaning requirements resulting from Covid-19 and additional facilities such as Ystrad Mynach following the PFI termination;

f) Transport Costs – £668k surplus

The forecast year-end position is an underspend of £668k due to reduced travel/accommodation/subsistence costs (£169k); lower helicopter hire charges (£172k); lower vehicle spares costs (£142k); and reduced fuel costs of £251k. However, vehicle insurance costs remain above the £204k budget, with actual costs of £378k, as premiums were raised by the current supplier. A full procurement exercise for Fleet insurance will be carried out in 2021/22 as a result;

g) Supplies and Services Costs – £540k surplus

Supplies and services costs are forecast to be in surplus by year-end by £540k and there are many variances between cost headings in this category. This category of expenditure is broad and it has been reviewed in detail as part of 2022/23 budget setting process. This has informed recurrent savings that can be released to support the underlying pressures in the Force. The largest elements that make up the forecast surplus of £540k are underspends on the Custody medical contract (£266k); ICT purchases and maintenance (£204k); Subscriptions (£85k); Telecoms forensics (£66k); Operational equipment maintenance (£50k); and Pathologist fees (£39k). Offsetting this is £98k of additional printing, photocopying and stationery costs and Telecoms rental (£86k).

h) Other Movements – £189k surplus

A forecast deficit by year-end of £158k has arisen due to additional contributions requested this year for national technology programmes managed by PDS. Investment Income is forecast to be under budget by £34k due to the record lows in interest rates up to December 2021. Furthermore, other income is forecast to over-recover by £381k, due to additional seconded Police Officers' income;

i) Transfer to Reserves and Committed Funds

The forecast surpluses outlined above have arisen from timing differences between PUP Central/Specific Government Grant Funding and Police Officer/Police Staff recruitment; the non-pay consequential costs for the PUP; and the impact of Covid-19 on the timing and realisation of expected costs. As a result of the way the Government has funded the PUP (the implications of which have been discussed with HO colleagues), the following non-recurrent contributions to Reserves and Committed Funds have been provisionally agreed for 2021/22 to:

- i Provide an additional contribution to the General Reserve of £1.000m, to maintain a consistent percentage against a rising GRE; and
- ii Provide £3.582m as a one-off revenue contribution to capital to fund the capital implications of the PUP Police Officers, recruited in 2020/21 and 2021/22.

179. At the time of writing, the Quarter 3 financial management report is being compiled, therefore the Chief Finance Officer will provide a verbal update on the

forecast year-end position at the PCP meeting on 28th January 2022, if there is a material change.

180. Over recent years (but significantly lessening of late), the Commissioner's budget showed a positive variance at the year-end, i.e. a saving on budget was shown. This positive variance is scrutinised to assess whether it has arisen from non-recurrent timing differences arising from the timing of 'ring-fenced' Central Government Grant Funding (as is the majority of the case for the 2021/22 financial year); resulted from excess budget being set in certain areas (e.g. over-budgeting on such things as the price and/or volume of fuel); or whether the variance has arisen due to a planned efficiency scheme occurring ahead of plan (e.g. a Police Staff member leaving early, in advance of the planned removal of their post in a future period). Overwhelmingly over the period of austerity since 2008 and prior to the last two financial years (2020/21 and 2021/22), the reason for the positive variance is the latter, i.e. accelerated efficiency savings taking effect. Suffice to say however, the financial effect of both the last two examples are removed from the budgetary requirements for future years, as part of the detailed bottom-up annual budget setting process.
181. The 'one-off' non-recurrent nature of the 2021/22 underlying surplus is further emphasised in that even after taking account of future planned efficiency schemes in forthcoming financial years of £4.329m, the Commissioner is still faced with a recurrent financial deficit of £9.773m by 2026/27 and unbalanced budgets in the four financial years prior to this necessitating, as it stands, £26.285m of Reserves and Committed Funds to potentially balance the books. This non-recurrent underlying surplus does however provide two key benefits: a barometer as to the continuing sustainability of both previously delivered efficiency schemes and the organisation's ability to continue to find more efficiency schemes; and a positive year-end variance also provides a non-recurrent cash benefit, in that the year-end saving is transferred to Reserves and Committed Funds which will partly offset future borrowing requirements, which have already been recognised in the MTFP.
182. Turning to the Capital Programme included in Appendix 8a, the original Annual Budget on proposed schemes for 2021/22 was £18.555m, but this has been revised to £22.998m to reflect both an acceleration of schemes from future years into 2021/22 and also a number of projects deferred from 2021/22 as a result of Covid19.
183. The Estate schemes in the original Programme totalled £12.455m, which has since been revised to a forecast spend of £14.961m. The contributors to this movement are the completion of the new HQ on time and to budget, thereby reflecting only a minimal delay as a result of Covid-19; the good initial progress on the feasibility and scoping of the Force-wide 'Gwent Operational Policing Facility' (£100k) - which will include Custody, Operational Training, Fleet workshops and the Torfaen Operational Policing Team; the agreement for the relocation of Fleet workshops as a result of the decommissioning of the existing HQ; the progress made on the land acquisition and design of the new Abergavenny Police Station; and progression with lift maintenance and replacement across respective Estate premises. These additional financial

considerations were offset by slippage of spend into 2022/23 for CCTV replacement at the Ystrad Mynach Custody Suite; the Tredegar Property and Evidence Store; and the remodelling of Maindee Police Station to accommodate the Devices Team, tailoring services and related storage.

184. In relation to the vehicle replacement programme the original Capital Programme budget was £1.433m, which has recently been revised upwards to £1.825m in order to accommodate both new PUP Police Officers and the initial electrification of the Fleet. This said however, supply issues from manufacturers experienced to date may mean potential slippage in this budget into 2022/23.
185. The ICT Schemes in the original Capital Programme totalled £2.185m and the latest budget reflects £2.546m of spend forecast for 2021/22. The upwards movement is down to additional costs for ICT in the new HQ, in order to create the main Force data centre and realise savings; and other new projects and solutions coming on stream such as the Law Enforcement Communications Network and Electronic Timesheet Management. The overall growth in budget was offset by deferral of ESN spend into later financial years, on account of slippage in the national Programme of work.
186. The 2021/22 budget for long-term revenue projects has increased by £1.112m from £2.482m to £3.594m. Additional expenditure has been identified for early adoption of planned improvements, particularly around upgrades to Force mobile phones under the 'Triple F' project; wider rollout of the telematics project for better tracking and deployment of Force vehicles (and Police Officers); and early investment in Electric Vehicle charging points and LED lighting as part of the Commissioner/Force's approach to environmental sustainability. These extra costs in 2021/22 have been offset by Estate Strategy feasibility costs now being included in individual project costs; a deferral of more detailed survey and planning costs into 2023/24 as part of the Joint Firearms Unit range project; and additional training accommodation costs at Vantage Point House being absorbed as part of the wider capital maintenance programme.

RESERVES AND COMMITTED FUNDS (Appendix 7)

187. Appendix 7 provides a summary of the Commissioner's Reserves and Committed Funds position for the following five years and reflects an update of the Commissioner's Reserves and Committed Funds Strategy as part of this budget setting round. The MTFP and in particular the Commissioner's Reserves and Committed Funds position was discussed at the JAC on the 8th December 2021 (along with the 2022/23 Treasury Management Strategy), enabling them to discharge their responsibilities in relation to the budget setting process and the annual financial statements.
188. With the finalisation of the detailed 'bottom up' annual budget setting process, the Reserves and Committed Funds position has been updated and will continue to be instrumental in stakeholder engagement and any mitigation strategies.

189. The reporting of the Commissioner's Reserves and Committed Funds position hopefully assists Members in understanding the overall financial landscape and provides context when discussing the Commissioner's Budget Requirement and Council Tax Precept Proposal for 2022/23.
190. By the end of the 2026/27 financial year, it is forecast that the Commissioner will have Reserves of £5.000m and Committed Funds of £13.025m (totalling £18.025m – bottom right-hand corner of Appendix 7). This assumes however, that the current outstanding recurrent budgetary imbalances up to 2023/24 (highlighted in the MTFP) are not currently underwritten from Line C1 in the Committed Earmarked Funds Beyond the MTFP Section. Recurrent budgetary imbalances must be found from recurrent efficiencies – Reserves and Committed Funds should only be utilised to manage annual timing differences. Therefore Line C1 remains at its closing 2021/22 carrying value of £2.925m. However, if reserves and committed funds are required to balance the budget on an annual basis, the total forecast reserves and committed funds figure to 2026/27 reduces to £15.100m.
191. This forecast Reserves and Committed Funds figure at 2026/27 of £18.025m comprises six component parts:
- a) General Reserve – (£5.000m Line A1)
- i Purpose – This is held as working capital to help cushion the impact of uneven cash flows and also as a contingency to mitigate the impact of unexpected events or emergencies. At the end of the financial year, the General Reserve will amount to £5.000m which represents 3.4% of 2021/22 NRE (this % figure has remained static since 2015/16) and in the view of the Chief Finance Officer represents an appropriate level in terms of the overall risk-profile; and
 - ii Planned Utilisation – By its very nature, this reserve is held for unfunded and unexpected events or emergencies. Therefore, as a statutory contingency reserve there is currently no call upon this reserve.
- b) Estate Works – Victims' Hub – (£55k Line B1fii)
- i Purpose – This committed fund was established to fund the completion of the building work associated with creating Connect Gwent, the multi-agency Victims' Hub in Gwent; and
 - ii Planned Utilisation – This committed fund remained following the completion of the building, commissioning and implementation of Connect Gwent. The committed fund has therefore been maintained to fund further investment to improve the delivery and efficiency of Connect Gwent into the future. A programme of work, undertaking a Post Implementation Review of Connect Gwent and development of a new business case has been concluded, which identified a mix of efficiencies and additional investment in certain areas. Where these generated efficiencies were insufficient to fund new investment areas, this committed fund was called upon. Any remaining balance will stay in place for any future investment in services to Victims.

