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## Penallta House

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**Gwent Police  
and Crime Panel**

**Panel Heddlu  
a Throseddu Gwent**

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

**Dyddiad: Dydd Gwener, 20 Ionawr 2023**

Annwyl Syr/Fadam,

Cynhelir cyfarfod o **Banel Heddlu a Throseddu Gwent** yn Ystafell Syrhowy, Ty Penallta Tredomen Ystrad Mynach ar **Dydd Gwener, 27ain Ionawr, 2023 am 10.00 am** I ystyried y materion a gynhwysir yn yr agenda ganlynol.

## A G E N D A

Tudalennau

1 Datganiadau o Ddiddordeb.

2 I dderbyn ymddiheuriadau am absenoldeb.

I gymeradwyo a llofnodi'r cofnodion canlynol:

- |   |  |           |
|---|--|-----------|
| 3 | Panel yr Heddlu a Throseddu Gwent wedi'i gynnal ar 16 Rhagfyr 2022                                 | 1 - 6     |
| 4 | Derbyn ac Ateb Unrhyw Gwestiynau i Gomisiynydd Heddlu a Throseddu Gwent                            |           |
| 5 | Gofyniad y Gyllideb a Chynnig Praesept Treth y Cyngor 2023/24 Comisiynydd Heddlu a Throseddu Gwent | 7 - 112   |
| 6 | Aelodau Cyfetholedig Annibynnol Panel Heddlu a Throseddu Gwent                                     | 113 - 114 |
| 7 | Blaenraglen Waith.   | 115 - 116 |

## AELODAETH:

Councillor Gareth A. Davies, Blaenau Gwent County Borough Council  
Councillor Jacqueline Thomas, Blaenau Gwent County Borough Council  
Cynghorydd Marina Chacon-Dawson, Caerphilly 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 Tony Kear, Monmouthshire County Borough Council  
Councillor Farzina Hussain, Newport City Council  
Councillor Debbie Jenkins, Newport City Council  
Cynghorydd Mark Spencer, Newport City Council  
Councillor Lynda Clarkson, Torfaen County Borough Council

Aelodau Cyfetholedig- Gillian Howells

### **Drwy Wahoddiad**

Mr J. Cuthbert, Office of the Gwent Police and Crime Commissioner  
Ms E. Thomas, Office of the Gwent Police and Crime Commissioner  
Mrs S. Curley, Office of the Gwent Police and Crime Commissioner  
Mr D. Garwood-Pask, 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 ON FRIDAY 16<sup>TH</sup> DECEMBER 2022 AT 10.00AM

Present:

Mrs G. Howells – Chair

Councillor J. Thomas – Blaenau Gwent County Borough Council  
Councillors M. Chacon-Dawson, C. Forehead and C. Mann – Caerphilly County Borough Council  
Councillors A. Easson and T. Kear – Monmouthshire County Council  
Councillors F. Hussain, D. Jenkins and M. Spencer - Newport County Borough Council  
Councillors L. Clarkson – Torfaen County Borough Council

By invitation:

Mr J. Cuthbert – Police and Crime Commissioner for Gwent  
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  
Ms Pam 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**

The Chair advised Members that Mr Peter Nuttall had resigned from the Panel due to poor health and that a recruitment process for his replacement would begin in the new year.

No declarations of interest were declared by Members.

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

Apologies were received from Councillor G. Davies (Blaenau Gwent County Borough Council).

#### 3. **TO APPROVE AND SIGN THE FOLLOWING MINUTES: Gwent Police and Crime Panel held on 30<sup>th</sup> September 2022**

RESOLVED that the minutes of the Gwent Police and Crime Panel meeting held on 30<sup>th</sup> September 2022 (minute no. 1 - 6) be approved as a correct record.

#### **4. UPDATE BY THE POLICE AND CRIME COMMISSIONER FOR GWENT**

The PCC echoed the Chair's appreciation of Mr Nuttall's work and advised that the OPCC would be writing to him to thank him for his efforts. The PCC then invited questions from Members.

One Member questioned why the Independent Custody Visiting scheme was operated by volunteer visitors. The Chief Executive outlined how this was a statutory scheme that ran across both England and Wales. The DPCC added that the principle behind the voluntary scheme was to allow layperson insight rather than the views of a professional. The Member also asked about the number of personnel leaving the Force in relation to the section of the report outlining how 38 new Police Officers had recently been welcomed into Gwent Police. The Chief Finance Officer advised that on a typical year Gwent Police would lose between 70 – 100 Police Officers due to issues such as reaching the retirement threshold in terms of years of service, and the PCC outlined how the two principal sources for recruitment were Operation Uplift funding and the decision to increase Gwent Police budgets for recruitment. The Chief Constable also stressed the importance of retention as well as recruitment.

A Member queried the lack of consultation with the Panel's Estates Group in relation to plans for the old headquarters. The Chief Finance Officer gave some background on the review of the Estates Strategy and highlighted an operational option for the former headquarters which was yet to be finalised. Members also heard how issues of affordability were yet to be resolved. The Chief Constable highlighted the importance of addressing operational needs and outlined how the custody facility in Newport was not fit-for-purpose and so one option being explored was to create a new central custody unit possibly at the site of the former headquarters.

In response to a question from a Member on expanding the work of the Cwmbran Centre for Young People (CCYP) the DPCC highlighted the financial support for a number of youth groups across the region through the Police Community Fund and suggested it should be featured in a future report to the Panel. The Chair agreed.

One Member requested an update on compliance with Welsh Language Standards. The Chief Executive highlighted how certain levels of Welsh were required for some roles and outlined how the number of personnel with Welsh skills had increased year-on-year. Members heard how the focus had been on ensuring compliancy with statutory requirements rather than on setting targets.

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

The Chair asked a question on the national commitment to send officers to every home burglary. The PCC was asked to outline the number of house burglaries reported in Gwent during 20/21 and 21/22 and what proportion of the crimes reported were subject to an officer attendance in respective years. The PCC was also asked for the time frame following a burglary before a victim should expect a visit from officers and how he was going to ensure that this national commitment was going to be adhered to by Gwent Police.

The PCC advised that there were 1,934 residential burglaries in 20/21 and 1,781 in 21/22. Officer attendance for each period stood at 84% and 87% respectively. Members heard how officers did not attend incidents of home burglaries if the victim only sought a crime reference number for insurance purposes or if nothing had been taken. The PCC then outlined that on average victims should expect a Police visit following a home burglary within an hour. But if there was a report of a burglary in progress Police Officers would aim to attend the scene within 15 minutes. The PCC highlighted that he ensured that Gwent Police met commitments and targets through the Strategy and Performance Board and the Police and Crime Plan. The Chair

thanked the PCC for his response, and it was suggested that the high rates of Police attendance at house burglaries should be better communicated to the public.

The Chair then asked a second question which was on a recent press article about the culture in the Gwent Police force as exposed by an Officers private phone messages. The Chair sought assurances from the PCC on the awareness of Officers and Staff and the effectiveness of the Chief Constable's 'Not in My Force' initiative to identify and eradicate such behaviour within the Force, the scrutiny he and his office have undertaken of complaints received and when he was first made aware of the current issue.

The PCC advised that reinforcing culture and standards within Gwent Police was undertaken at every opportunity such as when meeting new recruits and transferees for the first time and speaking at award ceremonies. Members also heard how officers and staff had attended roadshows where expectations on standards of behaviour were outlined to them. Details of anonymous reporting for victims of unreasonable behaviour were also explained by the PCC. Scrutiny tools such as Police Complaints Reviews and regular meetings were also highlighted to Members. The PCC advised that no reviews had looked into issues such as those raised in the Sunday Times article. The PCC reminded Members that the OPCC did not have an investigative role in terms of any complaints on operational matters. The PCC advised Members that he became aware of the current issue when he was contacted by the Sunday Times a few days before publication. The Chief Constable highlighted her leadership style to Members and provided assurances that she had challenged cultural issues in both policing and society at large throughout her years of service. Members heard how the Chief Constable would not tolerate inappropriate behaviour from Police Officers as they had a duty to set high standards. The PCC endorsed these comments and advised that she had his full support.

One Member outlined his disappointment as he had raised the issue of misogyny and asked about ways of challenging it in February and March. The Member believed action then would have prevented the issue being exposed in the recent newspaper article. The PCC advised that the Member's question in February was in relation to the PCC's appearance on the BBC's "Question Time" TV programme where he was asked a question by a member of the audience on issues surrounding the murder of Sarah Everard by a Metropolitan Police officer. Members heard how the PCC was responding to a throwaway comment on these issues during the broadcast and it was not based on fact from a Gwent perspective. The PCC highlighted how at this point he did not have the evidence which later materialised when the former Gwent Police Officer's private phone records were discovered after he had taken his own life. The Sunday Times article was based on this information. The Chief Executive as Monitoring Officer also advised the Panel that the PCC and Chief Constable had future statutory roles in terms of the issues raised in the Sunday Times article and that difficulties arose on commentary by them ahead of this statutory process.

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

The Chief Constable began her presentation with a summary which amongst other issues highlighted an increasingly complex policing environment. It was not just about having a visible presence in communities. Members heard how tackling organised crime for example was a time-consuming and costly affair. The Chief Constable was very aware of the cost of living crisis and operating at times of austerity but highlighted to Members the need for adequate resources for effective policing. The Chief Constable highlighted demand, resources and budget which formed her Force Management Statement. Members heard how in order to just standstill in this forecast cycle a precept growth of 6.82% per annum for the next 5 years had been assumed. This growth equated to a £20 a year increase for a Band D property. Members heard how even if this precept growth was accepted by the PCC and Members a financial gap of £7.716M for 2023/24 would exist. This was after identified savings of £1.142M. Members heard how it costs £1M a year to run a custody suite and that savings equated to the equivalent of closing 7 of

these suites. The Chief Constable took Members through key parts of her Delivery Plan. Members were told about plans to create efficiencies through better use of technology. The Chief Constable advised that Gwent Police received 7,919 - 999 calls in November and 10,697 – 101 calls. Members heard how these 999 emergency calls were answered within 10 seconds and that if the caller lived in an urban area officers would be with them in 10-12 minutes, and that response time would be 15-18 minutes for those calling from rural areas. Members also heard about some of the investments made by Gwent Police in areas such as Cyber Crime and Occupational Health. On daily demand Members were told that Gwent Police managed 856 registered sex offenders in the region, received approximately 239 – 999 calls a day and responded to around 11 missing person reports. It was outlined how between December 2021 and November 2022 the Major Crime Team has managed six homicides and a manslaughter. This level of demand required significant resources. The Chief Constable advised that if the precept increase were too low there would be risks in terms of effective policing and assured Members that every penny received was valued and spent wisely.

One Member sought clarification on what a 6.82% precept growth equated to in terms of Council Tax. The Chief Finance Officer advised that it would mean an increase of £20.72 a year for owners of a Band D property. Members were also reminded that this was just a proposal from the Chief Constable and a considered bid from the PCC would be presented to the Panel for their consideration in January.

A Member asked about the effectiveness of welfare policies especially for minority groups within the Force. The Chief Constable provided information on a “Buddying” system which supports BAME groups in particular. Members heard how an anonymous reporting service was available and that regular meetings took place in order to get advice from minority groups which then influenced any improvements needed.

One Member highlighted the difficult balancing act between resourcing effective Policing and limiting the financial burden on residents. The Member pointed out that savings could be made to construction budgets through an effective procurement process. The Chief Constable outlined the importance of having a custody site that was fit-for-purpose. The Chief Finance Officer provided assurances that the precept growth put forward would still require efficiencies and highlighted the limitations on using financial levers to close the gap. During the ensuing discussion the PCC highlighted a meeting he’d had with the Policing Minister where the Capital Budget was discussed. Members were also told that funding for Police Forces in Wales had more flexibility than in England as Welsh Councils did not have the restrictions on capping that existed in England. The issue of collective lobbying to reduce shortfalls was also raised by a Member. Members received assurances that this did take place and that opportunities to cooperate widely over issues such as procurement were also explored.

## **7. GWENT POLICE AND CRIME PANEL RECORDED COMPLAINTS AND CONDUCT MATTERS REGISTER**

The Lead Officer for the Panel (Ms. C. Forbes-Thompson) advised that this was an annual report on complaints made against the PCC and DPCC. It was highlighted that one complaint had been received but had subsequently not been recorded as following investigation it was found not to relate to either the PCC or DPCC. Panel Members heard how 18 complaints had been received and as they related to Gwent Police were passed to the Professional Standards department. Members noted the content of this report.

## **8. FORWARD WORK PROGRAMME**

Members heard how the next meeting of the Panel would be on 27<sup>th</sup> January 2023 and the only item on the agenda would be the Commissioner's Precept Proposal.

In the ensuing discussion it was decided that a Professional Standards report relating to both Gwent Police and the OPCC would be considered at the March meeting. One Member also requested a report on the recording of Road Traffic Accidents which should also include incidents where no personal injuries occurred. It was agreed that Gwent Police would provide this as an Information Item for the meeting in March. Following a brief discussion, it was also agreed that an update report on the Victims Support Task and Finish review would also be considered in March.

Meeting Closed at 12:30 pm.

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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 2023/24

**DATE:** 27<sup>th</sup> January 2023

**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 2023/24 of £161,586,891;

(ii)

The planned efficiency savings in 2023/24 of £1.142m and further planned efficiency savings of £2.762m (totalling £3.904m) detailed in Appendix 5b of the Annexe to this submission;

(iii)

A further proposed utilisation of Reserves and Committed Funds of £3.457m to balance the 2023/24 budget (Appendix 7);

(iv)

The initial Capital Programme as described in Appendices 8a and 8b; and

(v)

The 2023/24 proposed Council Tax Precept to be levied in respect of general expenses of £72,998,181. This reflects an annual increase in Band D of 6.82% or £20.72 on the 2022/23 Council Tax Precept level, thereby proposing a 2023/24 Band D Council Tax Precept of £324.52. This overall Council Tax Precept sum will be apportioned to each City/County/County Borough Council according to the following table:

Unitary Authorities	£	Tax Base Band D Equivalent
Blaenau Gwent	6,752,190	20,806.70
Caerphilly	19,839,572	61,135.13
Monmouthshire	15,504,946	47,778.09
Newport	19,787,776	60,975.52
Torfaen	11,113,697	34,246.57
Total	72,998,181	224,942.01

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

<b>Council Tax Band</b>	<b>£</b>
<b>A</b>	<b>216.35</b>
<b>B</b>	<b>252.40</b>
<b>C</b>	<b>288.46</b>
<b>D</b>	<b>324.52</b>
<b>E</b>	<b>396.64</b>
<b>F</b>	<b>468.75</b>
<b>G</b>	<b>540.87</b>
<b>H</b>	<b>649.04</b>
<b>I</b>	<b>757.21</b>

**2. INTRODUCTION & BACKGROUND**

The Commissioner is required to determine the budget for 2023/24 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. ISSUES FOR CONSIDERATION**

In determining the budget requirement for 2023/24, 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.

In determining the proposed level of Council Tax Precept for 2023/24, the Commissioner has sought the views of Gwent residents and is acutely aware of the significant pressures on household incomes at this present time. Whilst the majority of Gwent residents who responded supported an increase in Council Tax Precept, the Commissioner needs to balance the local investment expectations of the Government; those of the Chief Constable to deliver an effective and efficient Policing Service; with the affordability of the increase to Gwent's households.

The proposed increase in Council Tax Precept therefore has been robustly scrutinised and challenged, to ensure that it is the minimum increase required to maintain Policing Services in Gwent and to support growth in PCSO numbers in 2023/24.

4.	<p><b><u>NEXT STEPS</u></b></p> <p>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<sup>th</sup> February 2023.</p>
5.	<p><b><u>FINANCIAL CONSIDERATIONS</u></b></p> <p>This is a major financial report with clear financial implications. These are fully articulated within the Annexe and Appendices.</p>
6.	<p><b><u>PERSONNEL CONSIDERATIONS</u></b></p> <p>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 31<sup>st</sup> March 2023, but this is to the backdrop of significant reductions in real-terms 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.</p>
7.	<p><b><u>LEGAL IMPLICATIONS</u></b></p> <p>Setting the budget requirement and Council Tax Precept are statutory responsibilities of the Commissioner.</p>
8.	<p><b><u>EQUALITIES AND HUMAN RIGHTS CONSIDERATIONS</u></b></p> <p>This proposal has been considered against the general duty to promote equality, as stipulated under the Strategic Equality Plan and has been assessed not to discriminate against any particular group.</p> <p>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><b><u>RISK</u></b></p> <p>A timely decision on the Council Tax Precept will minimise the risk of failing to achieve the statutory deadline.</p>
10.	<p><b><u>PUBLIC INTEREST</u></b></p> <p>This report will be placed on the website of both the Commissioner and the Police and Crime Panel.</p>
11.	<p><b><u>CONTACT OFFICER</u></b></p> <p>Darren Garwood-Pask, Chief Finance Officer to the Police and Crime Commissioner for Gwent.</p>
12.	<p><b><u>ANNEXES</u></b></p> <p>The Annexe to this report and its Appendices provide full details in support of the proposal.</p>



**POLICE AND CRIME COMMISSIONER FOR GWENT****BUDGET REQUIREMENT AND COUNCIL TAX PRECEPT PROPOSAL 2023/24****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 two 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 the Force is 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 21<sup>st</sup> 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 two years. These outcomes will allow me to measure both mine and the Force'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 the Force 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 the Force 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 war in Ukraine and the cost of living crisis. The effects of each have been far reaching, touching all facets of society and placing immense pressure on public services and the public alike. Policing has been no exception to this. During the most

difficult periods of the pandemic for example, the Force enforced lockdown restrictions with fairness and understanding, taking decisive steps to safeguard the most vulnerable in our communities. I commended the conduct of Police Officers and Police Staff who rose to these challenges and made sure that the Force was there for those in need. However, the impact of Covid-19 will extend beyond the public health crisis; and the cost of living crisis, driven partly by the war in Ukraine, is placing significant financial and operational pressures on the Force. The effects of these on society are expected to be generational and Policing, which was already stretched prior to these events, will also need to meet these challenges. As Commissioner, I acutely acknowledge the economic impact of past and current events and the associated inflationary burdens across the Communities of Gwent and to this end, need to balance the local investment expectations of the Government; those of the Chief Constable to deliver an effective and efficient Policing Service; with the affordability of the Council Tax Precept on Gwent residents.

5. Over the remainder of my current elected term, I will make every effort to ensure that the Force receives the support necessary to overcome any lasting challenges from Covid-19 and the current cost of living crisis. 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 both. In addition to the lasting impact of these events, one more presently acute than the other, serious concerns have been raised nationally and internationally on Policing's ability to tackle violence against women and girls (VAWG); failings in Police Culture and Professional Standards; and how Black, Asian and Minority Ethnic communities are policed. These issues 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 and the cost of living crisis, 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 six years since I was first elected as Police and Crime Commissioner, the OPCC and the Force 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 2023/24 and set the Council Tax Precept, prior to the 1<sup>st</sup> March 2023, 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 2023/24, 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 2023/24 Budget setting round, a number of key factors are highlighted below.

The 2021 Comprehensive Spending Review (CSR 2021) and 2022/23 Final Settlement

16. As discussed in last year's Budget Requirement and Council Tax Precept Proposal Report (Budget Report), the impact of Covid-19 on the post Brexit economy in the UK created great uncertainty and fiscal turbulence. As a result, the Government postponed its original three-year CSR plans and implemented a one-year Spending Round (SR) in the Budget published on 21<sup>st</sup> October 2020. However, twelve months later the position had changed so that the Chancellor of the Exchequer (the Chancellor) was able to announce a three-year spending plan (CSR 2021) in his Budget published on 27<sup>th</sup> October 2021. This brought some much needed certainty for Government Departments for the 2022/23, 2023/24 and 2024/25 financial years. That degree of short to medium-term certainty extended to Police finances and ended the longest period without a multi-year Settlement since the introduction of multi-year planning in 1998.
17. 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 7<sup>th</sup> September 2021, when the Chancellor launched the CSR 2021. The CSR 2021, which was concluded and published on 27<sup>th</sup> October 2021 alongside the Autumn 2021 Budget, set out the Government's plan for how public spending will deliver the people's priorities



over the next three years. CSR 2021 confirmed 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.

18. We are now in the second year of the three year CSR 2021 period. The Government's aims with the CSR 2021 were to '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.
19. In September 2021, 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 in 2021 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. The Government will make available around an additional £12bn per annum (p.a.) 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% p.a. 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.
20. 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 were therefore 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.
21. In order to provide a Policing Sector contribution into the then forthcoming CSR 2021, a joint Association of Police and Crime Commissioners (APCC) and National Police Chiefs' Council (NPCC) Submission (Submission) was provided to the Home Office (HO) to support their own submission to His Majesty's Treasury (HMT) as part of the CSR 2021 process. 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, alongside submissions from the wider Policing, Security and Criminal Justice Sector.
22. The Submission was made up of 5 distinct elements:
- a) An Executive Summary which included an overview of key Policing 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 considered 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.

23. The above elements rightfully reflected the situation at a local level in Gwent and were set out in detail in last year's Budget Report. The submission focused on the the strategic move to a more preventative and proactive approach; SOC, VAWG, Drugs, and local Policing; value for money and sustainable services; central funding for national projects; and the ongoing funding of the Police Officer Uplift Programme (PUP) from Government sources and not Council Tax Precept. The interconnectedness with the Criminal Justice Sector and wider public sector with increased Policing demand and more complex crime patterns, were important areas of concern. Continued partnership working and adopting whole system approaches were key for improving Policing and Criminal Justice outcomes in the short and medium-term.
24. The submission concluded that 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. 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. The Submission therefore sought to protect baseline funding as well as articulate a rationale for increased funding, while balancing the need for improved service delivery and scarcity of resources. Opportunities exist to do things differently in the future and this continues to form part of the wider efficiency and productivity agenda which the Policing Service is delivering.
25. CSR 2021 confirmed the overall HO Settlement providing £4.2bn over the Parliament (including capital), increasing from £12.3bn in 2019/20, 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. 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 was criticised for this and 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. In relation to Policing, Crime and Fire and Rescue Services, the key headlines were:
- a) CSR 2021 provided 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;
  - b) Ongoing commitment to the growth of Police Officer numbers and funding for PUP in 2022/23;
  - c) Additional funding for specific areas including crime reduction and substance misuse; money laundering and fraud; capital funding for the Emergency Services' Mobile Communications Programme's (ESMCP) Emergency Service Network (ESN) replacement programme; illegal immigration; and protecting vulnerable people;

- d) Public sector pay freeze would end in 2022; the National living Wage would increase; and a 1.25% increase in NI contributions for Health and Social Care (the Social Care Levy) would be implemented;
  - e) From a Policing perspective, it is understood that the budget available for Policing had been reduced by £100m by 2024/25, to contribute to the Government's efficiency target;
  - f) Further investment across the wider Criminal Justice system and Crown Prosecution Service; and
  - g) Additional funding to the Welsh Government (WG) of £2.5bn p.a. on average through the Barnett Formula throughout CSR 2021, but no further information on the HO's review of the Police Funding Formula which increases funding uncertainty in the medium-term.
26. With regards to the 2022/23 Final Police Settlement, it appeared very welcome in the headline investment figures and was a continuation of prior years' reinvestment in Policing. However, the vast majority of the increase in Central Government Grant Funding in 2020/21, 2021/22 and 2022/23 was 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 2022 Statement and March 2022 Economic and Fiscal Outlook

27. On the 23<sup>rd</sup> March 2022, the Chancellor, Rishi Sunak MP made his Spring 2022 Statement announcement in the House of Commons. Statements have traditionally been an opportunity for the Chancellor to provide an update on the health of the economy, with major tax and spending changes made at the Budget, usually held in the Autumn. However with inflation reaching its highest point in 30 years and expectations of continuing increases, there were calls for the Chancellor to tackle the cost of living crisis.
28. This Statement was the first since the beginning of the war in Ukraine which created substantial uncertainty in the global economy, particularly in energy markets. The resulting sanctions and the worldwide responses would inevitably have an adverse effect on the UK economy, with unavoidable increases in the cost of living in the UK. At that point in time the full effect on inflation and the long-term consequences of the war were very unclear, but stronger tax receipts, lower than expected borrowing and a strong labour market suggested the UK economy was in a better position to deal with these challenges. The Spring 2022 Statement was therefore aimed squarely at helping households to cope with the cost of living increases.

29. As usual, the Office for Budget Responsibility (OBR) published its Economic and Fiscal Outlook (EFO) alongside the Spring 2022 Statement, containing its forecasts for the economy and the public finances at that time.
30. The impact of the Covid-19 pandemic on the UK economy was significant, magnified by the UK's response to the war in Ukraine and the rising costs of living. Gross Domestic Product (GDP) rose by 7.5% in 2021 but was still behind pre-pandemic levels after falling by 9.9% in 2020, the largest annual fall since 1709 (as a result of the 'Great Frost'). At the time of the Spring 2022 Statement a further GDP growth of 3.8% in 2022 was expected, with more modest rises of around 2% in subsequent years. After taking into account the 'baked-in losses' (also known as 'permanent scarring') of 2% from the pandemic, growth was expected to finally return to pre-pandemic levels by April 2023, as the economy gradually caught up to its pre-pandemic path.
31. In relation to inflation, the impact of Covid-19 led to Consumer Price Index Inflation (CPI) of 0.9% in 2020 but since the pandemic, inflation has risen to its highest levels since the 1990s. In general, the Government aims for inflation to be at 2%. OBR forecasts in March 2022 put this figure at an average of 7.4% for 2022 but with an expected level of 9% in the last quarter of the year – double the peak in their October 2021 forecast. Note however that the OBR also forecast that Retail Price Index Inflation (RPI) for 2022 would be 9.8% - some 2.4% higher than CPI for the same period.
32. In the Spring of 2022, the OBR noted that buoyant labour demand had helped the unemployment rate to fall to 4.1% in the final quarter of 2021, rather than the 5.2% they had expected in October 2021. This indicated a substantial recovery in the labour market following the end of the furlough scheme, when the number of vacancies rose to a record level of 1.3 million.
33. The effect of Covid-19 on average earnings and on wages and salaries led to estimates being revised downwards. Post pandemic however, the picture is again one of recovery with forecasts for wages and earnings being revised upwards when compared to October 2021 predictions. Increases of 6.9% and 6.6% were forecast for 2021 and 2022 respectively before settling at around 3% thereafter and reaching pre-pandemic levels by 2026.
34. Public Sector Net Debt (PSND), the difference between spending and income, peaked as a share of GDP at 85.2% in 2016/17, but climbed steadily since then with a step change in borrowing to fund the Government's response to Covid-19 in the Spring 2021 Budget. At the time of the Spring 2022 Statement a revised peak of 95.6% of GDP in 2021/22 was forecast, lower than the 107.4% predicted twelve months earlier in the Spring 2021 Budget and the 98.2% predicted in the Autumn 2021 Budget. PSND levels were forecast to remain flat at 95.5% in 2022/23 before falling in successive years to 83.1% in 2026/27.
35. 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. Borrowing peaked in the Spring 2021 Budget forecast at £354.6bn for 2020/21 – almost seven times more than the £54.8bn forecast 12 months earlier

– and £183.0bn for 2021/22. In the Spring 2022 Statement the 2020/21 and 2021/22 figures had reduced to £321.9bn and £127.8bn respectively, with lower levels continuing in subsequent years before reaching £31.6bn in 2026/27.

36. The OBR's March 2022 EFO Council Tax Base assumptions for 2022/23, i.e. the Band D equivalent number of properties upon which the Council Tax Precept is levied, were 0.4% for England and 0.5% for Wales. This reflects the ongoing impact at the time of Covid-19 on Council Tax Base growth, but also a substantial downgrading of growth estimates from 1.1% for England and 0.6% for Wales. From 2023/24 to 2026/27 the English Council Tax Base recovers quickest, showing increases of between 1.1% and 1.5% p.a., while the Welsh Council Tax Base remains static at 0.5% p.a. in the same period. Members will agree this disparity between England and Wales is strange and will result in a widening gap in Council Tax Precept funding for Local Authorities and Policing bodies. Locally, the latest indications are that the Council Tax Base in Gwent will grow on average by 0.28% which is comparable to other Welsh force areas and below the 0.5% OBR forecast.
37. In relation to Council Tax Precept levied by Local Authorities for 2022/23, English Authorities were showing growth of 3.4%, before falling back to a 1.9% increase forecast in the proceeding years up to 2025/26. For 2022/23, Welsh Authorities were showing growth of 4.6%, which then remains at between 4.5% and 4.7% increases between 2023/24 and 2026/27 – higher than English growth due to devolved 'capping powers'.
38. The Spring 2022 Statement provided measures to tackle the cost of living crisis with a £3,000 rise in the NI threshold from July 2022 and a 1% cut in the basic rate of income tax from 20% to 19% from April 2024. Further measures to cut the rising cost of living as a result of Covid-19 and the war in Ukraine included a temporary reduction in fuel duty by 5p/litre until March 2023; 0% VAT on energy saving materials; and a doubling of the Household Support Fund which helps Local Authorities support vulnerable households. There were no Police-specific references in the Spring 2022 Statement.