c) Future Budgetary Imbalances - (£2.925m Line C1)

- i Purpose – This committed fund was established in 2015/16 to mitigate future financial deficits from 2016/17 and beyond, in order to achieve a balanced budget. The backdrop for its creation was that up to the 2015 Autumn Statement, Policing was facing the potential of 7% further cuts in Central Government Grant Funding p.a. The 2015 Autumn Statement however (and Police Settlements since), reduced the anticipated Policing budget cuts; and
- ii Planned Utilisation – The current MTFP highlights a financial recurrent deficit prior to efficiencies of £14.102m by 2026/27. After taking into account known efficiency schemes and opportunities (some of which will be very challenging to deliver from a practical perspective and also a public expectation viewpoint), a deficit of £9.773m remains. The deficit is based on assumed 3-year funding settlements from the CSR (except for year one which has been confirmed in the Provisional Settlement), with ‘flat cash’ grant p.a. beyond, coupled with the first, second and third-year reductions (£2m p.a.) of the total anticipated £6m reduction arising from the Funding Formula Review. Furthermore, the deficit is based upon assumed cost neutrality of future PUP funding; the cost neutrality of future NI increases funding; the cost neutrality of future Pension cost increases funding; all offset by precept increases of 6.82% p.a. from 2023/24 onwards. Plugging the recurrent gaps non-recurrently on an annual basis up to 2026/27 (and accounting for the non-recurrent surpluses), would require not only the entirety of this committed fund, but a further £23.360m of additional funding. However, one would not necessarily require this committed fund to be sufficient to cover the future unmet deficit, as the deficit needs to be addressed through recurrent efficiency schemes, as opposed to a non-recurrent ‘sticking plaster’. The committed fund may therefore be fully utilised moving forward, in order to manage the timing differences of balancing the budget on an annual basis (a statutory requirement) against the implementation of additional efficiency schemes.

d) Commissioning Strategy and Force Initiatives – (£1.644m Line C2)

- i Purpose – This committed fund is primarily designed to pump-prime both the delivery of the Commissioner’s Strategic Commissioning Intentions and also OPCC and the Force’s initiatives, to deliver the Commissioner’s Police and Crime Plan; and
- ii Planned Utilisation – As a result of the Wellbeing of Future Generations Act 2015 and the associated creation of Public Service Boards (PSB), the Commissioner’s Commissioning Strategy will become intrinsically linked to the work of PSBs in the future. Once the priorities and the work programme of the Gwent PSB has become embedded, the opportunities for co-commissioning (with both the OPCC and the Force) will become clearer and subsequently, so too will the utilisation of this committed fund. In addition, this committed fund may be destined to support the delivery of a more targeted approach to deliver certain aspects of the

Commissioner's Police and Crime Plan, such as supporting the Commissioner's Police Community Fund or developing diversion/crime prevention initiatives.

e) Airwave – (£3.637m Line C3)

- i Purpose – Due to the length of the lifecycle and the complexity of the funding model for the initial Airwave replacement programme it was necessary, at its inception, to create a committed fund (in this instance, as with the Commissioner's previous Private Finance Initiative, also referred to as a 'sinking fund'). This ensures that the affordability of the scheme is safeguarded for its entire duration and the variable impact of its financial cycle is minimised; and
- ii Planned Utilisation – the Airwave system is being phased out and will be replaced by the ESMCP's ESN. This will provide the next generation communication system for the three Emergency Services (Police, Fire and Rescue and Ambulance) and other public safety users. Based on current estimates of the cost of transition and dual running implications of this programme, coupled with the revenue contribution into the committed fund from base budgets, it is estimated that although this committed fund will not be fully utilised at the current date of transition sometime during 2026/27, further delays in the delivery of ESN may necessitate further dual running costs, which would ultimately deplete this reserve in its entirety.

f) Other Financial Liabilities – Tribunal and Ombudsman Liabilities through to PCSO Increase – (£4.762m Lines C4a to C4h)

- i Purpose – The rationale for these committed funds is articulated in the table below:

Category of Committed Funds	Rationale for Holding
Committed Funds set aside for major schemes, such as capital developments, or to fund major reorganisations such as those determined by the Service Improvement Board.	Where expenditure is planned in future accounting periods, it is prudent to set aside resources in advance. For example, to fund future Capital Programme spend in line with insufficient capital grant, or to pump-prime organisational change programmes.
Other Committed funds to support the medium-term budget E.g. Forecast Accelerated Efficiency Savings.	These are reserves and committed funds, which are either planned to be generated in the future and as such, may not yet have been committed to fund expenditure as of yet; or are existing reserves, which by their nature of being no longer required, are available for recycling either fully or in part to fund other committed areas of expenditure.

Committed Funds to meet and manage forecast budgetary risks.	With over £52m of efficiency savings delivered to the end of the 2020/21 financial year; £676k planned for delivery during 2021/22; and a gross forecast deficit of £14.102m by 2026/27, it is prudent to underwrite a degree of the budgetary imbalance remaining of £9.773m after taking into account future efficiency savings.
Committed Funds set aside in previous reporting periods for potential liabilities arising out of tribunal or ombudsman decisions.	These funds are established to meet potential and contingent obligations arising from 'live cases' which did not meet the definition of a provision ⁴ . These are reviewed regularly on a case-by-case basis on whether they are still required (and therefore remain 'committed') or can be released back into the wider reserves and committed funds position.
Committed Funds for unspent revenue grants and sums held on behalf of third parties.	Where revenue grants have no conditions attached or the conditions are met and the expenditure has yet to take place, these sums are permissible to be held as committed funds. The same applies for sums held on behalf of third parties.
Committed funds retained for Workstream/Department use (including utilisation of 'Proceeds of Crime Act' (POCA) monies).	The Commissioner's Reserves and Committed Funds protocol permits Workstreams/Departments to carry forward commitments at the year-end (in the form of a committed fund), on the basis that the expenditure will take place in the following financial year(s) – these are subject to extensive scrutiny at each year-end and also during the following budget setting round.

- ii Planned Utilisation – These committed funds receive extensive scrutiny at the year-end and also during each budget setting cycle. Therefore, although these committed funds still show a balance of £4.762m in 2026/25, this does not mean that the committed funds are not required

⁴ A provision exists when the Commissioner is faced with a present obligation (legal or constructive) which has arisen as a result of a past event. Furthermore, the payment is probable ('more likely than not') and the amount can be estimated reliably. Provisions are therefore provided for and accounted via the Comprehensive Income and Expenditure Statement (CIES) in the year in question, i.e., not set aside as a Committed Earmarked Fund for utilisation in future years.

up to this point in time, rather the plans for their utilisation are not finalised to identify the timing of the individual committed fund's utilisation.

192. It is important to note, that in order to maintain the forecast Reserves and Committed Funds position of £18.025m by 2026/27, the Commissioner is currently required to borrow £50.952m between 2022/23 and 2026/27 to fund his Capital Programme.
193. The forecast Reserve and Committed Funds position does not take into account the following events which would increase this figure:
- a) Additional sales of capital assets than those already identified;
 - b) Additional sums from further acceleration of the delivery of efficiency schemes; and
 - c) Underspending in the Capital Programme or slippage which defers spend to future financial years.
194. Similarly, the forecast Reserves and Committed Funds position does not take into account the following events which would further reduce this figure:
- a) The impact on reserves and committed funds from the CSR or any transitioning arrangements to a new Funding Formula allocation;
 - b) Further significant investment to deliver over and above the current five-year Capital Programme that is not met from external borrowing;
 - c) Pump-priming for future Phases of the Continuous Improvement Programme; and
 - d) Overspending in the Capital Programme or acceleration which brings forward spend.

CAPITAL PROGRAMME 2022/23 (Appendices 8a and 8b)

195. The initial capital investment requirements over the next five years are becoming clearer as the implementation of the Estate, Fleet and ICT strategies are progressed. Capital Expenditure over the next five years totals £75.900m, of which the 2022/23 element amounts to £15.306m.
196. In addition, a further £13.671m of non-capital long-term projects have been identified, of which £2.638m occurs in 2022/23.
197. With the complete removal of Capital Grant by the HO (which would have been historically £120k p.a., equating to £600k over the next five years), implementation of the current Capital Programme will require a combination of:

- a) A non-recurrent increase in the revenue contribution to capital for 2021/22, and 2022/23 totalling £6.642m over the two years, from setting aside the PUP element of Central Government Grant Funding and Specific Government Grant Funding for the medium to longer-term consequential costs of recruiting an additional 205 Police Officers by March 2023. The underlying recurrent revenue contribution to capital will be maintained at £5.145m for the life of this MTFP. These revenue contributions are necessary in relation to the PUP and minimise the Commissioner's dependency upon external borrowing in the current economic uncertainty – **particularly for short-term assets such as Fleet and ICT;**
 - b) The utilisation of Reserves and Committed Funds of £11.888m between 2022/23 and 2026/27; and
 - c) The need to undertake external borrowing of £50.952m between 2022/23 and 2026/27.
198. This investment, will realise long-term cashable and non-cashable benefits to the Commissioner and the Force, e.g. appropriate and more sustainable Estate provision; fit for purpose Fleet; maximising returns on ICT investment etc. This said however, as stated previously in this report **a review of the Estate Strategy will be undertaken at the commencement of the 2022/23 financial year, in collaboration with the PCP's Estate Reference Group and other key stakeholders, in order to realign Operational Policing and the public's requirements (incorporating both the principles of VFM and environmental sustainability), with an appropriately risk based approach to funding.**
199. Furthermore, the Continuous Improvement Programme will present further investment requirements which will generate efficiency opportunities, which should present cashable savings.

OUTSTANDING ISSUES, UNQUANTIFIABLE RISKS AND OPPORTUNITIES

200. 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 fully reflected at this present time. These are briefly highlighted below:
- a) Financial:
 - i The impact of Covid-19 (particularly on future Council Tax Bases and further impact on Public Sector pensions payments); Brexit; years two and three of CSR 2021; and the Police Funding Formula Review;
 - ii The short, medium and long-term funding consequentials of the PUP;
 - iii Loss of 'assumed' Council Tax Precept income;
 - iv Impact of the localisation of Council Tax support;
 - v Legislative and policy changes having unintended consequences, e.g. as previously seen with the revaluation of Public Sector Pensions; the implementation of the Apprenticeship Levy; and the 1.25% NI increase;

- vi Increasing overall costs of National ICT Programmes and changes to the apportionment method of these costs across Police and Crime Commissioners/forces;
- vii Exposure to interest rate fluctuations as a result of the cost of borrowing to fund the Capital Programme;
- viii Potential future increases in the Police Officer and Police Staff pay awards than expected;
- ix Withdrawal of funding by partners (HO, WG, MoJ and Local Authorities), such as WG continued funding for jointly commissioned activities and services;
- x Increased 'last resort' demand due to others withdrawing service; and
- xi Failure of the Government to deliver on national programmes of work such as ESN transition.

b) Organisational:

- i Partners re-trench from collaborative ventures (e.g. as a result of the WG funding settlement), such as the funding from Health as a contribution to the Mental Health Triage service in the Force Control Room;
- ii The financial and non-financial impact of ongoing Service Review's recommendations such as the Learning and Development Review; and
- iii Failure of key efficiency schemes to deliver, in particular the savings target of £1m in the Force's overtime budget.

c) Societal:

- i Emergent complex crime types and increased safeguarding requirements;
- ii Increased crime, anti-social behaviour and incidents due to the economic and political climate – particularly during and post Covid-19 'lockdowns'; and
- iii Lack of staff turnover due to limited job opportunities.

201. Conversely, a number of opportunities exist which could ease the financial burdens:

- a) Adopting and embedding the 'new ways of working' arising from the 'lessons learned' from Covid-19;
- b) Potential long-term investment by the Government into Policing;
- c) The development of the Gwent PSB, promoting a 'One Public Service' ethos to tackle long-standing issues across Gwent;
- d) Linked to c) above, the ability to co-commission services with Public and 3rd Sector Partners, avoiding duplication of effort and maximising return to the public; and
- e) Actively seeking out income generation opportunities and influencing the legislative agenda to provide wider opportunities.

BUDGET REQUIREMENT, COUNCIL TAX BASE AND COUNCIL TAX PRECEPT

202. The revenue Budgetary Requirement for 2022/23 is the net position of:

- a) The base recurring requirements;
- b) Efficiency savings and recurring budget reductions realisable in 2022/23;
- c) Non-recurring revenue requirements in 2022/23; and
- d) Non-recurring savings which are realisable in the year and reserve and committed funds utilisation.

203. The gross base recurring requirement for 2022/23 is £159.650m (Appendix 1b line 10) which, when adjusted by the budgetary deficit, equates to a Budget Requirement for the year of £156.104m.

204. The Central Government Grant Funding announced in the Provisional Settlement is as follows:

	£
Police Grant	62,342,724
Revenue Support Grant	25,727,167
National Non-Domestic Rates	<u>212,065</u>
	<u>88,281,956</u>

205. Deducting total Central Government Grant Funding from the Budget Requirement of £156,103,774 leaves income to be raised from Council Tax Precept of £67,821,818.

206. Council Tax is a tax on dwellings, levied according to the valuation band attributed to the property. Each Local 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 Precept to be raised for Police and Crime purposes is allocated to the Local Authorities in proportion to their Council Tax Bases. The Council Tax Bases notified by the Local Authorities are as follows:

Local Authorities	Band D Equivalent Properties	
	2021/22	2022/23
Blaenau Gwent	20,794.09	20,876.86
Caerphilly	60,793.26	61,062.71
Monmouthshire	46,711.94	47,372.80
Newport	60,484.59	60,848.73
Torfaen	<u>34,021.99</u>	<u>34,147.07</u>
<u>Total</u>	<u>222,805.87</u>	<u>224,308.17</u>

207. The effect of these figures on the Band D Council Tax Precept for Police and Crime purposes is:

	Actual 2021/22	Proposed 2022/23
Council Tax Precept	£64,159,178	£67,821,818
Band D Tax	£287.96	£302.36
Increase on previous year (£)	£15.00	£14.40
Increase on previous year (%)	5.49%	5.00%

208. The following table shows the proposed Council Tax Precept for Police and Crime purposes for all bands.

Valuation Band	Tax Payable Compared to Band D	Proposed Council Tax Precept
		£
A	6/9	201.57
B	7/9	235.17
C	8/9	268.76
D	9/9	302.36
E	11/9	369.55
F	13/9	436.74
G	15/9	503.93
H	18/9	604.72
I	21/9	705.51

209. The Local Authorities are billing authorities for Council Tax purposes. The Commissioner's Council Tax Precept will be added to the figures for Council Tax for expenditure by the Local 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 Local Authorities pay the Commissioner's Council Tax 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

210. 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 Council Tax Precept; and
 - b) The adequacy of the proposed financial reserves.
211. The same Section requires the Commissioner to have regard to the Chief Finance Officer's report when making decisions about Council Tax Precept.
212. Central Government Grant funding from the HO and WG currently fund approximately 60% of the revenue Budget Requirement for Policing and Crime Services in Gwent. A combination of CSR 2010, SR 2013 and CSR 2015 has 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 Central Government Grant Funding for 2012/13 showed a reduction of 6.7%, 2013/14 a reduction of 1.57%, 2014/15 a reduction of 4.76%, 2015/16 a reduction of 5.11%, 2016/17 a reduction of 0.57%, 2017/18 a reduction of 1.40% and 2018/19 flat cash. The 2019/20 Police Settlement, on the surface, appeared positive, in that Central Government Grant Funding increased by 2.1% and a Specific Pension Grant had been provided, both designed to mitigate the financial impact of the revaluation of Public Sector Pension Schemes. However, as mentioned previously in this report, the sum of these amounts fell short of meeting the Force's additional pension costs in 2019/20 to the value of £428k – so in effect, the Police Settlement amounted to a 0.60% cash cut. Cumulatively, the budget available for Policing and Crime in Gwent has experienced over a 27% cash reduction between 2010/11 and 2019/20. When the effect of inflation and pay awards is built in, the real reduction is over 40%.
213. The Police Settlements over the 2020/21, 2021/22 and 2022/23 financial years have provided reinvestment through the PUP, although this is ringfenced additionality. Therefore, the overall cash reduction in the Commissioner's budget between 2010/11 and 2022/23 has been partly addressed, but still stands at over 4%. When the effect of inflation and pay awards is built in, the real reduction is nearly 22% over the 13 years.
214. Although the CSR 2021 and the Provisional Settlement have been better than expected for the Force (albeit all the new funds are ringfenced), the future financial landscape is uncertain. Faced with significant uncertainty for the economy and the public finances in light of Covid-19 and the Brexit implications; years two and three of CSR 2021 uncertain; and growing pressures on public services following years of cuts, the lessening of budget cuts over recent years and the latest Government 'promises' may not be sustainable.
215. The Continuous Improvement Programme has continued 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 and Committed Funds have been generated for supporting investment necessary to redesign the Estate; maximise ICT opportunities; and for pump-priming new initiatives. This success, along with the lessening of

Central Government Grant Funding cuts in recent years and appropriate Council Tax Precept increases, has allowed the Force to generally attain its full establishment during 2021/22. Appropriate Council Tax Precept increases into the near future will maintain this establishment and complement the PUP, to continue to address areas of demand and thereby realise its full benefits to the public of Gwent.