#### Mini Budget September 2022, Autumn 2022 Statement and November 2022 Economic and Fiscal Outlook

39. During the Conservative Party Leadership election between July and September 2022, the subsequent new Prime Minister, Liz Truss MP, had advocated an emergency budget implementing significant reductions in taxation and a number of radical policies. On 23<sup>rd</sup> September 2022 the new Chancellor, Kwasi Kwarteng MP, delivered a Ministerial Statement entitled 'the Growth Plan', widely referred to as a mini-budget (Mini Budget). The Mini Budget took place immediately after the State Funeral for Queen Elizabeth II and against the backdrop of the cost of living crisis, high inflation and sharply rising energy costs.
40. In the days immediately preceding the Mini Budget, a number of key policy changes and events were announced separately including:

- a) Following a cap on household energy bills for two years, a scheme to freeze wholesale gas and electricity prices for businesses for six months from 1<sup>st</sup> October 2022;
  - b) A reversal from 6<sup>th</sup> November 2022 of the 1.25% rise in National Insurance contributions introduced in April 2022;
  - c) Plans to introduce the Health and Social Care Levy from April 2023 would be scrapped; and
  - d) An increase to 2.25% in UK interest rates, was announced by the Bank of England in an attempt curb inflation.
41. The Mini Budget signalled a fundamental move away from balancing the Government's books, to one of tax cuts being paid for by subsequent economic growth (also known as trickle-down or supply-side economics). The measures announced on 23<sup>rd</sup> September 2022 included:
- a) A planned cut in basic income tax rate from 20% to 19% from April 2023;
  - b) The abolition of the 45% higher income tax rate in England and Wales;
  - c) Reversing a plan from March 2021 to increase Corporation Tax from 19% to 25% from April 2023;
  - d) Confirming the reversal of the 1.25% increase in NI contributions from April 2022, as well as the abolition of the proposed Health and Social Care Levy from April 2023;
  - e) Tax relief for investors to allow new and start-up companies to raise up to £250,000 of investment; and changed regulations to allow pension funds to increase UK investments;
  - f) Repeal of the 2017 and 2021 reforms to IR35 anti-avoidance tax legislation governing off-payroll work;
  - g) Maximum share options for employees doubled from £30,000 to £60,000;
  - h) Stamp duty threshold lifted to £250,000 with immediate effect (£425,000 for first time buyers);
  - i) A two-year freeze on energy bills that will cost an estimated £60bn over six months, and is forecast to reduce inflation by 5%;
  - j) The scrapping of the limit on bankers' bonuses;
  - k) The reintroduction of VAT-free shopping for overseas visitors, extended to visitors from EU;
  - l) The scrapping of planned increases in duties on beer, cider, wine and spirits;

- m) Plans for investment zones in England, with 38 initially proposed; and
  - n) Liberalising of planning laws and scrapping of EU planning regulations.
42. The Mini Budget was designed to boost economic growth through tax cuts; paid for by increased borrowing and national debt. The overall package was worth £161bn over five years plus an additional £60bn to fund the 2022/23 energy bills support package for households and businesses.
  43. Despite a generally favourable reaction by businesses, there were widespread concerns over the affordability of the proposals. In particular there was a very negative reaction to the level of borrowing required, resulting in a sharp fall in the value of Sterling to an all-time low against the US dollar and significant market turbulence. The publication of the Mini Budget without an accompanying forecast from the OBR drew particular criticism. The International Monetary Fund took the unusual step of issuing an openly critical response saying the Mini Budget would “likely increase inequality” and urging the Government to re-evaluate the proposed tax cuts. Further plans were subsequently announced by HMT to provide costings of the Mini Budget alongside an independent OBR forecast on 31<sup>st</sup> October 2022, in a bid to provide reassurance to markets.
  44. However the criticism caused a period of intense turmoil that saw the replacement of Kwasi Kwarteng MP as Chancellor by Jeremy Hunt MP on 14<sup>th</sup> October 2022. It also culminated in the resignation of Liz Truss MP as Prime Minister on 25<sup>th</sup> October 2022 and her replacement by Rishi Sunak MP. Jeremy Hunt MP was retained as Chancellor and the majority of the tax cuts announced in the Mini Budget were reversed. The announcement scheduled for 31<sup>st</sup> October 2022 was subsequently upgraded to a full Autumn 2022 Statement and delayed until 17<sup>th</sup> November 2022, in order to base it on the ‘most accurate possible’ economic forecasts. This stabilised financial markets somewhat, but some estimates suggest the Mini Budget still cost the Government nearly £30bn from unfunded NI cuts and higher borrowing costs and interest rates.
  45. On 17<sup>th</sup> November 2022, the Chancellor announced the Autumn 2022 Statement 2022. The Statement was Jeremy Hunt MP’s first major fiscal event as Chancellor and unlike the Mini Budget, was accompanied by the OBR’s EFO. However the detail of these forecasts was scaled back from recent years, due to the ‘changing deadlines for our November 2022 forecast’. The Autumn 2022 Statement was more generalised than in previous years, with little to no reference to Policing specifically.
  46. Prior to the announcement, inflation was running at a 41 year high of 11.1% CPI and 14.2% RPI. The Bank of England Base Rate for interest (3%) was also at its highest since 2008. The spending gap that needed to be addressed by the Government was estimated to be approximately £55bn, to be met partly through tax rises (£20bn) and spending cuts (£35bn).
  47. The picture of higher inflation and reduced GDP growth throughout 2023/24 and 2024/25 was reflected in the Autumn 2022 Statement and the OBR’s forecasts.



As stated previously, the impact of Covid-19 led to a CPI of 0.9% in 2020. Post-pandemic, inflation has risen to its highest levels since the 1990s. In general, the Government aims for inflation to be at 2%, but the OBR's current forecasts show CPI inflation to be 9.1% in 2022 and 7.4% in 2023. Between 2024 and 2026 the picture is one of negligible inflation before a return to 1.7% in 2027. Alongside this the OBR forecasts that the UK entered a period of recession in Quarter 3 2022 that will persist in 2023, with the economy contracting by 1.3% in that year. Growth forecasts for 2024 remain low before a recovery in 2025. This effectively means we are entering a further period of austerity with stagnation and very slow recovery for at least the next two financial years, coupled with higher borrowing than in the pre-Covid-19 pandemic period.

48. Alongside this, wage increases are forecast to be 4.2% for 2023/24 before falling back to less than 2% for 2024/25 onwards, with unemployment rates remaining relatively stable at 4%. In addition the Government committed to raising the Living Wage by 9.7% from £9.50 an hour to £10.42 an hour, benefitting an estimated two million workers. The so-called Pension Triple Lock was also retained, with state pension and benefits rising by 10.1% in line with inflation.
49. Public Sector Net Debt (PSND), the difference between spending and income, peaked as a share of GDP at 85.2% in 2016/17, but climbed steadily since then with a step change in borrowing to fund the Government's response to Covid-19 in the Spring 2021 Budget. At that time the forecast for 2023/24 was a new peak of 109.7%. The OBR's forecasts since then have been much lower, but the Autumn 2022 Statement has seen new forecasts that align more closely with the Spring 2021 Budget at 106.7% for 2023/24. While the level of PSND is forecast to reduce annually over the next five years, at 99.3% in 2027/28 it will still be higher than the level in 2021/22. This means that it is expected that the Government will take longer to reduce PSND after the Covid-19 pandemic period and a prolonged period of higher borrowing costs. As the Government seeks to reduce borrowing, it has introduced two new fiscal rules: that underlying debt must be falling as a percentage of GDP by the fifth year of a rolling five year period, and that public sector borrowing must remain below 3% of GDP over the same period.
50. In mitigation of rising spending, the Chancellor extended the freeze on income tax thresholds and personal tax allowances for a further two years to April 2028. Because of rising inflation, it is expected this will save more than the £8bn a year predicted in the Spring 2021 Budget. The Chancellor also reduced the tax threshold of £150,000 for the 45% higher tax rate to £125,140 from April 2023.
51. In addition the Government will launch an Efficiency and Savings Review. The Review will target increased efficiency; reprioritise spending away from 'lower-value' programmes; and review the effectiveness of public bodies. Savings will be reinvested in Public Services and the Government plans to report on the progress in Spring 2023. 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 2021/22, has delivered cumulative recurring savings of £52.751m. The 2022/23 savings target of a further

£1.021m 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.

52. Prior to the Autumn 2022 Statement there had been fears that the UK would be returning to the austerity of CSR 2010 when there were pay freezes; average four-year cuts to Government Department budgets of 19%; and Police funding cut by 4% p.a. However, largely due to increased Council Tax Precept flexibilities, the measures set out in the Autumn 2022 Statement mean that Local Government will see the largest percentage increase in available resources from 2022/23 to 2023/24.
53. While Policing was not mentioned during the Autumn 2022 Statement, nor in the accompanying documents, the HO budget is also set to rise from £14.4bn in 2021/22, to £14.6bn in 2022/23, to £15.4bn in 2023/24. This then flattens off in 2024/25 at £15.5bn, the last year of CSR 2021; but still substantially below the original HO Settlement in the CSR 2021 of £16.5bn.
54. **For the next two years therefore, Policing can expect very little growth in Central Government Funding. The Force will be required to make substantial additional efficiencies to mitigate the initial and long-term effects of higher costs; from forecast higher inflation rates of over 7%; and pay awards of over 2% in 2023/24.** In addition, there will be the ongoing cost of salary increments for the PUP Police Officers recruited, as they finish their probationary periods and gain experience.
55. Again, the Autumn 2022 Statement was silent on the HO's review of the Police Funding Formula – which along with the medium to long-term impact of Covid-19 and the cost of living crisis on Police finances, provides additional future financial uncertainty to 2027/28. 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 was further delayed.
56. In the late Summer of 2021 however, the review 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. 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). In last year's Budget Report it was considered more likely that

the review could be completed and implemented sooner. This accelerated the financial risk posed by the review which was reflected in last year's MTFP from 2024/25 onwards. However the political and economic turmoil in the last six months of 2022 suggests that this acceleration is less likely than before. On this basis, the impact of the review has been amended in the MTFP to reflect an impact from the 2025/26 financial year onwards.

57. 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 continued in earnest. The £6m could well be exceeded however, as the amount of 'Top-up' Grant that Gwent will receive from English Commissioners in 2023/24, amounts to £10.9m (totalling £63.5m for 2023/24 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 2025/26 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.

## **PROVISIONAL SETTLEMENT 2023/24**

58. The Provisional 2023/24 Police Funding Settlement (Provisional Settlement) was announced in a Written Ministerial Statement (WMS) by the Minister of State for Crime, Policing and Fire, Chris Philp MP on Wednesday 14<sup>th</sup> December 2022. 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 2023/24. The publication of the Draft 2023/24 Police Grant Report marks the start of the consultation period which ended on the 13<sup>th</sup> of January 2023, with the Final 2023/24 Police Funding Settlement (Final Settlement) being issued shortly after this date. This Provisional Settlement reflects the second year of the three-year CSR 2021.
59. Despite the country recently emerging from a pandemic, the economic landscape has significantly worsened since the last Settlement. Inflation is of particular concern, with CPI reaching 11.1% in October 2022. There has been pressure on the Government from all sides to increase Departmental spending to avoid real-term cuts. Conversely increasing levels of national debt mean that Departmental cuts were considered a necessity, which the Chancellor, Jeremy Hunt MP did in his Autumn 2022 Statement. The Departmental

Budget for the HO was reduced by £1.1bn from £16.5bn in the CSR 2021 to £15.4bn for 2023/24 in the Autumn 2022 Statement as a result.

60. 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, the then Policing Minister 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. The Autumn 2022 Statement appears to show the 2023/24 funding increasing by a further £140m, which included funding for the pay award announced by the then Home Secretary, Priti Patel MP, in July 2022.
61. The NPCC released figures from a survey in October 2022, which found that energy inflation is adding £100m a year to Policing deficits. The survey also found that there were additional cost pressures of £127m for service developments and other contractual inflation. This led to a request for an additional £300m in Central Government Grant Funding to protect the Police Service from inflationary pressures.
62. Due to the larger than expected inflation figures, there has been pressure across the Public Sector to offer larger pay rises than the 2% to 3% expected. In July 2022 the Government announced that Police Officers will get a pay award of £1,900 at all pay points, worth around 5% when all ranks and pay scales are taken into account. After the announcement the then Home Secretary, Priti Patel MP, announced additional funding to help cover the increased on budgets of £70m in 2022/23, £140m in 2023/24 and £140m in 2024/25. This did assume that next year's pay award would drop back down to the previous assumptions of between 2% and 3%.
63. However, in a letter sent to the APCC and NPCC by the Minister of State for Crime, Policing and Fire, Chris Philp MP on 12<sup>th</sup> December 2022 regarding Council Tax Precept increases, he stated that "PCCs should consider the pressures on their budgets, including the potential for a 2023/24 pay award above 2% next year, for which they should budget appropriately."
64. Last year the HO distributed approximately £70m of additional grant to cover the costs of the NI contribution increases as a result of the Social Care Levy. However, the Autumn 2022 Statement removed the Social Care Levy and approximately £66m of funding was clawed back by the HO. **This leaves approximately £74m out of the £140m to actually fund pay increases.**
65. The WMS goes on to state that overall funding for Policing from Government will rise by up to £287m compared to the 2022/23 Final Settlement, bringing the total overall funding up to £17.2bn. Within this, funding to Police and Crime Commissioners will increase by up to an additional £523.4m, assuming full take-up of Council Tax Precept flexibility. This would represent an increase to Police and Crime Commissioner funding in cash-terms of 3.6% on top of the 2022/23 Police Final Settlement in relation to Central Government Grant Funding. However, excluding the Council Tax Precept increase of £349m, this leaves only

£174.4m of increased Central Government Grant Funding for PUP (£100m) and pay award funding (£74m).

66. 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. The CSR 2021 initially confirmed that for every year of the three-year period, English Police and Crime Commissioners would be given a £10 flexibility, however given the inflationary pressures facing forces, a £15 Council Tax Precept flexibility would be given for 2023/24 only. Assuming all forces take £15, the additional flexibility is worth around an extra £100m when compared to forces just taking £10.
67. Assuming each Police and Crime Commissioner increases their Council Tax Precept by £15, combined with the HO's Council Tax Base assumptions of 1.106% for England and 0.5% for Wales, there will be an additional £349m of funding for Policing from Council Tax Precept alone in 2023/24 (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 £15 increase means that Northumbria's percentage increase is 10.92%, followed by West Midlands at 9.14% and Essex at 8.00%. In contrast, it would only be worth 5.26% for North Wales and 5.49% for South Wales. **Gwent's figure is also 5.46%, which puts the Commissioner among the very lowest of beneficiaries at the £15 level.**
68. Assuming every Police and Crime Commissioner takes the £15 Council Tax Precept, the weighted average Band D Council Tax Precept in England and Wales will be £265.13. On average 35% of budgets are made up of Council Tax, up from 34% last year. However, the proportion of funding raised through Council Tax Precept differs significantly between forces. Northumbria's Council Tax Precept makes up 19.3% of their total funding, followed by West Midlands at 20.7% and Merseyside at 23.4%. Conversely, Surrey has 55.8% of their funding coming from Council Tax, followed by Dyfed Powys at 52.4% and North Wales at 51.3%. Gwent's Council Tax Precept would rise to £318.80 and on a like for like comparison, represent 44% of its total funding.
69. Assuming every force maximised the Council Tax Precept increase, there would be an extra £349m for Policing in 2023/24. When added to the Central Government Grant Funding increase of £174.4m, this equals the £523.4m quoted in the WMS.
70. **The Provisional Settlement represents the second year of the CSR 2021 and, because of global events, the impact on the UK economy has meant a more punitive outcome for Policing budgets than originally envisaged. While there is additional level of Council Tax Precept flexibility and confirmation of expected PUP funding increases, there remains little additional funding for the Policing Sector from Government. This reflects a direction of travel back to flat cash funding and a requirement on forces to manage inflationary pressures within local budgets. The final year of**

**the three year CSR 2021 is likely to reflect the same position and could be more punitive, if economic recovery is not sustained or Government priorities change.**

71. Given the Autumn 2022 Statement and briefings with the Minister, some of the Provisional Settlement was already known. However, the Provisional Settlement for 2023/24 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, Central Government Grant Funding (including the ringfenced PUP grant and Specific Pension Grant) increases from £9.62bn to £9.8bn, an increase of £174.4m (1.8%). For Gwent, this equates to an increase in Central Government Grant Funding of £1.744m between 2022/23 and 2023/24 – a 1.9% increase, so slightly higher than the national average increase of 1.8%. Importantly, the HO has 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 193 below). **Of even greater importance, is that £1m of that increase is to fund the long-term costs of the final tranche of the PUP Police Officers, with the remainder being woefully inadequate to fund nationally agreed pay awards;**

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 2023/24 these reallocations total £1.114bn, £260m lower than last year (£1.374bn) and more comparable to 2021/22 (1.034bn). The biggest changes to funding were a £83.2m decrease in Capital Reallocations and a £80.1m reduction in Police Technology Programmes;
- ii A number of reallocations were also dropped, regrouped or had come to an end including PUP, Police Now, National Operational Policing Units, Police and Criminal Justice Service performance, Crime reduction Programmes, Rape Review and Counter Terrorism. These programmes totalled £125.2m;
- iii Part of these reductions has been reinvested, with £21.5m of additional funds for existing programmes, including National Policing capabilities, Regional Organised Crime Units (ROCU) and Crime Reduction capabilities. Two new programmes totalling £35.4m for Cyber Crime and Tackling Exploitation and Abuse were introduced – key national Government priorities noted in the CSR 2021; and
- iv 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 2023/24 reallocations of £1.114bn above equates to a potential loss of £11.14m 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. There is a constant tension between short-term funding needs in local forces and the longer-term delivery of these national programmes.

c) Pensions Specific Grant

Pensions Specific Grant allocations remain unchanged from those in 2019/20, 2020/21, 2021/22 and 2022/23. They therefore remain as 'flat cash' and have not been updated to reflect the new forecasts. Members will recall from the last four 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 values. This rate reflects the OBR's 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, war in Ukraine and cost of living crisis impacts 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 years one and two of the CSR 2021 either, based upon subsequent Provisional Settlements. 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 Force 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, by a further £605k to £1.703m for 2021/22, and again by a further £761k to £2.464m in 2022/23. 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 £1.043m, resulting in an overall deficit of £3.507m for 2023/24. 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, from the 2022/23 financial year, the ability to address this recurrent shortfall on a non-recurrent basis remains imprudent and funding of the shortfall moving forward should continue to 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 £185.3m (the same as in 2022/23). The City of London Police will also continue to receive NICC grant funding worth £4.8m (again, the same as in 2022/23). 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 has 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 – and continues to be - part of the dialogue with the HO.

72. In terms of expectations from the Policing Sector, when announcing the WMS, Chris Philp MP said that, with this substantial investment, the Settlement supports the Police to:



- a) Successfully complete the PUP by March 2023, building on the outstanding progress to date. In the WMS, Chris Philp MP confirmed that for 2023/24, Police and Crime Commissioners will receive an additional £100m of Central Government Grant Funding for the ongoing support after March 2023, following the recruitment of the final tranche of additional Police Officers and Police Staff to support these Police Officers. This increases the ongoing PUP funding for 2023/24 to £650m in line with expectations. To support, beyond March 2023, the maintenance and retention of an overall Police Officer headcount post PUP, £275m will be ringfenced and allocated in line with existing Police Allocation Formula shares. As in previous years Police and Crime Commissioners will be able to access this by demonstrating that they have maintained their overall Police Officer headcount, comprised of their agreed PUP baseline plus their allocation of the 20,000 additional Police Officers. **Gwent's target remains a further 78 territorial Police Officers and 4 ROCU Police Officers recruited by 31<sup>st</sup> March 2023. These Police Officers will be additional to the 124 (as amended) Police Officers recruited by 31<sup>st</sup> March 2022 from years one and two of the PUP, taking the total number of Police Officers in Gwent at 31<sup>st</sup> March 2023 to the PUP target of 1,506.** 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 will be based on the existing Police Allocation Formula;
- b) Maintain Settlement funding for programmes that prevent crime and help keep communities safe. This includes funding to combat serious violence, specific crime reduction programmes; deliver on commitments in the 10 year Drug Strategy to clamp down on drugs and County Lines activity; invest in tackling exploitation and abuse; and prioritise ROCUs;
- c) Continue improvements to the Criminal Justice System by prioritising funding for Rape Review commitments; investing in a new Victim Satisfaction Survey to drive improvements in support to victims by forces; and continuing to invest in forensic tools and service and the national Forensic Capability Network. The Government will confirm funding arrangements for specific crime reduction programmes in due course;
- d) Support front-line Police Officers by continuing to invest in critical national Police and Law Enforcement IT capabilities that transform the way that the Police engage with the public and unlock more efficient working practices. Funding therefore continues for existing major programmes of work such as the National Law Enforcement Data Programme and the ESMCP; and
- e) Acknowledge that for the continuing significant investment into Policing, including critical national Police and Law Enforcement IT capabilities that the Government has made in recent years, it is crucial that forces are delivering the best possible value for the public. This includes ensuring that the Police

are meeting the needs of their communities and the public are receiving 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 - **which have been reflected in the funding set out as part of the Provisional Settlement.** The expectation is that these savings will be achieved through areas such as working with BlueLight Commercial to maximise financial and commercial benefits related to procurement; and opportunities for the management of corporate functions, such as shared service models. The Government confirmed its commitment to support BlueLight Commercial in 2023/24 while it establishes a sustainable funding model and noted its assistance so far in identifying nearly £40m of cashable and non-cashable savings across the Policing Sector. The Government have also commissioned the NPCC to conduct a review of operational productivity in Policing. The review, led by Sir Stephen House, is expected to deliver clear, practical, and deliverable recommendations to improve the productivity of Policing, with the review team having already considered how the Police respond to individuals experiencing acute mental health distress.

73. From the Force's viewpoint, the Police Service across England and Wales has already 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.
74. Within the WMS, Chris Philp MP concluded: "This Settlement will support the Police to do their vital job to cut crime and keep people safe. I would like to express my gratitude and pay tribute to our dedicated Police Officers and staff for their exceptional commitment and bravery."
75. **In short, the Provisional Settlement is very much a continuation of existing programmes against a backdrop of largely flat cash. The limited increases in Central Government Grant Funding in 2023/24 are mostly ringfenced for maintaining a set number of Police Officer posts and their associated consequential costs; and the remaining Central Government Grant Funding only goes part way towards meeting national policy decisions such as 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 increases in the Council Tax Precept.**
76. It should be noted also that in relation to the Provisional Settlement, a number of remaining specific grants and external funding arrangements for 2023/24 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 2022/23 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, rising to £2.4m in 2022/23, 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 again totals £2.4m in 2023/24 and which the HO previously stated, “will address this issue in full.” Gwent’s share of the £2.4m has been budgeted at £480k. Whilst this continues to be welcome, Chief Finance Officers in Wales continue to work with HO officials to determine the appropriate amount of funding to Welsh Commissioners, to provide an equal footing with their English counterparts;
- b) Several years of funding reductions from WG for Tarian (ROCU for the three Southern Wales forces) and the cessation of the HO’s Police Transformation Fund in 2020/21, resulted in a funding shortfall for the ROCU. Gwent responded with an additional contribution of Police Officers and £204k of cash in 2020/21. This position was compounded in 2021/22 and 2022/23 by additional cost pressures of £750k in total for other collaborative activities including the Joint Firearms Unit (JFU) and Joint Scientific Investigation Unit (JSIU). Substantial work has been conducted with partners to place all collaborative activities on a more accurate and sustainable financial footing, with working Reserves in these areas also being utilised. As a result the draft collaborative budgets suggest a £750k lower financial contribution from Gwent for these collaborative activities in 2023/24 and beyond. This has been reflected in the MTFP and effectively reverses the increases experienced in the preceding two years. The final collaborative budgets will be confirmed following the Final Settlement however;
- c) WG funding for the All Wales Schools Liaison Core Programme (AWSLCP) Police Officers in Gwent is expected to remain at £438k for 2023/24. 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 £429k in 2023/24, 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. A further 20 PCSOs were subsequently funded by the WG in 2021/22, bringing the total to 121 wte. In the last quarter of 2020/21 the WG agreed to restore PCSO funding to 'real' cost levels moving forward and updated the grant documentation accordingly. The 2022/23 funding amount for the entire 121 wte was £4.556m for Gwent which was very close to the actual costs of the 121 wte PCSOs and very welcome. However for 2023/24 the WG have indicated a return to flat cash funding for PCSOs across Wales in response to the wider economic position, which consequently means a return to annual pay awards etc. being funded locally by the Commissioner;
- f) In last year's Budget Report, the Commissioner and Chief Constable outlined their commitment to increase the Force-funded PCSO establishment to match the original number funded by WG, subject to continued affordability. This is being done incrementally with a further 10 wte in 2023/24 and each financial year after that to reach the total of 101 wte Force-funded PCSOs by 2027/28. This is further discussed in paragraphs 120 b) ii. and iii.;
- g) Since 2013/14, Police and Crime Commissioners have received Ministry of Justice (MoJ) funding to provide services to victims of crime. For the 2022/23 financial year, the Commissioner received £691k in grant which was used to support Victim Services and provide additional services for victims of crime. Police and Crime Commissioners are yet to be notified of their 2023/24 allocations from the MoJ, however it is expected that this will be the same as the 2022/23 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 again be supplemented from the Commissioner's overall funding from HO, WG and Council Tax Precept if necessary;
- h) In addition to the MoJ funding for generic Victims Services outlined above, for 2022/23 the Commissioner also received £555k of MoJ specific funding to commission services for victims of Domestic Abuse and Sexual Violence. These funding streams currently run to the end of the 2024/25 financial year, beyond which their continuation is unknown - the pick-up of the cessation of these grants has not been reflected in the MTFP;
- i) 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 31<sup>st</sup> 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 was set aside on a non-recurrent basis to successfully deliver this programme. As this programme was piloting an approach to perpetrator-focussed interventions, it has been necessary to extend the work into the 2022/23 financial year, which again, was funded on a non-recurrent basis. As a successor to this original scheme, in January 2023 the HO launched the Domestic Abuse Perpetrator Interventions Fund. £36m has been set aside in total nationally for the 2023/24 and 2024/25 financial years. The OPCC is currently in the process of applying to this fund, with any successful award being made before 1<sup>st</sup> April 2023 and all monies needing to be spent by 31<sup>st</sup> March 2025. If successful, no potential recurrent costs beyond 2024/25 will be reflected in the MTFP;

- j) The Safer Streets Fund was launched in January 2020 and has to date supported 270 projects across England and Wales aiming to cut neighbourhood crime such as theft, burglary, anti-social behaviour and violence against women and girls. Police and Crime Commissioners and Local Authorities in England and Wales, the British Transport Police and eligible civil society organisations have received £120 million in total across 4 rounds of the Fund. The Commissioner has a successful track record in obtaining funding in 3 of the 4 rounds to date for projects across Gwent; totalling £2.120m over the financial years 2020/21 to 2023/24. The Safer Streets Fund however, whilst very noble in cause, brings into sharp focus the short-term funding arrangements provided by the HO – in each of the successful rounds, the allocation must be spent in exceptionally tight timelines, with no assurance of continued funding beyond its term. In addition, the operational resources consumed in compiling the bids (aside from the non-operational Police Staff component) has been significant. Potential recurrent costs beyond 2023/24 have not been reflected in the MTFP; and
  - k) The Serious Violence Duty was developed and launched by the HO in 2019, following public consultation on tackling serious violence. The Duty will require Local Authorities, the Police, Fire and Rescue Authorities, specified Criminal Justice agencies and Health Authorities to work together to formulate an evidence based analysis of the problems associated with serious violence in a local area; and then produce and implement a strategy detailing how they will respond to those particular issues. The Duty was legislated through the Police, Crime, Sentencing and Courts Act 2022 and statutory guidance published in December 2022. In September 2022, the Commissioner was notified of his indicative award to implement the duty over the following three financial years, amounting to £45k in 2022/23, £238k in 2023/24 and £260k in 2024/25. Again, this initiative highlights the speed at which Commissioners are to spend public funds and the short-term nature of aspects of HO funding. Potential recurrent costs beyond 2024/25 have not been reflected in the MTFP.
77. As part of the 2022/23 Provisional Settlement, the HO 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 the last year (2021/22) of 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 71 a), which is revenue in nature, must now also be utilised for the Capital Programme. This move last year by Government ended 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 all Capital Funding continues to place a significant burden on Reserves and Committed Funds as well as revenue budgets. The need to maintain an appropriate Capital Programme moving forward to maintain and improve the infrastructure for modern Policing, means 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.

78. 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 2023/24 financial year of £4.599m (Appendix 1b, Line 20), increasing to a budgetary deficit of £24.791m by 2027/28.

## **COUNCIL TAX ISSUES (Appendix 1a)**

79. For 2023/24, legacy Council Tax Freeze grants and Local Council Tax Support grants (totalling £549.054m) will continue to be available to Police and Crime Commissioners in England. Furthermore, the City of London Police will receive a Council Tax Precept Grant of £6.446m to reflect the fact that they do not benefit from increases in Council Tax Precept.
80. As highlighted already, the Provisional Settlement confirms what was announced in CSR 2021 and the Autumn 2022 Statement, 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 £15 for 2023/24, without triggering a referendum. Assuming each Police and Crime Commissioner increases their Band D Council Tax Precept by £15, combined with Council Tax Base assumptions (as described in paragraph 67 above), there will be an additional £349m 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 4.73% in North Wales Police (or 5.26% including forecast Council Tax Base movements) to 9.75% in Northumbria Police (or 10.92% including forecast Council Tax Base movements). The unweighted average increase for all Police and Crime Commissioners is 6.04% (or 7.11% including assumed Council Tax Base movements). Assuming every force takes the £15 increase in Council Tax Precept, the average Band D Council Tax Precept in England and Wales will be £265.13, with an average of 43% of total

funding coming from Council Tax Precept. Gwent's figures would be a Council Tax Precept of £318.80, representing a Council Tax Precept increase of 4.94%, or 5.46% including forecast Council Tax Base movements. Council Tax Precept in this scenario would represent 44% of its total funding.

81. 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, a limit of £15 in 2021/22 and £10 again in 2022/23. **The vast majority of English Police and Crime Commissioners opted to maximise the opportunities to increase Council Tax Precept over these five years, adding £71 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 £74.96, which was also the second lowest in overall growth across Welsh forces.**
82. 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.
83. Both the Commissioner and Chief Constable have maintained effective communications with both Ministers and WG during 2022/23, 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 the Force and the wider Policing Service in Wales. Indeed, Covid-19 over recent years has exemplified this relationship.
84. 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; and actual increases of up to 7% in previous years by Welsh Police and Crime

Commissioners have not been challenged. **For the purposes of parity however, capping principles must be considered in the light of any flexibility afforded to English counterparts in 2023/24.**

85. 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 p.a.) 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 p.a. 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 2022/23 Budget Report confirmed the rationale and six key drivers for moving from a planned 6.82% increase in Council Tax Precept in 2022/23 down to the proposal of 5.00% (£14.40 p.a. or £1.20 per month). The 2022/23 initial Council Tax Precept proposal was subsequently vetoed and a 5.50% increase agreed (£15.84 p.a. or £1.32 per month), in order to further manage the budgetary shortfall.
86. Moving to the here and now, the Chief Constable's 'robust, compelling and justified' 2023/24 budget bid was formally received and scrutinised at the Commissioner's Strategy and Performance Board on the 23<sup>rd</sup> November 2022 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 5.50% increase agreed for 2022/23), to support the detailed Policing justifications in the Chief Constable's bid, which are articulated in paragraphs 124 to 160 below.
87. **This Budget Requirement and Council Tax Precept Proposal supports the 2023/24 Council Tax Precept increase requested by the Chief Constable of 6.82% (£20.72) for the 2023/24 financial year. 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 2023/24; and
    - iii Minimise any impact on front-line service delivery.