216. The preparation of the budget is now, almost a continual exercise, involving the compilation of MTFPs, dovetailing with detailed work across the OPCC and Force under the supervision of the Assistant Chief Officer – Resources and in liaison with me. The involvement of all parts of the Police Service ensures awareness not only of the demands, but also of the constraints upon them. Throughout 2021/22, Members and the JAC received progress reports on the 2022/23 budget and beyond and were able to examine both the proposals and the process followed. The extent of this preparatory work has therefore greatly 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.
217. Appendix 7 to this report shows details of the Commissioner's Reserves and Committed Funds position. The Force's Assistant Chief Officer – Resources and I continually review the adequacy of Reserves, Committed Funds and Provisions. In addition, as part of the compilation of the year-end Statement of Accounts and also at the commencement of each budget setting round, the Reserves and Committed Funds are formally reviewed and separately reported upon respectively in the Statement of Accounts and Reserves and Committed Funds Strategy.
218. The General Reserve is required for working capital and to meet unexpected expenditure in emergency situations or major crime. During my latest review of the Reserves and Committed Funds Strategy in December 2021, in conjunction with the Commissioner and the Force's Chief Officer Team, I concluded that a General Reserve of £5.000m would be a prudent level for the organisation moving forward, taking into consideration its size, local circumstances and the requirement to identify savings to address historic significant reductions in Central Government Grant Funding.
219. In relation to the Committed Revenue and Capital Funds, I am content that programmes of work are already in train, or that risks remain, that confirm the need and sufficiency of the amounts reported.
220. In conclusion, I am content therefore, with the adequacy of the proposed financial Reserves and Committed Funds.

APPENDICES

Appendix 1a	-	Impact of Incremental Council Tax Precept Changes
Appendix 1b	-	Medium-Term Financial Projections 2022/23 to 2025/26
Appendix 1c	-	Objective Analysis
Appendix 2	-	Medium-Term Financial Projections – Assumptions
Appendix 3	-	Force Establishment
Appendix 4	-	Service Pressures and Budget Developments
Appendix 5a	-	Identified Budgetary Savings
Appendix 5b	-	Continuous Improvement Programme Savings
Appendix 6	-	Quarter 2 2021/22 Income and Expenditure Forecast
Appendix 7	-	Reserves and Committed Funds Position 2021/22
Appendix 8a	-	Capital Programme 2022/21 to 2026/27
Appendix 8b	-	Long-Term Project Programme 2022/23 to 2026/27



Incoming demand

On a typical day in Gwent Police...

Outgoing demand

In addition to reacting to calls for service from the public, Gwent Police will also be undertaking proactive work to safeguard the public including:

Respond to approximately 30 incidents flagged as being associated with people with mental health issues

Carry out 17 stop and searches, on persons and vehicles, 1 of which will result in an arrest

Deal with 32 Anti-Social Behaviour incidents

Respond to approximately 8 missing person reports

Respond to 44 domestic abuse incidents, 8 of which will result in an arrest

As well as dealing with crime, officers will:

Officers will make approximately 28 arrests, 4 of which identify as violence with injury.



Officers will deal with 5 residential burglaries, 9 thefts, 3 thefts from a motor vehicle, 2 thefts of a motor vehicle, 12 violent crimes, 1 robbery and 3 sexual assaults



They will issue 2 Cautions, 1 Penalty Notice for Disorder and 1 Cannabis Warning

Approximately 201 999 calls are received

Approximately 487 incidents are recorded



Approximately 133 crimes are reported

Taking part in approximately 75 Vulnerable Adult strategy discussions per month.

MAPPA
Managing 849 Registered Sex Offenders in the Community.

Taking part in approximately 207 Child Protection strategy discussions per month.

Supporting approximately 4 victims of domestic abuse per day through the Domestic Abuse Conference Calls and Multi-Agency Risk Assessment Conferences.

In March 2021 the estimated population of Gwent was 584800. There are currently 1378 Gwent Police Officers, meaning there is 1 Police Officer for every 424 members of the public.

There are currently 769 Police Staff supporting the front line operational delivery.

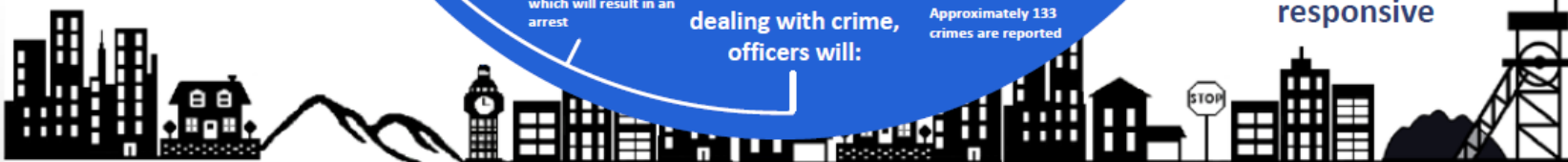
There are approximately 163 Community Support Officers covering the Gwent area



Over 13,800 miles are driven each day by Gwent Police vehicles.



we will be
caring
trusted
fair
professional
responsive



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Police and Crime Commissioner for Gwent / Heddlu Gwent Police
Medium Term Financial Projections 2022/23 to 2026/27
Impact of Incremental Council Tax Precept Changes
At 28th January 2022

Assumption		Base Growth	Precept Growth	Total Growth	Increase / (Decrease)
Base Growth %	Precept Growth %				
		£	£	£	£
0.67%	7.50%	432,603	4,845,056	5,277,659	1,615,019
0.67%	7.00%	432,603	4,522,052	4,954,655	1,292,015
0.67%	6.99%	432,603	4,515,323	4,947,926	1,285,286
0.67%	6.82%	432,603	4,405,412	4,838,015	1,175,375
0.67%	6.50%	432,603	4,199,049	4,631,652	969,012
0.67%	6.00%	432,603	3,876,045	4,308,648	646,008
0.67%	5.50%	432,603	3,553,041	3,985,644	323,004
0.67%	5.49%	432,603	3,548,555	3,981,158	318,518
0.67%	5.00%	432,603	3,230,037	3,662,640	0
0.67%	4.50%	432,603	2,907,034	3,339,637	(323,003)
0.67%	4.00%	432,603	2,584,030	3,016,633	(646,007)
0.67%	3.50%	432,603	2,261,026	2,693,629	(969,011)
0.67%	3.00%	432,603	1,938,022	2,370,625	(1,292,015)
0.67%	2.50%	432,603	1,615,018	2,047,621	(1,615,019)
0.67%	2.00%	432,603	1,292,015	1,724,618	(1,938,022)
0.67%	1.50%	432,603	969,011	1,401,614	(2,261,026)
0.67%	1.00%	432,603	646,007	1,078,610	(2,584,030)
0.67%	0.50%	432,603	323,003	755,606	(2,907,034)
0.67%	0.00%	432,603	0	432,603	(3,230,037)

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Police and Crime Commissioner for Gwent / Heddlu Gwent Police
Medium Term Financial Projections 2022/23 to 2026/27

At 28th January 2022

	(a)	(b)	(c)	(d)	(e)	(f)
	2021/22 Actual £'000s	2022/23 Forecast £'000s	2023/24 Forecast £'000s	2024/25 Forecast £'000s	2025/26 Forecast £'000s	2026/27 Forecast £'000s
1 Effect of increases to authorised Establishment, Pay Awards and Increments		7,329	3,668	2,884	2,960	3,121
2 Non-Staff Inflation		906	876	931	989	1,050
3 Apprenticeship Levy Scheme		-	-	-	-	-
4 In Service Pressures / Developments		3,866	1,680	3,469	3,728	2,935
5 Budget savings identified		(194)	(60)	(60)	-	-
6 Finance costs		189	898	778	15	82
7 Unavoidable Cost Increases		12,095	7,062	8,001	7,691	7,189
8 Gross Budget Movement		12,095	7,062	8,001	7,691	7,189
9 Recurring Base Budget Brought Forward		147,555	159,650	166,712	174,713	182,404
10 Projected Budgetary Requirement	147,555	159,650	166,712	174,713	182,404	189,594
11 % Increase on Previous Years Base Budget	8.73%	8.20%	4.42%	4.80%	4.40%	3.94%
12 Funding						
13 Central Government Funding						
14 Police Grant	(51,539)	(62,343)	(63,343)	(62,843)	(60,843)	(58,843)
15 Revenue Support Grant	(21,591)	(25,727)	(25,727)	(25,727)	(25,727)	(25,727)
16 National Non-Domestic Rates	(10,266)	(212)	(212)	(212)	(212)	(212)
17 Total Central Government Funding	(83,396)	(88,282)	(89,282)	(88,782)	(86,782)	(84,782)
18 Council Tax	(64,159)	(67,822)	(72,936)	(78,435)	(84,350)	(90,710)
19 Total Funding	(147,555)	(156,104)	(162,218)	(167,217)	(171,131)	(175,492)
20 Projected Recurring Deficit / (Surplus) Before Efficiencies	0	3,546	4,495	7,496	11,273	14,102
21 Efficiencies						
22 Future Year Continuous Improvement Programme Savings	0	(1,021)	(2,424)	(3,259)	(3,594)	(4,329)
23 Reserve Utilisation	0	0	0	0	0	0
24 Projected Recurring Deficit/ (Surplus) After Efficiencies & Reserve Utilisation	0	2,525	2,071	4,237	7,679	9,773