88. **The proposed level of Council Tax Precept does not however, set a balanced budget in 2023/24 even after taking account of £1.142m of cashable efficiency schemes – the recurrent shortfall of £3.457m will need cost pressures to be robustly risk-managed during the 2023/24 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. The recent finalisation of the review of the Estate Strategy, in collaboration with the PCP’s Estate Reference Group and other key stakeholders concluded that whilst the current Estate Strategy is robust in terms of its Vision, Objectives and implementation methodology, its affordability under current economic and Police funding factors did not support its current timeline. Therefore, the proposed reprofiling of the Capital Programme in support of a draft revision to the Estate Strategy is discussed in paragraph 194.**
89. In addition to the points directly above, maintaining and proposing the Council Tax Precept increase at the 6.82% requested and planned in the MTFP prior to the receipt of the Provisional Settlement, reflects six key factors:
- a) Receipt of the Provisional Settlement confirms that the entire increase in Central Government Grant Funding in 2023/24 is ringfenced specifically for delivering and maintaining a set number of new Police Officer posts and their associated consequential costs over the sort to medium-term and only partly contributes to nationally agreed pay awards;
  - b) In order to provide the suitable infrastructure (buildings, vehicles, ICT) to support the significant investment in Police Officer numbers, Police and Crime Commissioners need access to capital financing. With none forthcoming from Government through Capital Grant; limited options for capital receipts from asset sales; Reserves and Committed Funds depleted; and borrowing becoming increasingly unaffordable; the only feasible option is direct revenue financing from revenue budgets, which are already under significant unavoidable pressure;
  - c) An expectation from Government, as highlighted throughout this report, for Police and Crime Commissioners to maximise Council Tax Precept increases to £15 p.a. in England to invest in the Policing Service and complement the PUP. Although lower than this proposal, English counterparts have consistently experienced significantly higher Council Tax Base growth than Welsh counterparts as identified in paragraph 67 above;
  - d) Reflects the results of the public engagement exercise (see paragraphs 93 to 115 below);
  - e) Similar to above, reflects early positive engagement with the PCP and its Finance Reference Group. Both the PCP and Finance Reference Group

reaffirmed the public's view that although they are exceptionally supportive of the Force, 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 a potentially unaffordable ask at the feet of Gwent Council Tax Precept payers. The Commissioner acutely acknowledges the economic impact of past and current events and the associated 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 Police and Crime Commissioners across England and Wales); those of the Chief Constable to deliver an effective and efficient Policing Service; with the affordability of the increase to Gwent residents. Indeed, it could be argued that those residents most socially and financially deprived require most the services of the Force; and

- f) With the above five factors acknowledged however, although the Provisional Settlement has been in line with expectations for the Policing Service in the short-term, it must be acknowledged that the Provisional Settlement has only confirmed the funding for the second year of CSR 2021, which has already been revised downwards from that originally agreed. Therefore, as the UK faces a multi-year recession and a wider global recession looms, funding in year three of CSR 2021 could be more punitive as OBR forecasts are revised. To this end, the future Council Tax Precept remains within the MTFP at 6.82% from 2024/25, due to the uncertainty of the funding position. However, even maintaining 6.82% from 2024/25 onwards does not remedy the forecast recurrent deficit of £20.887m by 2027/28.
90. Within the MTFP, it has also been assumed that there will be no further impact from the Council Tax Reduction Scheme in Wales in 2023/24, particularly in relation to that associated in the response to Covid-19 and the cost of living crisis. This Budget Requirement and Council Tax Precept Proposal confirms Council Tax Base growth in 2023/24 of only 0.28%. This is far lower than the original local estimates of an increase of 0.67% (which was based on the 2022/23 actual growth) and again much lower than the OBR estimate at November 2022 of 0.5%. At the time of writing, it is understood that the Council Tax Bases from each Local Authority do not reflect any WG 'assistance' for 2023/24 in relation to further application of the Council Tax Reduction Scheme. Although Local Authorities may have received payments to offset Council Tax Precept collection rate drops during 2022/23 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 2023/24 if this debt 'bubble' bursts, possibly driven by increased unemployment, when the 'true' Council Tax Precept collection rates and Council Tax Bases reduce.
  91. As articulated above, from 2024/25 the Council Tax Precept is maintained at 6.82% p.a. and the Council Tax Base growth p.a. has been estimated at 0.47% - the underlying average over the past three years, not that just seen in the

previous year. Members will note that this approach adopts normal practice, which has been suspended over recent years in order to avoid skewing the forecast Council Tax Base growth due to volatile annual changes during Covid-19. Aside from addressing the uncertainty that year 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 2024/25 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 2023, this assumption may need revisiting in subsequent budget setting rounds.

92. Appendix 1a shows the impact that incremental changes on the Council Tax Precept rate would have on funding assumptions for 2023/24. 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 Final 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, 2022/23 and 2023/24, with increases in Central Government Grant Funding being specifically applied to growth in and partly maintaining 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 sixth year in a row of up to £15 p.a. for English Police and Crime Commissioners in 2023/24.**
93. 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 24<sup>th</sup> October 2022 to the 8<sup>th</sup> January 2023. This was a total of eleven weeks compared to twelve weeks for the equivalent exercise last year.
94. This year the OPCC maintained 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; obtain a wider selection of feedback from people following the OPCC's channels; and to then provide these people with the maximum available timeframe of purposeful engagement. In total, 23 outdoor community

engagement events were completed. This totalled 144 hours of engagement in communities, with the OPCC engaging with more than 1,300 people and 361 people completing the survey as a result. An additional 806 people completed the survey online.

95. This approach was part of a wider OPCC drive over the last few years to deliver more efficient, effective and holistic engagement with the residents of Gwent. 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 is not overly reliant on digital feedback and captures opinions from a wider selection of people.
96. 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 23<sup>rd</sup> November 2022) and the expected date of a Provisional Settlement (mid to late December 2022). Therefore, when the survey was launched (24<sup>th</sup> October 2022), 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 questions:

"Would you support the principle of increasing the Council Tax Precept by:

- a) £15 per year / £1.25 per month (This would leave Gwent Police with a funding shortfall of £14.4 million in 2023/24;
- b) £20 per year / £1.67 per month (This would leave Gwent Police with a funding shortfall of £13.2 million in 2023/24);
- c) £25 per year / £2.08 per month (This would leave Gwent Police with a funding shortfall of £12.1 million in 2023/24); or
- d) None of the above."

**Importantly, a £15 per year / £1.25 per month increase equates to a rise of 4.94%; whilst a £25 per year / £2.08 per month increase equates to a rise of 8.23%. The proposed Council Tax Precept increase of 6.82% equates to a rise of £20.72 per year, or monthly rise of £1.73.**

97. 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.
98. 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). All Town, Community and County Councillors were sent information on the survey, as well as 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.

99. 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.
100. In total, this resulted in **1,058** people (out of 1,167 who undertook the survey) answering the Council Tax Precept questions.
101. The survey was conducted bilingually and was proactively promoted through the same Welsh Language networks in Gwent as the previous four years.
102. The survey was only open to Gwent residents and details of the Local Authority area in which they lived were recorded. The most responses came from Torfaen (26%) and the fewest from Blaenau Gwent (16%). 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, 68 people (6%) stated another ethnicity. Furthermore, in total, 15% of all respondents stated that they considered themselves to have a disability.
103. 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.
104. A total of 1,167 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 2022/23, 2021/22, 2020/21, 2019/20 and 2018/19 surveys managed representative samples of 1,697, 1,259, 1,707, 1,875 and 609 responses respectively; this was not the case in years prior to these.
105. Of the 1,167 survey respondents:
  - a) 806 completed it online; and
  - b) 361 completed it as part of virtual face-to-face engagement.
106. The results were:

- a) 235 (20.1%) of respondents supported the principle of a £15 per year increase;
  - b) 138 (11.8%) of respondents supported the principle of a £20 per year increase;
  - c) 330 (28.3%) of respondents supported the principle of a £25 per year increase;
  - d) 455 (39.0%) of respondents selected 'None of the Above'; and
  - e) 9 (0.8%) of respondents did not answer the question.
107. Further analysis of the free text comment of the 'None of the Above' respondents showed that 109 (24%) were in favour of an unspecified increase, 248 (54.5%) against; and 98 (21.5%) presenting neutral or unrelated comments.
108. Adding together respondents who explicitly specified an increase preference with those who were supportive but chose 'None of the Above', confirms that 70% of respondents supported an increase in Council Tax Precept. The largest individual percentage within this group of positive respondents, were those supporting the £25 per year increase.
109. 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 was supported by the majority of people who took part. **Members should note that the Commissioner's 6.82% proposed increase in the Council Tax Precept amounts to an additional £20.72 p.a. or £1.73 per month for a Band D household, i.e. generally midway in the range of increases supported by the majority of residents in Gwent in the survey.**
110. In addition to this budget survey, it is important to note that the OPCC also asked a budget question as part of its Estate Strategy review during the summer of 2022. This was based on very early financial predictions at that time and therefore only asked about support in principle of increasing Council Tax Precept by £15 per year (£1.25 per month). This survey ran for 13 weeks and was completed by 1,010 people.
111. In total, 54% of responders said yes, 30% no and 16% were unsure.
112. When combined, this means that, over the two surveys, there were 2,177 responses to questions about Gwent Police's budget this year.
113. When completing the surveys 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 would not want any reduction in Police Officer numbers or not supporting it as they see no Police visibility and want more front-line 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, support a further 10 PCSOs in 2023/24 and to complement and maximise the Central Government Grant Funding for the PUP.**

114. 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, fuel and energy prices. This is compounded by further potential long-term effects from Covid-19 and the UK/Global recession. These issues were all repeatedly brought up during engagement by residents and the Commissioner remains acutely aware of his responsibilities to residents and also the Chief Constable.
115. Whilst these findings of the engagement exercise are instrumental in assisting the Commissioner in setting his Council Tax Precept for 2023/24, 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 Strategic Management Board on 28<sup>th</sup> February 2023, which will then be shared with the Force and will also be made available to Members.

## **MEDIUM-TERM FINANCIAL PROJECTIONS (MTFP) 2023/24 to 2027/28 (Appendix 1b)**

116. 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.
117. Members will note that a balanced recurrent budget (after efficiency savings) is **not** achieved in 2023/24, as it relies on potential Reserve and Committed Funds utilisation of £3.457m. This is to the backdrop of sustaining £53.772m of cumulative efficiency savings already accounted for, up to and including 2022/23; the delivery of £1.142m of savings in 2023/24; future funding uncertainties such as sustaining PUP; and the potential implications of year three of CSR 2021. Moving forward, reflecting the Provisional Settlement and estimating the impact of CSR 2021; cost of living crisis; 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 £20.887m by 2027/28.

## **FUNDING ASSUMPTIONS (Appendix 2)**

118. 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 2024/25 of £1.5m 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 2023/24 back to 2021/22 levels) and also the inherent risk in the sustainability of public finances in the current economic turmoil, particularly with reference to Covid-19, UK/Global recession and the war in Ukraine;
- ii The revision of the Police Funding Formula from 2025/26, (postponed from the original expected date of 2016/17), results in a £6m reduction in Central Government Grant Funding across three years to 2027/28. 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 2022/23 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 since 2019/20 and confirmed in the 2023/24 Provisional Settlement. As this has not formed part of core Central Government Grant Funding in each of the five 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 6.82% in 2023/24 and thereafter to 2027/28. 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 2023/24, taking the total PCSO establishment to 182. The ambition of the Commissioner and Chief Constable is to further grow the PCSO establishment through Council Tax Precept to 222 by 2027/28.** 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 insufficient growth received in 2023/24; the insufficient growth forecast for 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 2023/24 by 0.28%, well below the prior year forecast of 0.67% and the OBR's November 2022 forecast of 0.5% for Wales. It has been assumed that for 2024/25 onwards, the Council Tax Base growth will continue at a rate of 0.47%, using the average rate of growth of the preceding three years.



## EXPENDITURE ASSUMPTIONS (Appendices 2, 3 and 4)

119. The pay and non-pay cashable efficiency target for 2022/23 of £1.021m will be met and furthermore, budget reductions of £2.699m have been identified for 2023/24. Both these amounts have been fully recognised in the 2023/24 base expenditure budget and the MTFP reflects the impact of these savings/reductions moving forward. The 2023/24 Continuous Improvement cashable efficiency scheme target of £1.142m will be delivered through the year.
120. 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. These have then been 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 2027/28 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 31<sup>st</sup> March 2023, the estimated actual numbers of Police Officers will be 1,506.0 wte, reaching levels last seen in 2009/10. Members will recall that the budgeted establishments in preceding years stood at 1,506.0 in 2022/23, 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 front-line Policing delivery. Members will also note that to meet this budgeted establishment, between 2016/17 and 2022/23, the Force will have recruited around 925 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 His Majesty's Inspectorate of Constabulary and Fire & Rescue Services (HMICFRS) Value For Money (VFM) Profiles (see paragraphs 161 to 172) 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 on a national basis. Recruitment of 94 probationer Police Officers (plus an additional 4 from external sources such as other forces and 'Police Now') is scheduled throughout 2023/24 to replace natural vacancies in the Operational Policing Model. 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 848.2 wte in 2023/24, remaining at this level to 2027/28 (excluding PCSOs), reflecting the continuing investment in Police Staff (on a 3:1 ratio) from the PUP, but also recognition of an ongoing Apprentice Scheme of 16 wte for the MTFP period. The 2022/23 budgeted establishment was 835.2 wte. At the 31<sup>st</sup> December 2022, the actual numbers of Police Staff were 825.3 wte, supplemented by a further 36 wte agency staff (therefore 9.9 wte under the 2022/23 budgeted establishment or 26.1 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 front-line 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 31<sup>st</sup> December 2022 were 168.1 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 2023/24 financial year and to also counter natural wastage (particularly into Police Officer roles), but to also increase the PCSO budgeted establishment by 10 during 2023/24 to 182 wte. The Chief Constable and the Commissioner have committed to this recruitment, which will improve visibility and re-assurance across Gwent's communities. **Returning the Council Tax Precept increase to 6.82% will directly contribute to this £361k new investment during 2023/24;** 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 222 by 2027/28 (including 121 wte funded by WG).**

121. The assumptions for pay awards, allowances, enhancements and non-staff inflation have been revised to those used in the 2022/23 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 and the CSR 2021 confirmed that the Public Sector pay award freeze would end in 2022. In last year's MTFP pay awards of a 3.5% for 2022/23, 2.5% for 2023/24, and 2% for 2024/25 were reflected, with 3% thereafter. Police Officers and Police Staff have since had a flat £1,900 award for 2022/23 at all ranks and grades, equating to an average of around 5%. For 2023/24, the indications from the HO are for pay awards above 2% so the MTFP has been updated to assume a pay award for Police Officers and Police Staff of 3.5%, with 3% each year thereafter. 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 which added a recurrent pressure of £785k in 2022/23, has now been reversed from April 2023; 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% was set until the end of 2022/23 financial year. From the 2019 revaluation, the actuarial advice for Police Staff (including PCSOs) employer contributions is for a 1.6% increase from 17.8% in 2022/23 to 19.4% by 2025/26. The MTFP assumes the 1.6% increase will be spread evenly at 0.5% in 2023/24, 0.5% in 2024/25 and 0.6% in 2025/26.

b) Non-staff inflation (2023/24 to 2027/28):

- i General – 4% for 2023/24 and then 2% each year thereafter, reflecting the medium-term position from the OBR. The financial risk will therefore be managed during 2023/24;
- ii Utilities – Based on market expectation, Gas and Electric bills are expected to rise significantly again in 2023/24 by 15%, on top of the substantial increases (20%) already seen in 2022/23. From this new base beyond 2023/24, annual rises are expected to be 5% p.a.; and
- iii Fuel – 10% increase in 2023/24 and then limited to 5% p.a. thereafter.