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Police and Crime Commissioner for Gwent / Heddlu Gwent Police
Medium Term Financial Projections 2022/23 to 2026/27
Objective Analysis 2021/22 Net Revenue Expenditure
At 28th January 2022

Service area	Officer/Staff costs £'000	Non-pay costs £'000	Gross Revenue Expenditure £'000	Income £'000	Net Revenue Expenditure £'000
Local Policing	46,868	894	47,762	(6,665)	41,097
Dealing with the Public	9,817	27	9,844	0	9,844
Criminal Justice Arrangements	6,731	1,461	8,192	(810)	7,382
Roads Policing	4,228	304	4,532	(815)	3,717
Operational Support	5,367	1,448	6,815	(276)	6,539
Intelligence	4,080	988	5,068	(357)	4,711
Investigations	12,409	846	13,255	(1,056)	12,199
Public Protection	5,930	1,377	7,307	(553)	6,754
Investigative Support	2,016	833	2,849	0	2,849
National Policing	2,594	1,220	3,814	(2,117)	1,697
Support Functions	18,596	20,186	38,782	(246)	38,536
Police & Crime Commissioner	1,551	6,056	7,607	(2,685)	4,922
Central Costs	2,400	6,679	9,079	(1,412)	7,667
	122,587	42,319	164,906	(16,992)	147,914
	1	26%	100%		
Net Movements in Reserves					(359)
Total Net Revenue Expenditure 2021/22					147,555

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Police and Crime Commissioner for Gwent / Heddlu Gwent Police
Medium Term Financial Projections 2022/23 to 2026/27
Assumptions
At 28th January 2022

Description	2022/23 Estimate	2023/24 Estimate	2024/25 Estimate	2025/26 Estimate	2026/27 Estimate	Source
<u>Police Officers</u>						
Pay Awards	3.50%	2.50%	2.00%	3.00%	3.00%	CFO estimate benchmarked with Welsh Forces. Pay freeze for 2021/22 only.
<u>Police Staff</u>						
Pay Awards	3.50%	2.50%	2.00%	3.00%	3.00%	CFO estimate benchmarked with Welsh Forces. Pay freeze for 2021/22 only.
<u>Indirect Staff Costs</u>	3.50%	2.50%	2.00%	3.00%	3.00%	CFO estimate benchmarked with Welsh Forces. Pay freeze for 2021/22 only.
<u>Non Staff Inflation</u>						
General (Including Rates)	2.00%	2.00%	2.00%	2.00%	2.00%	CFO estimate benchmarked with Welsh Forces.
Utilities - Gas	16.00%	4.00%	4.00%	4.00%	4.00%	CFO estimate benchmarked with Welsh Forces.
Utilities - Electric	15.00%	4.00%	4.00%	4.00%	4.00%	CFO estimate benchmarked with Welsh Forces.
Utilities - Water	4.00%	4.00%	4.00%	4.00%	4.00%	CFO estimate benchmarked with Welsh Forces.
Petrol	4.00%	4.00%	4.00%	4.00%	4.00%	CFO estimate benchmarked with Welsh Forces.
Diesel	4.00%	4.00%	4.00%	4.00%	4.00%	CFO estimate benchmarked with Welsh Forces.
<u>Funding</u>						
Central Government Police Funding	5.90%	1.60%	-0.79%	-3.18%	-3.29%	Additional Op Uplift Funding being cost neutral. Impact of funding formula changes 2024/25 onwards.
Council Tax Base Increase	0.67%	0.67%	0.67%	0.67%	0.67%	Updated Council Tax Bases and 2022/23 growth used for 2023/24 onwards.
Council Tax Precept Increase	5.00%	6.82%	6.82%	6.82%	6.82%	Proposal to protect real term funding requirements and previous investments.

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Police and Crime Commissioner for Gwent / Heddlu Gwent Police
Medium Term Financial Projections 2022/23 to 2026/27
Force Establishment
At 28th January 2022

Description	2021/22 Forecast No.	2022/23 Forecast No.	2023/24 Forecast No.	2024/25 Forecast No.	2025/26 Forecast No.	2026/27 Forecast No.
Officers Baseline						
Officers Baseline - 1st April 2020	1,362	1,423	1,506	1,506	1,506	1,506
Police Staff Investigator Posts						
Operation Uplift	61.0	83.0				
Externally Funded Posts						
Amber Posts Funded						
Total Authorised Baseline	1,423	1,506	1,506	1,506	1,506	1,506
Officer Actuals						
Actuals as at 30th September	1,375	1,464	1,509	1,506	1,506	1,506
Retirees - Ordinary	(74.0)	(49.0)	(46.0)	(38.0)	(50.0)	(35.0)
Retirees - Medical	(4.0)	(6.0)	(6.0)	(6.0)	(6.0)	(6.0)
Leavers - Probationer Drop Out	(21.0)	(11.0)	(12.0)	(12.0)	(12.0)	(12.0)
Other Leavers - Dismissal/Tfr to other Force/Voluntary Resignation	(17.0)	(27.0)	(27.0)	(27.0)	(27.0)	(27.0)
Recruitment - Probationers	190.0	133.0	83.0	78.0	90.0	75.0
Recruitment - Transferees, Police Now, Detective Now	15	5	5	5	5	5
Forecast Actual	1,464	1,509	1,506	1,506	1,506	1,506
Police Office Establishment Under/(Over)	(41)	(3)	0	0	0	0
PCSOs						
WG Funded	121.0	121.0	121.0	121.0	121.0	121.0
Force Funded	41.0	51.0	61.0	75.0	75.0	75.0
Total	162	172	182	196	196	196
Police Staff						
Baseline	792.9	803.9	819.9	819.9	819.9	819.9
Additional	11.0	16.0				
Temporary Posts						
SIB Approved Changes inc Investment Funded Posts						
Total	804	820	820	820	820	820
Authorised Establishment Grand Total	2,389	2,498	2,508	2,522	2,522	2,522

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Police and Crime Commissioner for Gwent / Heddlu Gwent Police
Medium Term Financial Projections 2022/23 to 2026/27
In Service Pressures and Budget Developments
At 28th January 2022

Description	2021/22 £	2022/23 £	2023/24 £	2024/25 £	2025/26 £	2026/27 £
1 Additional Bank Holiday	240,000		(120,000)	(240,000)	120,000	120,000
2 PEQF - university fees £2k per student	108,000					
3 Citizen In Policing - Mini Police	20,000					
4 Loan Interest		189,189	898,013	777,585	14,669	82,213
5 Minimum Revenue Provision			196,560	933,000	807,880	15,240
6 Single Online Home Platform	23,098					
7 GP Contribution to Southern Wales SARC	69,829					
8 Mental Health Workers NHS Income	200,000					
9 Digital Evidence Management System	121,398	13,929	9,553			
10 Police Digital Services Company	1,825	11,749				
11 ANPR Camera Maintenance	162,000					
12 Police ICT Charges Increase	143,000					
13 DR Internet Link	16,380					
14 Forensic Pathology Provision Increase	25,600					
15 Crowd Control - ORLO Social Media Platform	63,000	(5,000)				
16 Safeguarding Hub Investment	151,000					
17 Public Confidence Survey	25,000					
18 Police Fed Establishment Officer	10,000					
19 CLUE software Licence	9,300		(9,300)			
20 Police Now Recruitment 2nd Year	167,000	(167,000)				
21 Driver Trainers Restructure			(123,600)			
22 Op Uplift Spend - Officer Salaries	2,824,513					
23 Op Uplift phase 2 x75 officers to reach 203 extra in total by 31/3/2023		2,300,700				
24 Op Uplift Spend - Staff Salaries	615,568	520,000				
25 Op Uplift Spend - 20-21 Staff Salaries Additionality	342,000					
26 Op Uplift Spend - Unsocial Hours	50,000	75,000				
27 Op Uplift Spend - External Training	25,000	37,500				
28 Op Uplift Spend - Overtime	75,000	112,500				
29 Op Uplift Spend - PEQF Fees	90,000	135,000				
30 Op Uplift Spend - IT Revenue	5,097	7,500				
31 Op Uplift Spend - Uniform	35,679	52,500				
32 Op Uplift Spend - Fleet Revenue	81,551	120,000				
33 Op Uplift Spend - Estates Revenue	28,033	41,250				
34 Op Uplift Spend - Custody Healthcare	50,581	75,000				
35 Op Uplift Spend - External Forensic Cost	65,398					
36 Op Uplift Spend - Employer Liability Insurance	2,500	3,750				
37 Op Uplift - Revenue Contribution to Capital	(3,264,128)	(1,180,000)				
38 Op Uplift - Specific Grant	(1,026,792)	(2,300,700)				
39 Op Uplift - Revenue Contribution to Capital - year 2	4,125,113		(2,219,891)	(2,580,699)		
40 Temporary Posts - Staff	(192,058)					
41 Funding Formula Revision				2,000,000	2,000,000	2,000,000
42 Degree Holder Entry Programme pre join co-ordinator	10,000					
43 We Don't Buy Crime'	20,000					
44 Specialist Operational Uniform	87,474					
45 Apprentice Scheme	175,000					
46 Investment Income	158,751					
47 Cyber Crime Grant Income	(70,660)					
48 Drone Maintenance	39,800					
49 Force Comms Room ICT & Network Maintenance	100,000					
50 TSU Specialist Operational Equipment & Maintenance	19,418					
51 Special Branch	13,480					
52 FIU & Cyber Crime Legal Costs	50,000					
53 FIU & Cyber Crime IT Hardware	30,000					
54 FIU & Cyber Crime Promotional Items	5,000					
55 DSU Additionality	22,000					
56 East LPA Recurring Pressures	53,090					
57 West LPA Recurring Pressures	42,970					
58 Citizens in Policing - Cadets	9,160					
59 Citizens in Policing - Specials	12,603					
60 Corporate Communications Printing Outside Contracts	7,000					
61 Strategy Performance and Change	14,615					
62 Professional Standards Software	24,500					
63 Collaborative Pressure	300,000	450,000				
64 NPAS Remodelling	173,000		(150,000)			
65 Gas Utility Pressure	12,000					
66 Mamhilad Rental Increase	15,000					
67 Cleaning Contract Increase	87,000					
68 Estate Other Contracted Services	9,641					

Police and Crime Commissioner for Gwent / Heddlu Gwent Police
Medium Term Financial Projections 2022/23 to 2026/27
In Service Pressures and Budget Developments
At 28th January 2022

Description	2021/22 £	2022/23 £	2023/24 £	2024/25 £	2025/26 £	2026/27 £
69 School Liaison Officers Mileage	24,560					
70 Estate Handyman Repair Consumables	7,000					
71 People Services - Hays consultancy	102,000	(102,000)				
72 Police pension valuation - E'ers contribution increase			8,801,667			
73 Police pension valuation - E'ers contribution increase funding			(8,801,667)			
74 Future years' pressures to be confirmed			2,000,000	2,000,000	2,000,000	2,000,000
75 OPCC commissioner pressures	500,000					
76 Additional PCSOs (precept funded)	350,000					
77 PCC pilot 50k evaluation 14k for IOM Pathfinder	64,000					
78 PCC contract renewal pressure Substance misuse	80,000					
79 Approved changes to establishment as at 31/1/2021	31,952					
80 Insurance - vehicle premiums	102,000					
81 ICT projects - hardware and software	234,734					
Sub total prior year pressures	8,406,573	390,867	481,335	2,889,886	4,942,549	4,217,453
2022-23 new pressures:						
82 Volunteer expenses		12,566				
83 Premises rental for recruitment campaigns		6,500				
84 Mini Police Clothing & Uniforms		4,000				
85 Cadet Clothing & Uniforms		4,000				
86 Special Constable Subsistence		7,373				
87 Mobile Device - Line Rentals		10,000				
88 Pontypool Rental Income reduction		52,540				
89 Abergavenny Police Team Block A Rates		14,579		(14,579)		
90 LPA West training site Rates		18,190				
91 Abergavenny Police Team Block A Rent		9,124		(9,124)		
92 LPA West training site Rent		9,086				
93 MARAC Co-ordinator Partnership Projects		20,000				
94 Cortex/Storm IT Software - Maintenance Contracts		24,890	100,000			
95 FIU/Cyber Other Legal Costs		10,645				
96 FIU/Cyber Consultants' Fees		13,806				
97 Graykey IT Software - Maintenance Contracts		16,312				
98 Cleaning & Facilities Contract		50,585				
99 Orbis IT Software - Maintenance Contracts		41,000				
100 AFR IT Software - Maintenance Contracts		91,000				
101 National ICT services (Police Digital Services)		60,000				
102 Wallboard IT Software - Maintenance Contracts		16,000				
103 FIU/Cyber Subsistence		60,000				
104 Revenue Contribution to Capital		1,066,253	1,214,812	2,580,000		
105 Sustainable Development Strategy Contribution		500,000				
106 Force Medical Advisor		25,000				
107 External Counselling Service		24,072				
108 Eye Sight Tests		3,500				
109 Wellbeing events venue		3,200				
110 Wellbeing Specialist Operational Equipment		3,200				
111 Wellbeing Subscriptions		4,525				
112 Staff/Officer Recruitment Costs - external assessment centres		6,000				
113 HepB Drug / Blood Testing		10,000				
114 Recruitment Drug / Blood Testing		8,283				
115 DNA Sampling		6,671				
116 Welsh Language Promotional Material		2,000				
117 Welsh Language Translation Costs		27,399				
118 Passing Out Parades catering - Police Officers		15,675				
119 Training centre venue hire		30,000				
120 Passing Out Parades catering - PCSOs, Specials		13,500				
121 Driver training subsistence		7,863				
122 Articulate IT Software - Maintenance Contracts		5,000				
123 Special Constables Subscriptions		24,500				
124 Training Specialist Operational Equipment		40,000				
125 Taser increase - firearms & ammunition		100,000				
126 Property insurance for new HQ		35,000				
127 Full year impact 1.25% E'ers National Insurance increase - officers		538,168				
128 Full year impact 1.25% E'ers National Insurance increase - staff		247,303				
129 DSD Process Automation (Process Efficiency Project)		446,000				
130 Pay increments			800,000	800,000	800,000	800000
131 Cyber Crime Business case		10,000				
132 Apprenticeship Levy funding		(480,000)				
133 3.5% pay award - officers: incremental cost above 2.5% in base budget		498,787				

Police and Crime Commissioner for Gwent / Heddlu Gwent Police
Medium Term Financial Projections 2022/23 to 2026/27
In Service Pressures and Budget Developments
At 28th January 2022

Description	2021/22	2022/23	2023/24	2024/25	2025/26	2026/27
	£	£	£	£	£	£
134 3.5% pay award - staff: incremental cost above 2.5% in base budget		213,078				
135 National Ballistic Intelligence Funding		26,000				
136 Attestations costs		20,000				
137 Clothing for PSU trainers		40,000				
138 Clothing for additional 50 PSU trained officers		75,000				
139 Process evolution software cost increase		4,200				
140 Crowd Control ORLO social media platform		5,000				
141 Covid Hub rental of portacabin - Op Carndale		18,500	(18,500)			
142 Firearms Licensing Team (FEOs)		200,000				
Sub total 2022/23 new pressures	0	4,375,873	2,096,312	3,356,297	800,000	800,000
Total pressures in 2022/23 Master budget and MTFP	8,406,573	4,766,740	2,577,647	6,246,183	5,742,549	5,017,453

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Police and Crime Commissioner for Gwent / Heddlu Gwent Police
Medium Term Financial Projections 2022/23 to 2026/27
Identified Budgetary Savings
At 28th January 2022

Description	2021/22 £	2022/23 £	2023/24 £	2024/25 £	2025/26 £	2026/27 £
1 Transitional Rent Allowance						
2 Housing Allowance			(60,000)	(60,000)		
3 Metered water	(20,000)					
4 Books and publications	(3,638)					
5 Medical examinations and reports	(40,000)					
6 Interpreter services	(19,663)					
7 Regional collaboration fees	(33,004)					
8 Procurement savings - Software, Rep & Maint	(19,380)					
9 Rebased savings - partnership fees		(100,000)				
10 Specialist operational equipment		(24,300)				
11 IT Hardware - purchases		(25,000)				
12 IT software maintenance contracts		(45,000)				
	(135,685)	(194,300)	(60,000)	(60,000)	0	0

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Police and Crime Commissioner for Gwent / Heddlu Gwent Police
Medium Term Financial Projections 2022/23 to 2026/27
Continuous Improvement Programme Savings 2022/23 to 2026/27
At 28th January 2022