122. 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 124 to 160 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.

123. Additional borrowing revenue costs for capital investment have been reflected to help fund the Commissioner's Capital Programme. This amounts to additional revenue interest and principal repayment charges of £1.132m p.a. in 2023/24, cumulating to £7.537m p.a. by 2027/28, as borrowing is undertaken to fund the future Capital Programme as the Commissioner's Reserves and Committed Funds become fully utilised. 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.
124. As discussed previously, the Commissioner received the Chief Constable's 2023/24 budget bid on 23<sup>rd</sup> November 2022, 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 given to Members on the 16<sup>th</sup> December 2022, as a core part of setting the Finance Strategy, Council Tax Precept and 2023/24 budget. The following paragraphs summarise the context of the Chief Constable's presentation to Members.
125. 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 focussing on performance improvement 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; areas for improvement from the HMICFRS; and the Policing Vision 2025. All these 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) Facing a complex Policing environment – the pace of technological change; Public Services funding; VAWG; public confidence; Beating Crime Plan and Race Equality Action Plan;
  - b) Cultural and Professional Standards challenges faced by Policing both nationally and locally;
  - c) The impact of social factors that influence crime, harm and service pressures - Increased demand across Organised, Violent and Vulnerability crimes;
  - d) Increasing 999 demand;
  - e) 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;
  - f) Inflation, interest rate, utilities and Estate pressures;
  - g) Costs of assisting partners with demands – Around 85% of calls to 101 nationally are not crime-related nor direct Police responsibilities, but a consequence of its ease of access;

- h) Continued working with partners, OPCC, Welsh and UK Governments to build a sustainable service; and
  - i) Focussing (since 2009/10) on improving quality of service whilst making significant financial savings of £52.8m to date – but acute financial challenges remain.
126. The 2023/24 areas of focus remain largely consistent with those outlined in the Chief Constable's 2022/23 budget bid, providing a high level of consistency for the Force over the medium-term. The drivers for the Chief Constable's bid for 2023/24 are discussed below:

Building upon the Successes in the Chief Constable's 2022/23 Delivery Plan

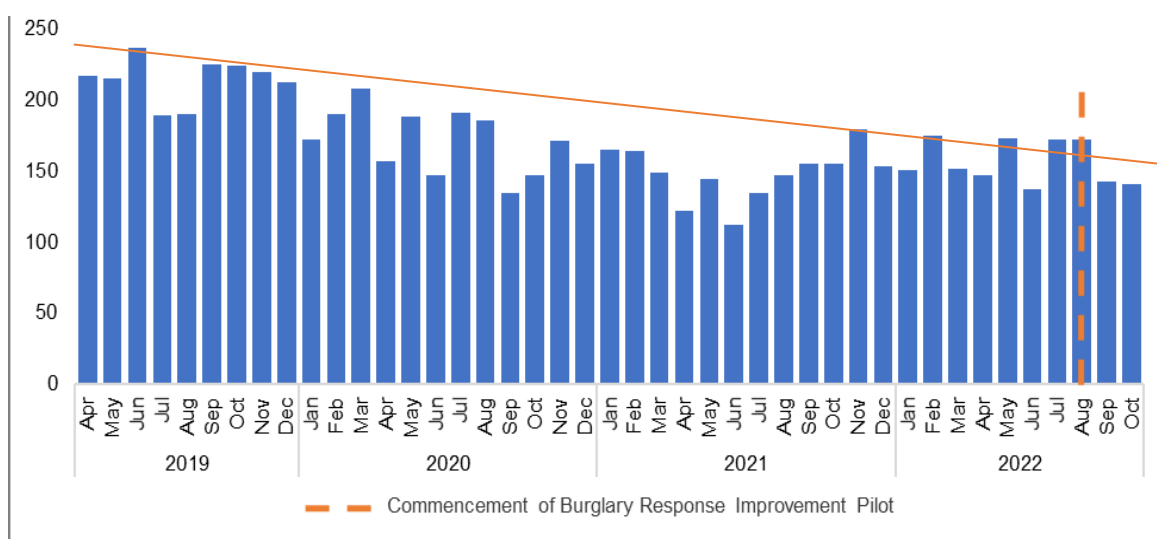
127. Looking back over the current financial year, a number of key deliverables are highlighted below:
- a) **Improve Public Confidence** – The Force will continue to develop a culture with professionalism and ethics at its heart;
  - b) **Violence Against Women and Girls** - The Force will continue to pursue perpetrators of violence against women and girls and earn the confidence of women in Gwent's communities;
  - c) **Reducing Crime** - The Force will continue its progress to reduce crime and record it ethically and in accordance with HO rules;
  - d) **Equality, Diversity and Inclusion** - The Force will continue to put equality and diversity at the centre of all it does;
  - e) **Victim Services** - The Force will engage with survivors and victims' to improve its services;
  - f) **Wellbeing** - The Force will support, protect, and care for its staff;
  - g) **Crime Data Integrity** - The Force will continue its progress in its crime recording;
  - h) **PUP** - The Force will continue to recruit and strengthen its establishment and increase representation;
  - i) **Technology & Innovation** - The Force will continue to develop its use of technology to better support victims; and
  - j) **Sustainability** - The Force will continue to deliver its Greener Gwent Sustainability Strategy.

The above areas of focus are explored further below.

## Continuing to Improve Force Performance and Improving the Quality of Service

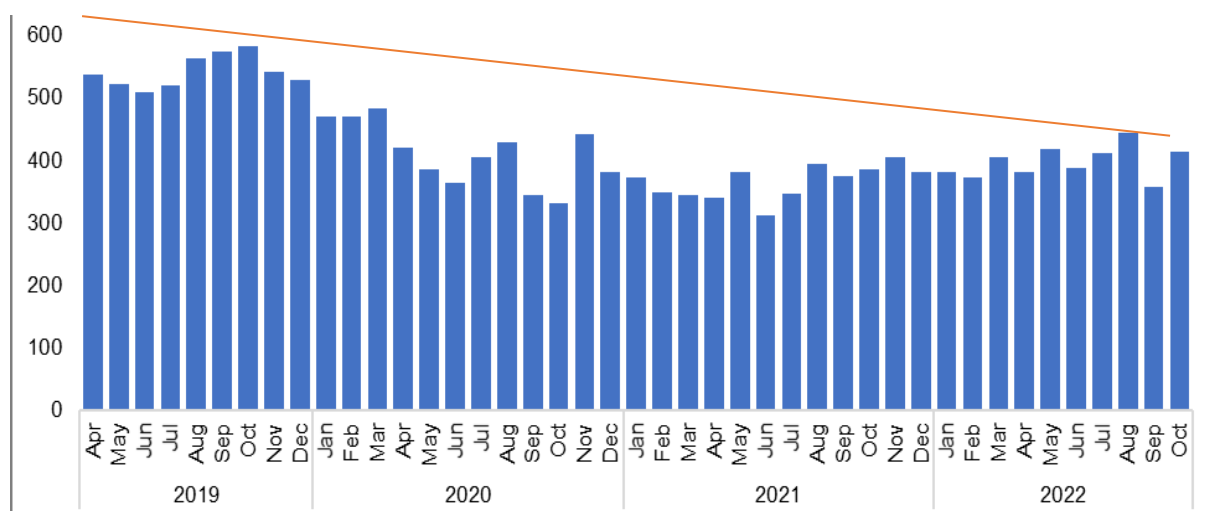
128. The Force along with the OPCC and PCP have continued to develop a new Performance Framework over recent times, giving greater holistic accountability.
129. The Force's investment in crime prevention and problem solving is having a measurable and positive impact for Gwent communities:
- a) There has been a decrease of 27.5% in Burglary crime since 2019, in line with the Beating Crime Plan;

Residential Burglary Crime Trend



- b) There has been a decrease of 26.1% in overall Neighbourhood Crime since 2019 - nearly 1,000 fewer victims. Once again, the Force is working to the goals of the Government's Beating Crime Plan, which has targeted Neighbourhood Crime as a focus area for reduction; and

Neighbourhood Crime Trend



c) Public Confidence in the Force stands at 70%:

- i 8 in every 10 people surveyed said that the Force has their support;
- ii The Force is most effective at responding to emergencies and protecting vulnerable people;
- iii More than three-quarters of respondents are confident they would receive a good service from the Force;
- iv Almost three-quarters of respondents believe the Force is doing an excellent job in their area;
- v Younger people and Black, Asian and Minority Ethnic residents are more satisfied with levels of Policing in their local area; and
- vi Three-quarters of respondents are confident that they can easily speak to the Police in their area.

130. From an external perspective, the following HMICFRS headlines are worthy of note:

a) 2022/23 inspections:

- i **An inspection into how well the Police and other agencies use digital forensics in their investigations** - This inspection examined whether forces and other agencies could manage demand and whether victims of crime were receiving a quality service. The Force was one of eight forces selected for fieldwork which took place in April 2022. This comprised a visit to the Digital Forensics Unit to meet with Police Officers and Police Staff; interviews with service area leads; and focus groups with investigators and front-line Police Officers. The report was published in December 2022 and nine recommendations in total have been issued to Chief Constables, the HO, the NPCC and the College of Policing. The Force was commented on positively in the report with regards to the understanding of current demand;
- ii **Race disparity in Police Criminal Justice decision making** - This inspection forms part of the HMICFRS Race and Policing Programme and examined whether there is disproportionality in decision making in the Criminal Justice System - specifically the following decision points: arrest; voluntary attendance; cautions; community resolution; charge (Police-only decision); and post-charge bail (including the decision to refuse bail). The inspection fieldwork took place in June 2022. The inspection team met with key leads and held focus groups with Police Officers from Response, Neighbourhoods and Investigation Teams as well as Custody Police Officers and Police Staff. In addition, HMICFRS observed a meeting with Criminal Justice Partners (chaired by the OPCC), examined data and documents and conducted a case file review. The report is due to be published in 2023;
- iii **Police response to victims of sexual abuse from ethnic minority backgrounds who may be at risk of honour-based abuse** – The Force was selected for fieldwork which took place in April 2022. The inspection team met with Response and Public Protection Unit (PPU) Police Officers and examined key documents in order to investigate

concerns made by the Tees Valley Inclusion Project that the Police response to sexual abuse was putting victims from ethnic minority backgrounds at risk of honour-based abuse. The report was published in December 2022 and two recommendations were issued to Chief Constables, which are being taken forward by relevant business leads; and

- iv **Counter Corruption Unit and Vetting** - 'Tackling workforce corruption' was removed from the general PEEL (Police Effectiveness, Efficiency and Legitimacy) assessment early in the 2021/22 cycle. The Force's inspection visit took place in December 2022 and examined vetting and Counter Corruption Unit practices. The inspection comprised a case file review; examination of data and documents; interviews and focus groups with Police Officers and Police Staff in the Professional Standards Department; and reality testing in the wider force. The Force received headline feedback at the conclusion of the inspection visit and the final report is due to be published in April 2023.
- b) The Force's last PEEL Inspection took place in November 2022. The draft report on the findings of the inspection is due in February 2023. 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. This timeframe between this inspection and the last (2019) 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;
  - c) In relation to HMICFRS's 'Areas For Improvement' which may be identified, these will continue to be monitored by the internal 'Inspection Team', consisting of a small team of dedicated Sergeants; and
  - d) The Force's 'Force Management Statement 2022/23' (FMS) is in draft form and will be submitted to HMICFRS in June 2023.
131. 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 front-line 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

- 132. 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 £52.8m of cashable efficiency savings.
- 133. Within the last six 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.
- 134. Resources have been focussed on the following service areas over the last six 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 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 Organised Crime Groups (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.

- e) 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; and
  - vii New technologies to support Policing, such as Facial Recognition and Digital Evidence Management.
  
- f) 2022/23 - The resources were focussed on various services experiencing increased demand including:
  - i Professional Standards Department;
  - ii High Tech (Cyber) Crime;
  - iii Firearms Licencing;
  - iv Rape Investigation Team;
  - v Reviews of Support/Enabling Functions:
    - Estate and Facilities;
    - Occupational Health; and
    - Human Resources.
  - vi New technologies to support Policing, such as Telematics; and
  - vii 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 172 wte overall which will improve visibility and re-assurance across our communities. 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 2023/24.

135. 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) The Professional Standards Department has received investment in order to continue to robustly tackle those who fall below the Professional Standards that Policing has set;
- d) Neighbourhood Policing delivery and engagement has been improved through recent and planned investment in PCSOs;
- e) Investment in a new Rape Investigation Team to provide a more effective and efficient response to sexual offence investigation;
- 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 within the CID's 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; and
- k) Continuing the successful investment in technology by introducing Retrospective Facial Recognition and the Digital Evidence Management System.

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

- a) Training more Police Officers in the use of Taser; using Body Worn Video (BWV) to fast track investigations; and utilising Telematics to improve the Force's responsiveness;
- b) Implementing a Virtual Response Team to reduce demand on front-line services, including Response Police Officers, supervisors and Police Staff within the Force Communications Suite;
- c) Releasing Police Officers to the front-line by utilising an Investigation Hub to interview suspects;
- d) Better alignment of HR Business Partners, providing consistent absence support and thereby bringing people back to work;

- e) Continuing to embed the All-Wales Pension Hub; serving Police Officers and Police Staff across Wales, saving time and money whilst improving service;
- f) Developing and embedding the 'Futures Group' which undertakes 'horizon scanning' to bring efficiencies through national best practice and innovation;
- g) 'Ignite Innovation Platform' – introduced to allow Gwent's Police Officers and Police Staff to solution-build where inefficiencies are found; and
- h) Gwent's and the All-Wales Productivity and Efficiency Group – Ensuring benefits are the focus of the Force's improvement work.

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

- a) Recruitment – Four-Force investment in a single online recruitment platform;
- b) 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;
- c) Digital Services Division (DSD) – Field, Fixed and Flexible roll-out and implementation of the National Enabling Programme has realised productivity efficiencies and cashable savings of £992k;
- d) SOH - Review of SOH is due imminently to show the demand reduction in the Force Communications Suite;
- e) Telephony – the roll-out of 'Voice Analytics' software in the Force Communications Suite improves service to users and provides efficiencies in dealing with calls;
- f) Telematics – This will deliver real-time vehicle tracking, electronic log book and predictive servicing; and
- g) Facial Recognition – This has been delivering faster identification of suspects, victims and witnesses thereby improving investigations.

138. The following narrative highlights a number of planned Estate benefits from recent and planned investments:

- a) New HQ – 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. Construction of this £6.2m build will commence in March 2023, with expected completion in one year;

- c) Gwent Police Operational Facility – This £64m planned development is currently in its design phase and in the current economic climate, the affordability of the scheme is in question (see paragraphs 180 and 194 below). If in the medium-term a funding solution can be found, this investment will deliver a fit for purpose, environmentally sustainable provision to meet operational needs for Custody, Training, Fleet workshops and local Policing response. It will provide the consolidation of Police Officers and Police Staff, reducing travel time and Fleet costs, improving the environment and achieving the requirements of the sustainability strategy by reducing the carbon footprint. It will be built in the most beneficial location for Police Officer travel time and access by other Policing partners; and
  - d) Joint Firearms Unit Training Range – Similar to above, this £50m planned development on behalf of the three Southern Wales forces is currently in its design phase and its affordability in the current economic climate is also in question. If progressed in 2023/24 (see paragraph 194 below), the development of a new firearms training range will ensure the Welsh Joint Firearms Unit (JFU) are provided with appropriately equipped and located training facilities. This will ensure that the JFU can maintain its mandated training requirements and ensure Police Officers are trained to the appropriate level to keep the people of Wales safe; and to comply with Wales' national commitment, now and in the future.
139. All the above said however, by 2027/28 the Force still faces a recurrent deficit of £20.887m after accounting for £3.904m of cashable efficiency savings.
140. The Force will continue its delivery of an efficient and effective service provision - the Continuous Improvement approach of this work will see a reviews of Neighbourhood Policing, along with Post Implementation Reviews and various cost saving and efficiency measures that can be implemented. The Continuous Improvement approach includes demand analysis; end-to-end process reviews; future demand modelling; service levels; and benchmarking.
141. In summary, the Force will focus both on sustaining Policing Services to the public to meet the emerging demand arising from the cost of living crisis, whilst also developing its services in line with the Operational Policing Model, which has been complemented through the Government's investment in the PUP.

#### Investing in People

142. With 73% of the 2022/23 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) Employer Branding – The Force has established a brand in the labour market that attracts people who share its values and are motivated to serve Gwent's communities;

- b) Celebrating Success – The Force offers a range of recognition options that reward and retain the most capable employees and accelerates individual performance;
- c) Strategic Workforce Development – This ensures a workforce with the right skills to reduce crime, support victims of crime and maintain public confidence;
- d) Talent Management – The Force provides development opportunities to enable its current and future leaders, experts and managers to perform at the highest level, ensuring sufficient succession planning and retention;
- e) Culture (Compassionate and Ethical Leadership) – The Force offers a dynamic, safe, bilingual environment that delivers high performance. This is founded in its core beliefs of equality, diversity, inclusion and wellbeing, that creates a sense of belonging; and
- f) Communication – The Force ensures positive and inspiring internal and external communications to it people and stakeholders.

143. 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 Police Officer/Police Staff support and wellbeing;
- d) Wellbeing Strategy – Delivered by the Head of Human Resources 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 – Supporting Police Officers and Police Staff and investing in their futures.

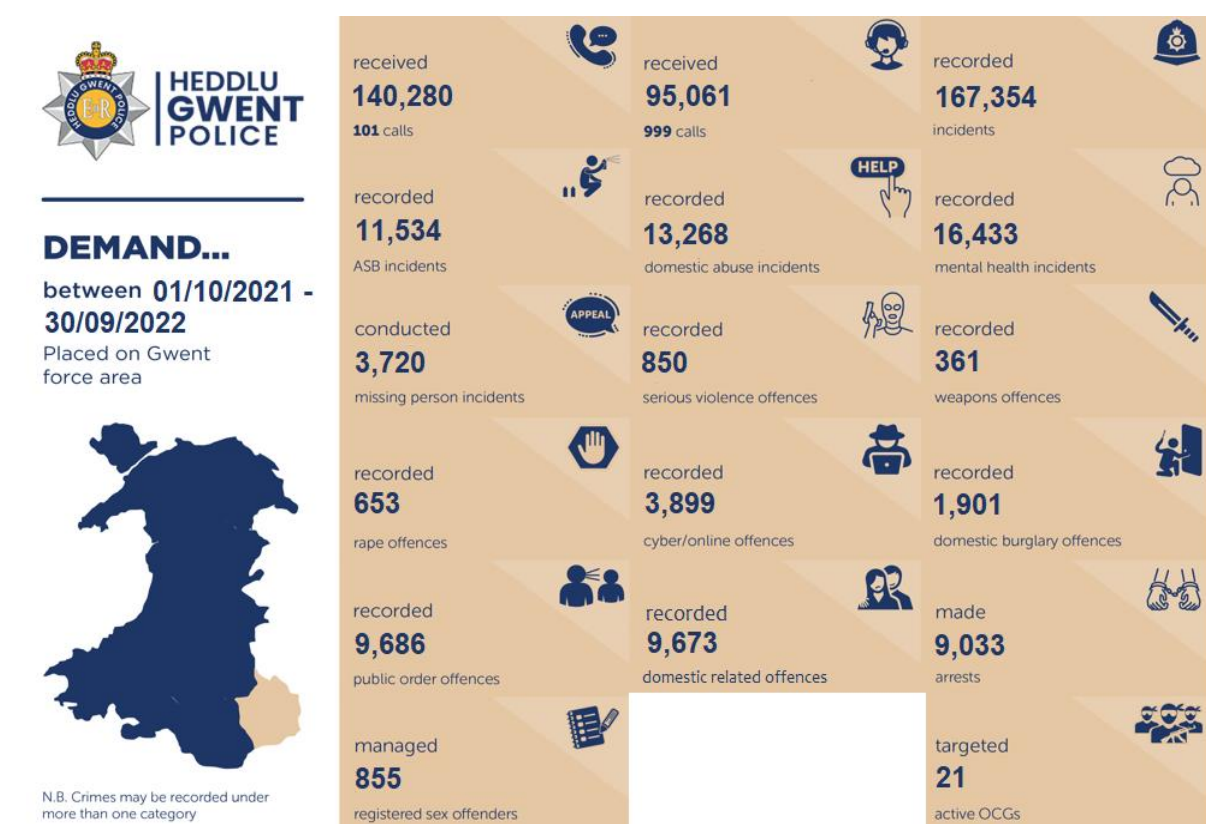
144. Between 2016 and 2023, the Force would have grown by an additional 362 wte Police Officers (1,144 to 1,506). 206 of these Police Officers have been funded

by PUP (4 of which are in Regional arrangements), **with 160 by the Commissioner through primarily Council Tax Precept increases.**

145. 2023/24 will also realise the third year of PCSO growth (10 per year) which has been funded by Council Tax Precept. The 2023/24 PCSO establishment will then amount to 182 wte, of which 121 wte will be funded by WG.
146. Over the past six years, the percentage of Female and Black, Asian and Minority Ethnic Police Officers has also increased, to 35.9% and 3.1% respectively.

#### Managing Demand and Successful working with Partners

147. The following infographic captures the demand placed upon the Force area between 1<sup>st</sup> October 2021 and the 30<sup>th</sup> September 2022:



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

#### Planning for the future

149. The Force continues to deliver the Six Strands of the Policing Vision 2025:
- Local Policing – The Force continues to tailor Local Policing to society's complex and diverse needs, continually balancing the:
    - Capacity and capability of Police Officers and Police Staff;
    - Requirements for warranted powers;



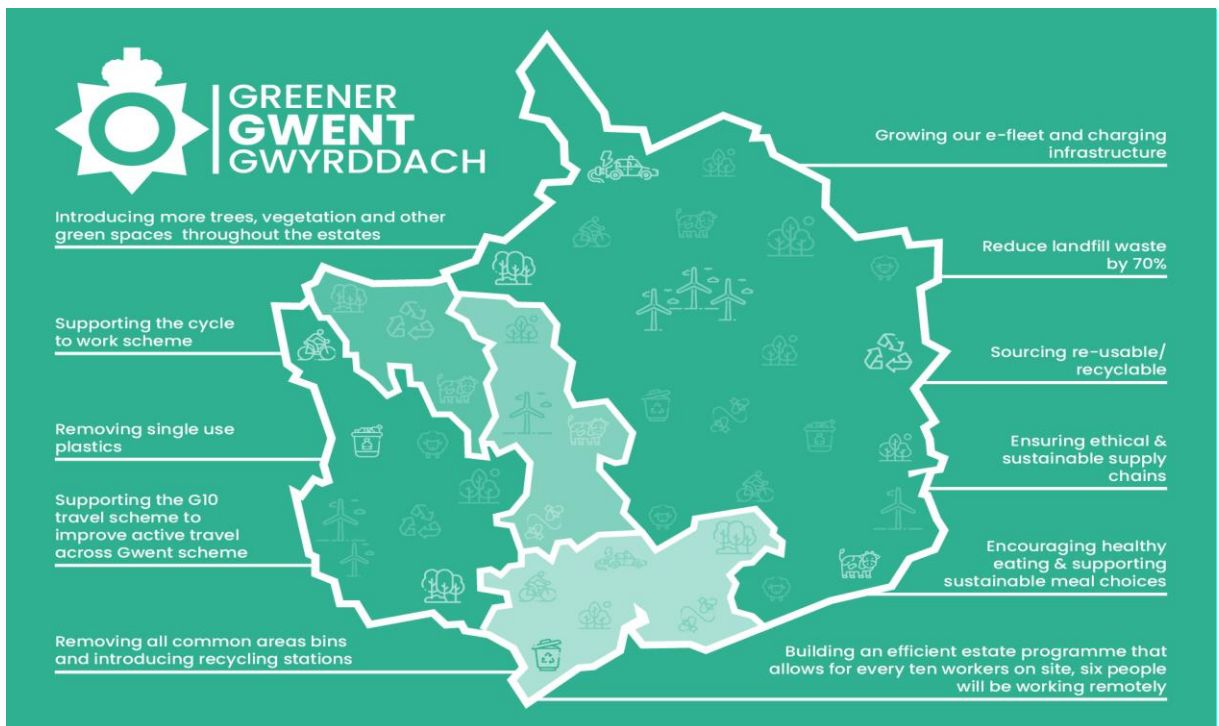
- iii Visibility of Police Officers against dealing with non-visible crime;
  - iv Requirements and ability to maintain community cohesion; and
  - v The need to focus on prevention and intervention.
- b) Specialist Capabilities – To better protect the public, the Force will enhance its response to new 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.
150. The planned programme for the 2023/24 financial year was developed following the review of operational delivery through both the FMS, HMICFRS Inspections and Audit Wales findings. In addition, and as highlighted above, the Force has also needed to consider four other key factors. These are the successful implementation of the Investigation Hub; the Neighbourhood Policing Review, the impact of the Virtual Response Team; and the impact of Voice Analytics.
151. The final 2021/22 FMS (submitted May 2022) identified the following key challenges facing the Force:
- a) Continued reductions in real-terms funding leaving a deficit of £9.773m by 2026/27. The equivalent figures in the draft 2022/23 FMS are a deficit of £20.887m by 2027/28;
  - 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.
152. Whilst the economic impact of Covid-19 and Brexit have been borne previously, the impact of the cost of living crisis has started to manifest in Policing demand. Increases in acquisitive crime such as shoplifting, burglary and vehicle theft, as well as Public Protection work, particularly the most vulnerable people in our society, are beginning to be felt. Furthermore, the threat of public protest and managing the fall-out from strikes are also being planned for.
153. In respect of the PUP, the MTFP plans for an extra 206 Police Officers in Gwent to fight crime by March 2023, as part of 20,000 extra Police Officers nationally. All will have been recruited by the start of the 2023/24 financial year.
154. During 2022/23, 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.
155. 2022/23 saw the launch of a new Corporate Strategy for Collaboration in Wales. During 2023/24, the Force will continue its collaboration journey across Policing and other devolved partners on the following (not exhaustive) programmes of work:
- a) Joint Firearms Unit Training Range;
  - b) Regional change, transformation and continuous improvement programme;
  - c) Wales Forensic Accreditation;
  - d) SARC Regionalisation and International Organisation for Standardisation (ISO) accreditation;
  - e) Data and Analytics;
  - f) ICT including Digital Capability and Capacity;
  - g) Productivity and Efficiency;
  - h) People and Organisational Development;

- i) Single Electric Vehicle Infrastructure and Fleet;
- j) Strategic Problem Solving;
- k) Shared Situational Awareness System; and
- l) ESMCP's ESN transition.

156. 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 2023/24 Budget Bid, £250k of Capital has been earmarked to drive the environmental sustainability strategy forward, in addition to £250k for Electric Vehicle charging points and £250k for LED lighting.

157. The following infographic highlights the Greener Gwent Strategy:



158. 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 the Force 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 Police Officers/Police Staff who use public transport to travel to and from work from 3% to 8%;
  - iii Increase the proportion of Police Officers/Police 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 the 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.

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

160. The above areas of focus and investment have delivered tangible improvements in performance during an unprecedented two years.

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

161. Appendix 5a details budgetary savings identified through this budget setting round which can be removed from the 2023/24 budget and in some cases, from future budgets.

162. 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 Force and OPCC. To this end, the HMICFRS VFM Profiles are a key tool in indicating potential areas for saving schemes' opportunities.
163. 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.
164. However, the 2022/23 Profiles are not yet published, due to the legacy impact of Covid-19 on forces' ability to produce the figures. Therefore, 2022/23 VFM Profiles are not expected to be published until February 2023. This said however, the 2021/22 Profiles (whose publication was delayed until February 2022 due to Covid-19) have been scrutinised and considered as part of the Continuous Improvement Programme.
165. 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 JAC in March 2022.
166. In terms of an overview, the Force moved from being the third highest to the fourth highest cost per head of population across England and Wales; and the highest to the second highest within its MSG of forces. All Welsh forces are amongst the top seven most expensive (excluding London) forces. Among the four Welsh forces, South Wales Police is now first (third overall), followed by Gwent (fourth overall), North Wales Police (fifth overall), and then Dyfed Powys Police (seventh overall).
167. Consistent with previous years, the Force stands as an outlier in ten of the eleven objective areas. For five, the Force is more expensive than both its MSG and against an all-force comparison, while in one other area it is spending more than its MSG but less than the all-force comparison. A significant improvement however, is that in the four other areas the Force is cheaper in delivering these functions than both its MSG and all force counterparts:

<b>Objective Area</b>	<b>MSG Difference (£m)</b>	<b>All Force Difference (£m)</b>
Support Functions	8.892	5.255
Local Policing	6.199	7.050
Central Costs	3.108	3.051

Operational Support	0.956	(0.226)
Dealing with the Public	0.938	1.444
Road Policing	0.763	1.104
Criminal Justice Arrangements	0.002	0.397
Investigations	(0.191)	(1.862)
Intelligence	(0.303)	(1.088)
Investigative Support	(0.742)	(0.825)
Public Protection	(1.303)	(2.251)

168. 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, Training and Estates costs appear as a significant outlier, which is also consistent with the 2020/21 position:

- a) ICT costs are £3.859m and £1.614m 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 Shared Resource Services (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 137 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 by 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) Training costs are £1.970m and £2.747m more expensive than the force MSG and all-force comparison respectively. This is largely a result of training programmes continuing to resume their levels of activity following the Covid-19 shutdown;

- c) Estate costs are £964k more expensive than the force MSG but £393k cheaper than the all-force comparison, again predominantly in the area of collaboration. This difference can be attributed to a number of factors:
- i In 2019/20 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 may 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.
- d) Local Policing costs are £6.199m and £7.050m 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 front-line. As 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
- e) Central Costs are £3.108m and £3.051m 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 accounted 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.

169. 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.

170. Although the Force awaits its latest 2022/23 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.
171. On the 6<sup>th</sup> December 2022, 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."