Description	2021/22	2022/23	2023/24	2024/25	2025/26	2026/27	Total Recurrent
	Plans Required £'000	Plans Required £'000	Plans Required £'000	Plans Required £'000	Plans Required £'000	Plans Required £'000	2022-27 Plans Required £'000
<u>Service Improvement</u>							
1 Airwave Voice move to data services	16	16	16				32
2 Telematics - Reduction in Servicing & Fuel		100	50	50	50	50	300
3 Custody future single site operating model		100		350		400	850
4 NUMS Light	35						0
5 Ordinary Overtime (ETM)		10	10	10	10	10	50
6 Staff Overtime (ETM)		5	5	5	5	5	25
7 Review of standby, oncall and shift allowance		10					10
8 Process Automation (Net of Investment)		50	50	50	50	50	250
9 Police Regs - Review Ill-Health Retirement Categories		20	20	20	20	20	100
10 De-carbonisation Fleet - Reduction of running costs		20	20	20			60
<u>Collaboration</u>							
11 ICT Services - Data Centre rationalisation			285				285
12 NPAS	27						0
13 Vehicle Recovery Service & Contract	30						0
<u>Estates Rationalisation</u>							
14 Estates and Facilities-Carbon Reduction		150	283				433
15 New HQ Transfer - Vantage Point Lease Savings			323				323
16 Reduced Running Costs New HQ Building			100	125			225
<u>Enabling and Support Services</u>							
17 Telephony Rationalisation (VOIP & Mobile)	27						0
18 Telephony M365 Solution		78					78
19 MFD Printer Rationalisation	20	20					20
20 MFD Printing - Volumes	30	10	5	5			20
21 De-commission Printing Press		5					5
22 De-Commission Northgate ANPR			16				16
23 ICT Net Archive Savings	35						0
24 Supplies and Services (National prog. of work)	200	200	200	200	200	200	1000
25 Niche Forensics - Socrates Licence			20				20
26 Business Mileage (Agile Working)	36						0
27 External Training Budget (New Ways of Delivering)	150	150					150
28 Airwatch Mobile Data security - NEP In Tune		20					20
29 People Services - SIB November 2020		57					57
Grand Total	606	1,021	1,403	835	335	735	4,329
Cumulative savings 2022/23 to 2026/27		1,021	2,424	3,259	3,594	4,329	

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Police and Crime Commissioner for Gwent / Heddlu Gwent Police
Medium Term Financial Projections 2022/23 to 2026/27
Gwent Group Income & Expenditure Report as at 30th September 2021
At 28th January 2022

BUDGET AREA							
Gwent Police Group Revenue Budget as at period 201906		Annual Budget	Budget YTD	Actual YTD	Variance YTD	Full Year Forecast	Variance
EXPENDITURE							
1	Police Officer Pay & Allowances	77,817,736	38,830,076	36,766,599	2,063,477	74,639,990	3,177,746
2	Police Staff & CSO Pay & Allowances	36,436,268	18,139,374	17,626,198	513,176	35,989,486	446,782
3	Police Officer Overtime & Enhancements	1,797,140	790,001	1,411,972	(621,971)	2,641,032	(843,892)
4	Police Staff & CSO Overtime & Enhancements	1,637,541	808,097	794,917	13,180	1,589,834	47,707
5	Other Employees Related Costs	4,227,134	1,815,393	1,447,868	367,525	4,275,020	(47,886)
6	Premises Costs	6,494,012	3,042,716	2,930,250	112,466	6,089,784	404,228
7	Transport Costs	3,250,494	1,464,346	1,498,805	(34,459)	2,582,804	667,690
8	Supplies & Services	27,123,601	13,684,257	12,985,561	698,696	26,583,141	540,460
9	Major Incident Schemes	323,336	134,725	181,178	(46,453)	323,336	0
10	Proactive Operational Initiatives	205,000	85,415	73,359	12,056	205,000	0
11	Contribution to Police Computer Co.	1,026,146	1,026,146	1,183,964	(157,818)	1,183,964	(157,818)
12	Capital Charge	0	0	622	(622)	622	(622)
		160,338,408	79,820,546	76,901,294	2,919,252	156,104,011	4,234,397
OTHER APPROVED REVENUE REQUIREMENTS							
13	Development Funds	0	0	0	0	0	0
14	Identified Recurring Savings	0	0	0	0	0	0
		0	0	0	0	0	0
INCOME							
15	Investment Income	(87,140)	(41,719)	(26,702)	(15,017)	(53,405)	(33,735)
16	Other Income	(17,022,240)	(8,511,120)	(6,211,204)	(2,299,916)	(17,403,193)	380,953
		(17,109,380)	(8,552,839)	(6,237,907)	(2,314,932)	(17,456,598)	347,218
17	NET EXPENDITURE BEFORE TRANSFERS	143,229,028	71,267,707	70,663,387	604,320	138,647,413	4,581,615
TRANSFERS							
18	Transfers to Reserves	210,332	0	0	0	210,332	0
19	Revenue Contribution To Capital/Projects Scheme	6,678,778	0	0	0	6,678,778	0
	TOTAL RESERVE TRANSFERS	6,889,110	0	0	0	6,889,110	0
20	NET EXPENDITURE INCLUDING TRANSFERS	150,118,138	71,267,707	70,663,387	604,320	145,536,523	4,581,615
21	FUNDED BY:						
22	Revenue Support Grant	(21,591,350)	(11,415,397)	(11,626,111)	210,714	(21,591,350)	0
23	National Non-Domestic rates	(10,265,793)	(5,702,557)	(5,527,732)	(174,825)	(10,265,793)	0
24	Police Grant	(51,538,535)	(25,769,268)	(25,769,268)	1	(51,538,535)	0
25	Council Tax	(64,159,179)	(32,079,590)	(32,079,593)	3	(64,159,179)	0
26	Specific Grant Income	0	0	0	0	0	0
27	Use Of General Reserves	0	0	0	0	0	0
28	Use of Earmarked Reserves	(2,563,281)	0	0	0	(2,563,281)	0
	TOTAL FUNDING	(150,118,138)	(74,966,811)	(75,002,704)	35,893	(150,118,138)	0
	(OVER)/UNDERSPEND	0	(3,699,104)	(4,339,317)	640,213	(4,581,615)	4,581,615

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Police and Crime Commissioner for Gwent / Heddlu Gwent Police
Medium Term Financial Projections 2022/23 to 2026/27
Reserves and Committed Funds Position 2021/22
At 28th January 2022

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			Forecast Closing Balance 20/21 £'000	In £'000	Out £'000	Forecast Closing Balance 21/22 £'000	In £'000	Out £'000	Forecast Closing Balance 22/23 £'000	In £'000	Out £'000	Forecast Closing Balance 23/24 £'000	In £'000	Out £'000	Forecast Closing Balance 24/25 £'000	In £'000	Out £'000	Forecast Closing Balance 25/26 £'000	In £'000	Out £'000	Forecast Closing Balance 26/27 £'000
<u>REVENUE RESERVES AND COMMITTED FUNDS</u>																					
A	Statutory Reserves																				
1	General Reserve		4,000	1,000	0	5,000	0	0	5,000	0	0	5,000	0	0	5,000	0	0	5,000	0	0	5,000
	Sub Total		4,000	1,000	0	5,000	0	0	5,000	0	0	5,000	0	0	5,000	0	0	5,000	0	0	5,000
B	Committed Earmarked Funds within the MTFP																				
1	Capital Programme																				
a	Capital Grant		2,007	120	0	2,127	0	0	2,127	0	0	2,127	0	0	2,127	0	0	2,127	0	0	2,127
b	Capital Receipts		0	2,798	0	2,798	0	0	2,798	0	0	2,798	0	0	2,798	0	0	2,798	0	0	2,798
c	Revenue Contribution to Capital Programme		18,073	10,781	0	28,854	6,151	0	35,004	5,145	0	40,150	5,145	0	45,294	5,145	0	50,439	5,145	0	55,584
d	External Borrowing		0	0	0	0	4,914	0	4,914	23,325	0	28,239	20,197	0	48,436	381	0	48,817	2,135	0	50,952
e	ESN/Capital Committed Funds		0	4,652	0	4,652	792	0	5,444	64	0	5,508	1,209	0	6,717	2,648	0	9,365	1,087	0	10,452
f	Estate Works																				
i	Replacement HQ		10,285	0	(11,900)	(1,615)	0	(400)	(2,015)	0	0	(2,015)	0	0	(2,015)	0	0	(2,015)	0	0	(2,015)
ii	Victims' Hub		55	0	0	55	0	0	55	0	0	55	0	0	55	0	0	55	0	0	55
iii	Minor Works and Planned Maintenance		(448)	0	0	(448)	0	0	(448)	0	0	(448)	0	0	(448)	0	0	(448)	0	0	(448)
iv	Police Hubs & Spokes		(150)	0	(2,415)	(2,565)	0	(6,106)	(8,671)	0	(16,766)	(25,437)	0	(16,664)	(42,101)	0	(500)	(42,601)	0	(4,400)	(47,001)
v	Other		(635)	0	(646)	(1,281)	0	(2,940)	(4,221)	0	(1,500)	(5,721)	0	(500)	(6,221)	0	(500)	(6,721)	0	(500)	(7,221)
g	Fleet Replacement		(5,569)	0	(1,825)	(7,394)	0	(2,473)	(9,867)	0	(1,758)	(11,625)	0	(1,586)	(13,212)	0	(2,731)	(15,943)	0	(1,029)	(16,972)
h	ICT Investment		(8,155)	0	(2,534)	(10,689)	0	(1,634)	(12,323)	0	(3,012)	(15,335)	0	(2,078)	(17,413)	0	(1,252)	(18,665)	0	(808)	(19,473)
i	Other Projects/Schemes		(1,216)	0	(72)	(1,288)	0	(1,042)	(2,330)	0	0	(2,330)	0	0	(2,330)	0	0	(2,330)	0	0	(2,330)
j	Long Term Projects		(3,456)		(3,594)	(7,051)		(2,638)	(9,689)		(5,434)	(15,123)	0	(4,513)	(19,636)	0	(543)	(20,179)	0	(543)	(20,722)
k	ESN		0		(12)	(12)		(712)	(724)		(64)	(788)	0	(1,209)	(1,997)	0	(2,648)	(4,645)	0	(1,087)	(5,732)
	Forecast Accelerated Efficiency Savings		5,306	0	(5,306)	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
	Sub Total		16,096	18,051	(28,305)	5,843	12,157	(17,944)	55	28,534	(28,534)	55	26,551	(26,551)	56	8,173	(8,174)	55	8,368	(8,368)	56
C	Committed Earmarked Funds beyond the MTFP																				
1	Future Budgetary Imbalances		2,925	0	0	2,925	0	0	2,925	0	0	2,925	0	0	2,925	0	0	2,925	0	0	2,925
2	Commissioning Strategy and Force Initiatives		1,834	217	(407)	1,644	0	0	1,644	0	0	1,644	0	0	1,644	0	0	1,644	0	0	1,644
3	Airwave		8,249	200	(12)	8,437	200	(792)	7,845	200	(64)	7,981	200	(1,209)	6,972	200	(2,648)	4,525	200	(1,087)	3,637
4	Other Financial Liabilities																				
a	Tribunal and Ombudsman Liabilities		149	0	0	149	0	0	149	0	0	149	0	0	149	0	0	149	0	0	149
b	Unspent Revenue Grants		546	0	(184)	362	0	0	362	0	0	362	0	0	362	0	0	362	0	0	362
c	3rd Party funds		64	0	0	64	0	0	64	0	0	64	0	0	64	0	0	64	0	0	64
d	POCA		338	150	(150)	338	150	(150)	338	150	(150)	338	150	(150)	338	150	(150)	338	150	(150)	338
e	Workstream Specific Reserves		4,465	0	(1,040)	3,425	0	(575)	2,850	0	0	2,850	0	0	2,850	0	0	2,850	0	0	2,850
f	Speed Awareness Training		64	0	(64)	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
g	Op Uplift		1,000	0	0	1,000	0	0	1,000	0	0	1,000	0	0	1,000	0	0	1,000	0	0	1,000
h	PCSO increase		0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
	Sub Total		19,633	567	(1,856)	18,344	350	(1,517)	17,177	350	(214)	17,313	350	(1,359)	16,304	350	(2,798)	13,856	350	(1,237)	12,969
TOTAL REVENUE RESERVES AND COMMITTED FUNDS			39,729	19,619	(30,161)	29,187	12,507	(19,461)	22,232	28,884	(28,748)	22,368	26,901	(27,910)	21,360	8,523	(10,972)	18,911	8,718	(9,605)	18,025
<u>CAPITAL RESERVES AND COMMITTED FUNDS</u>																					
A	Committed Earmarked Funds																				
1	Capital Grant		0	120	(120)	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
2	Capital Receipts		2,498	300	(2,798)	0			0	0	0	0	0	0	0	0	0	0	0	0	0
TOTAL CAPITAL RESERVES AND COMMITTED FUNDS			2,498	300	(2,798)	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
TOTAL RESERVES AND COMMITTED FUNDS			42,227	20,219	(32,959)	29,487	12,207	(19,461)	22,232	28,885	(28,748)	22,368	26,901	(27,910)	21,360	8,523	(10,972)	18,912	8,718	(9,605)	18,025

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Police and Crime Commissioner for Gwent / Heddlu Gwent Police
Medium Term Financial Projections 2022/23 to 2026/27
Capital Programme 2022/23 to 2026/27
At 28th January 2022

		Original 2021/22 £'000s	Forecast 2021/22 £'000s	2022/23 £'000s	2023/24 £'000s	2024/25 £'000s	2025/26 £'000s	2026/27 £'000s
A	Estate							
1	Replacement HQ	10,475	11,900	400				
2a	Estates Strategy - Gwent Operational Facility	100	525	2,000	16,664	16,664	500	
2b	Estates Strategy - Fleet Workshops Relocation		670	1,297	37			
2c	Estates Strategy - Abergavenny Police Station		1,220	2,809	65			
2d	Estates Strategy - Blaenau Gwent Police Station							4,400
3	Ystrad Mynach CCTV	650	136					
4	Tredeggar property and evidence store	980	200	1,200				
5	Maindee refurbishment	250	60	740				
6	New Lifts		250	250				
7	Uniform Stores - Pontypool			250				
8	CCTV - Newport Central Replacement				1,000			
9	Sustainability Schemes			500	500	500	500	500
A	Total Estate	12,455	14,961	9,446	18,266	17,164	1,000	4,900
B	Vehicles							
1	Force Vehicle Replacement Programme	1,433	1,825	2,473	1,758	1,586	2,731	1,029
B	Total Fleet	1,433	1,825	2,473	1,758	1,586	2,731	1,029
C	Information Systems							
1	Disaster Recovery		19					
2	New HQ - SRS Costs	1,499	2,288					
3	SAN Replacement			400	50	50	50	50
4	Server replacement			250	84	20		
5	FFF			889	1,578	708	889	758
6	ESN	686	12	712	64	1,209	2,648	1,087
7	LECN		23					
8	O365		108					
9	Electronic Time Management		40					
10	CCTV - Gwent Police (Local Authority feed) - MCC & Torfaen		11					
11	Property Project (Printing from Niche to Gwent)		45					
12	Patient Management System (Occ Health)			50				
13	FCR Project				1,300	1,300		
14	LMS solution			45				
15	Desktop Replacement						313	
C	Total Information Systems	2,185	2,546	2,346	3,076	3,287	3,900	1,895
D	Other SIB Projects / Schemes	0	72	1,042	0	0	0	0
E	Non Capital Funded Long Term Projects (Appendix 8b)	2,482	3,594	2,638	5,434	4,513	543	543
F	Total Programme	18,555	22,998	17,944	28,534	26,551	8,174	8,368
G	Funding							
1	Capital Grant	120	120					
2	Revenue Contribution to Capital	7,624	10,781	6,151	5,145	5,145	5,145	5,145
3	Funding from Reserves and Committed Funds	10,635	11,785	6,088				
4	ESN reserve		12	792	64	1,209	2,648	1,087
5	Funding from external borrowing	176		4,914	23,325	20,197	381	2,135
6	Capital Asset Disposal		300					
G	Total Funding	18,555	22,998	17,945	28,534	26,551	8,174	8,368
H	Surplus Funds	0	0	0	0	0	0	0

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Police and Crime Commissioner for Gwent / Heddlu Gwent Police
Medium Term Financial Projections 2022/23 to 2026/27
Long Term Project Programme 2022/23 to 2026/27
At January 28th 2022

		2021/22 £'000s	Revised 2021/22 £'000s	2022/23 £'000s	2023/24 £'000s	2024/25 £'000s	2025/26 £'000s	2026/27 £'000s
1	Estates Capital Maintenance	500	500	500	500	500	500	500
2	Newport Central Maintenance	400	550	350				
3	Estate Feasibility	200						
4	Estate Strategy							
4a	Monmouth Town Hall Spoke							
4b	Monmouthshire Hub							
5	Collaborative Relocation - JFU Firearms Range	494	20		4,326	3,904		
6	Agile working	250	193					
7	Site Security			500				
8	Block B Caerleon house							
9	Vantage - additional training accommodation	150						
10	SRS projects:							
10a	Network replacement	103	123	43	43	43	43	43
10b	Data Hall replacement	19			203			
10c	Server replacement	40						
10d	Sharepoint			60				
11	DSD projects:							
11a	FFF	35	1,160					
11b	Telematics	56	241					
11c	DEMS	235	215	235				
12	Access Control		50	450				
13	Victims Hub & Admin of Justice		300					
14	Blackwood - works to watercourse		3					
15	EV Charging Points		59	20	112	66		
16	Carbon Trust		180	180				
17	Vantage Point Dilapidation				250			
18	Provisional OST Training - Mamhilad			220				
19	DCS Upgrade			80				
	Total Programme	2,482	3,594	2,638	5,434	4,513	543	543

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GWENT POLICE AND CRIME PANEL FORWARD WORK PROGRAMME 2021/22

28th January 2022

- Police and Crime Commissioner for Gwent's Budget Requirement and Council Tax Precept Proposal 2022/23.

25th March 2022

- PCC Update
- Performance Framework Q 3
- Crime Prevention

1st July 2022

- Appointment of Chair and Vice Chair
- PCC Update
- Annual Report
- Performance Framework Q 4

30th September 2022

- PCC Update
- Performance Quarter 1
- Strategic Equality Plan Annual Report
- Welsh Language Annual Report

16th December 2022

- PCC Update
- Presentation on Operational Context and Requirements for the Finance Strategy
- Treasury Management Update Report
- Gwent Police and Crime Panel Recorded Complaints and Conduct Matters Register
- Performance Framework Q 2 (Information Report)

Date to Be Confirmed

Serious and Organised Crime
Gwent Police Operator Model
Roads Safety Update
Emergency Services Network (ESN)
Estates Strategy
Victims Support and Impact

Performance Reporting Schedule - the time period between SPB and PCP reports deadline is approx. 1 working week.

Q1 -September
Q2- December (information only)
Q3- March
Q4-June