172. 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 2023/24 financial year and the expected receipt of the 2022/23 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 2022/23 Appendix 6 and Appendix 8a

173. A key component in the setting of the 2023/24 budget is the financial performance in the current financial year. Quarterly financial management reports are produced and scrutinised at both the OPCC's Strategic 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 31<sup>st</sup> March).
174. Appendix 6 confirms that the initial forecast outturn reported at Quarter 2 indicated a non-recurrent £2.380m surplus against GRE of £173.312m; which equates to a 1.37% variance against overall budget.
175. The major contributors to this net surplus position are provided below:

a) Police Officer Pay and Allowances – £4.538m surplus

Police Officer pay and salary allowances forecast at the end of the financial year are under budget by £4.538m. This is the result of differences between the timing of actual recruitment of the final 83 Police Officers due under the PUP by 31<sup>st</sup> March 2023, compared to the full year cost of those additional Police Officers fully grant funded at the start of the year. The assumptions for the 2023/24 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 – £343k deficit

Police Staff and PCSO pay and salary allowances are forecast to be over budget by £343k at the end of the financial year. Within this, Police Staff and PCSO pay and allowances were underspent by £475k, again due to the need to reflect the full year cost of posts in the budget for the PUP funded posts; recruitment profile of new PCSOs; and a number of ongoing vacancies. This is offset by agency costs of £746k that cover some of those vacancies in the short-term;

c) Police Officer, Police Staff (incl. PCSOs) Overtime and Enhancements – £915k deficit

Total overtime costs (Police Officer and Police Staff (incl. PCSOs)) at year-end are forecast to show a net deficit of £915k, made up as follows:

Police Officer overtime deficit	£(300k)
Police Officer rest day overtime deficit	£(559k)
Police Officer public holiday deficit	£(32k)

Police Staff overtime deficit	£(419k)
Police Staff weekend and public holiday enhancements surplus	£394k
<b>Total forecast deficit at 31<sup>st</sup> March 2023</b>	<b>£(915k)</b>

The annual overtime budget was reduced by £1m for 2020/21 and remained unchanged for the 2021/22 and 2022/23 financial years. 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. Significant analysis has been undertaken to understand working patterns, realign budgets and improve reporting for management; and this increased level of scrutiny is necessary to ensure that the level of overtime is managed. 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) Premises Costs – £1.285m deficit

Premises costs are forecast to be overspent at year-end by £1.285m. This is due primarily to the substantial increases in utility prices; confirmation of the Business Rates associated with new HQ; and planned maintenance works associated with the Capital Programme in the first half of the year. The forecast deficit is due primarily to the continued inflation of electricity and gas prices due to global events and these costs will effectively see the 2022/23 cost almost double from £966k to £1.904m. Going forward these higher prices have been reflected in the 2023/24 budget;

e) Transport Costs – £343k deficit

The full year forecast is for an overspend of £343k arising from the change in mileage claim rules (£50k); additional vehicle hire related to the new rape and serious sexual offences (RASSO) team (£46k); higher accident repair costs and engine replacements on high performance vehicles (£91k); and the ongoing impact of higher fuel prices arising from global issues (£244k). This is offset to some degree by lower costs of insurance work for recovery (£88k). The impact of higher fuel prices has been considered and partly reflected in the 2023/24 budget setting exercise;

f) Supplies and Services Costs – £137k surplus

Supplies and services costs are forecast to be in surplus by year-end by £137k 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 2023/24 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 £137k are

underspends on ICT totalling £343k, offset by a forecast overspend on partnership fees of £197k;

g) Other Movements – £591k surplus

A forecast surplus by year-end of £591k has arisen due to additional contributions requested this year for National Technology Programmes managed by Police Digital Services (PDS) (£61k). Investment Income is forecast to be over budget by £331k due to increases in interest rates up to December 2022. Furthermore, other income is forecast to over-recover by £321k, due to additional seconded Police Officers' income; and

h) Transfer to Reserves and Committed Funds

The overall forecast surplus of £2.380m outlined above has primarily arisen from timing differences between PUP Central/Specific Government Grant Funding and Police Officer/Police Staff recruitment; and the non-pay consequential costs for the PUP. 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 2022/23 to provide £2.380m as a one-off revenue contribution to capital to fund the capital infrastructure implications of the PUP Police Officers, recruited in 2020/21, 2021/22 and 2022/23. This contribution will also support the wider Capital Programme to provide a fit for purpose infrastructure to support modern Policing.

176. 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 27<sup>th</sup> January 2023, if there is a material change.
177. 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 case for the 2022/23 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 three financial years (2020/21, 2021/22 and 2022/23), 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.
178. The 'one-off' non-recurrent nature of the 2022/23 underlying surplus is further emphasised in that even after taking account of future planned efficiency

schemes in forthcoming financial years of £3.904m, the Commissioner is still faced with a recurrent financial deficit of £20.887m by 2027/28 and unbalanced budgets in the four financial years prior to this necessitating, as it stands, £52.929m 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 Force'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.

179. Turning to the Capital Programme included in Appendix 8a, the original Annual Budget on proposed schemes for 2022/23 was £17.945m, but this has been revised to £17.417m to reflect an acceleration of schemes from future years into 2022/23; the delay in confirming and progressing a number of Estate Schemes; and also the confirmation of a number business cases through the Force's Service Improvement Board (SIB).
180. The Estate schemes in the original Programme totalled £7.706m, which has since been revised to a forecast spend of £5.029m. The contributors to this movement are the reprofiling of spend across four of the key developments within the current Estate Strategy, namely Abergavenny Police station, Fleet Workshops relocation, Gwent Police Operational Facility and the Property and Evidence Store. Whilst the first two are still progressing, albeit slightly slower than originally planned, the Gwent Police Operational Facility will be deferred for at least two years, on affordability grounds. In relation to the Evidence and Property store, a more sustainable longer-term option is currently being assessed.
181. In relation to the vehicle replacement programme, the original Capital Programme budget was £2.473m, which has recently been revised downwards to £1.969m. This adjustment reflects the new vehicle purchase contract coming into effect on 1<sup>st</sup> April 2021 and delays remaining in the delivery of some vehicles to meet the usual replacement cycle and to accommodate environmental impacts.
182. The ICT Schemes in the original Capital Programme totalled £3.346m and the latest budget reflects £5.329m of spend forecast for 2022/23. The upwards movement is due 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 new Control Room System (CRS). 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.

## **RESERVES AND COMMITTED FUNDS (Appendix 7)**

183. 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 8<sup>th</sup> December 2022 (along with the 2023/24 Treasury Management Strategy), enabling them to discharge their responsibilities in relation to the budget setting process and the annual financial statements.

184. 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.
185. 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 2023/24.
186. By the end of the 2027/28 financial year, it is forecast that the Commissioner will have Reserves of £5.000m and Committed Funds of £4.433m (totalling £9.433m – bottom right-hand corner of Appendix 7). This assumes however, that the current outstanding future recurrent budgetary imbalances in 2023/24 and partly in 2024/25 (highlighted in the MTFP) will be 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. However, if Reserves and Committed Funds are not required to balance the budget on an annual basis, the total forecast Reserves and Committed Funds figure to 2027/28 increases to £15.358m.
187. This forecast Reserves and Committed Funds figure at 2027/28 of £9.433m 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 3.2% of 2022/23 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) Commissioning Strategy and Force Initiatives – (£2.003m 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 specific 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. It may also provide the funding of initiatives to drive out efficiency and productivity improvements.

c) Airwave – (£1.201m 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 2027/28, further delays in the delivery of ESN may necessitate further dual running costs, which would ultimately deplete this Reserve in its entirety.

d) Other Financial Liabilities – Tribunal and Ombudsman Liabilities through to PCSO Increase – (£1.229m 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 SIB.	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 £52.751m of efficiency savings delivered to the end of the 2021/22 financial year; £1.021m planned for delivery during 2022/23; and a gross forecast deficit of £24.791m by 2027/28, it is prudent to underwrite a degree of the budgetary imbalance remaining of £20.887m 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 <sup>1</sup> . 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	The Commissioner's Reserves and Committed Funds protocol permits Workstreams/Departments to carry

<sup>1</sup> A provision exists when the Commissioner is faced with a present obligation (legal or constructive) which has arisen as a result of a past event. Furthermore, the payment is probable ('more likely than not') and the amount can be estimated reliably. Provisions are therefore provided for and accounted via the 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.

(including utilisation of 'Proceeds of Crime Act' (POCA) monies).	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.
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- 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 £1.229m in 2027/28, this does not mean that the Committed Funds are not required up to this point in time, rather the plans for their utilisation are not finalised to identify the timing of the individual Committed Fund's utilisation.

188. It is important to note, that in order to maintain the forecast Reserves and Committed Funds position of £9.433m by 2027/28, the Commissioner is currently required to borrow £88.022m between 2023/24 and 2027/28 to fund his Capital Programme.

189. 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.

190. 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 2023/24 (Appendices 8a and 8b)

191. 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 £102.935m, of which the 2023/24 element amounts to £12.687m.
192. In addition, a further £25.033m of non-capital long-term projects have been identified, of which £11.215m occurs in 2023/24.
193. 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) The underlying recurrent revenue contribution to capital will be maintained at £6.145m p.a. for the life of this MTFP – a total of £30.725m. An additional balance of £3.022m of revenue funding across the five years will be needed to cover the difference between borrowing and estimated Capital Programme costs. These revenue contributions are necessary in relation to minimising 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 £9.221m between 2023/24 and 2027/28; and
  - c) The need to undertake external borrowing of £85.000m between 2023/24 and 2027/28.
194. 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, the recent finalisation of the review of the Estate Strategy, in collaboration with the PCP's Estate Reference Group and other key stakeholders concluded that whilst the current Estate Strategy is robust in terms of its Vision, Objectives and implementation methodology, its affordability under current economic and Police funding factors did not support its current timeline. Therefore, the proposed Capital Programme already includes the deferment of the Gwent Police Operational Facility by two years to 2025/26. The Joint Firearms Unit training range however, whilst still indicating a start date during 2023/24, may also be deferred, as a result of escalating costs and increased borrowing costs for all partners involved.
195. 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

196. 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 ongoing and potential future impact of Covid-19 (particularly on future Council Tax Bases, inflation and further impact on Public Sector pensions payments); the war in Ukraine (particularly inflation); Brexit; UK/Global recession, year three of CSR 2021; and the Police Funding Formula Review;
- ii Exposure to interest rate fluctuations as a result of the cost of borrowing to fund the Capital Programme;
- iii The short, medium and long-term funding consequentials of the PUP;
- iv Loss of 'assumed' Council Tax Precept income;
- v Impact of the localisation of Council Tax support;
- vi Legislative and policy changes having unintended consequences, e.g. as previously seen with the revaluation of Public Sector Pensions; and the implementation of the Apprenticeship Levy;
- vii Increasing overall costs of National ICT Programmes and changes to the apportionment method of these costs across Police and Crime Commissioners/forces;
- viii Potential future increases in the Police Officer and Police Staff pay awards higher 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);
- ii The financial and non-financial impact of ongoing Service Review's recommendations such as the Neighbourhood Policing Review; and
- iii Failure of key efficiency schemes to deliver, particularly those related to national programmes of work.

### 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 in respect of the cost of living crisis; and

- iii Lack of Police Officer/Police Staff turnover due to limited job opportunities.

197. 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) Increasing productivity through ongoing ICT investment and the automation of tasks;
- c) Potential long-term investment by the Government into Policing;
- d) The development of the Gwent PSB, promoting a 'One Public Service' ethos to tackle long-standing issues across Gwent;
- e) Linked to d) above, the ability to co-commission services with Public and 3<sup>rd</sup> Sector Partners, avoiding duplication of effort and maximising return to the public; and
- f) Actively seeking out income generation opportunities and influencing the legislative agenda to provide wider opportunities.

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

198. The revenue Budgetary Requirement for 2023/24 is the net position of:

- a) The base recurring requirements;
- b) Efficiency savings and recurring budget reductions realisable in 2023/24;
- c) Non-recurring revenue requirements in 2023/24; and
- d) Non-recurring savings which are realisable in the year and Reserve and Committed Funds utilisation.

199. The gross base recurring requirement for 2023/24 is £166.186m (Appendix 1b line 10) which, when adjusted by the budgetary deficit, equates to a Budget Requirement for the year of £161.587m.

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

	£
Police Grant	62,519,988
Revenue Support Grant	25,877,481
National Non-Domestic Rates	<u>191,241</u>
	<u>88,588,710</u>

201. Deducting total Central Government Grant Funding from the Budget Requirement of £161,586,891 leaves income to be raised from Council Tax Precept of £72,998,181.
202. 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	
	2022/23	2023/24
Blaenau Gwent	20,876.85	20,806.70
Caerphilly	61,062.71	61,135.13
Monmouthshire	47,372.80	47,778.09
Newport	60,848.73	60,975.52
Torfaen	34,148.07	34,246.57
<u>Total</u>	<u>224,309.16</u>	<u>224,942.01</u>

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

	Actual 2022/23	Proposed 2023/24
Council Tax Precept	£68,145,123	£72,998,181
Band D Tax	£303.80	£324.52
Increase on previous year (£)	£15.84	£20.72
Increase on previous year (%)	5.50%	6.82%

204. 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	216.35
B	7/9	252.40
C	8/9	288.46
D	9/9	324.52
E	11/9	396.64
F	13/9	468.75
G	15/9	540.87

H	18/9	649.04
I	21/9	757.21

205. 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**

206. 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.

207. The same Section requires the Commissioner to have regard to the Chief Finance Officer's report when making decisions about Council Tax Precept.

208. Central Government Grant funding from the HO and WG currently fund approximately 55% 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 Final 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 in meeting the Force's additional pension costs in 2019/20 to the value of £429k – so in effect, the Final 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%.

209. The Settlements over the 2020/21, 2021/22, 2022/23 and 2023/24 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 2023/24 has been partly addressed, but still stands at 0.05%. **In simple terms, the Force will receive virtually the same amount of cash from Central Government Grant Funding in 2023/24 as it did in 2010/11. When the effect of inflation and pay awards is built in, the real reduction is over 25% over the 14 years.**
210. Although the Provisional Settlement (and updates to the CSR 2021) has been in line with expectations for the Force (albeit all the new funds are ringfenced and insufficient), the future financial landscape is uncertain. Faced with significant uncertainty for the economy and the public finances in light of the war in Ukraine; cost of living crisis; legacy Covid-19 and the Brexit implications; year three of CSR 2021 uncertainty; 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.
211. 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 2022/23. Appropriate Council Tax Precept increases into the near future will maintain this establishment (and provide growth in PCSOs) and complement the PUP, to continue to address areas of demand and thereby realise its full benefits to the public of Gwent.
212. 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 with ultimate direction by 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 2022/23, Members and the JAC received progress reports on the 2023/24 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.
213. 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.

214. 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 2022, 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 Force and OPCC moving forward, taking into consideration size, local circumstances and the requirement to identify savings to address historic significant reductions in Central Government Grant Funding.
215. 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.
216. In conclusion, whilst I am content therefore, with the adequacy of the proposed financial Reserves and Committed Funds, this source of funding to deliver an appropriate Capital Programme moving forward is now exhausted. The long-term funding for the Police Service's Capital infrastructure needs is of grave concern, to the extent that a letter was written to the Home Secretary in November 2022 outlining the unaffordability of the Force's much needed Capital Plans over the medium-term, by virtue of inflationary costs and the increased cost of borrowing. A reply was received later in the same month which concluded:

"While the Government has demonstrated its commitment to supporting our Police and providing them with the resources needed to fight crime and keep the public safe, it is ultimately for Chief Constables and directly elected PCCs, and Mayors with PCC functions to make operational decisions including how to allocate resource based on their local knowledge and experience.

I recognise that increased financial pressures will be a concern for many forces, and there may be some challenging trade-offs at a local level in order for you to set a balanced budget. These pressures have been highlighted through my officials' recent engagement with forces and PCCs to better understand the scale and impact of pressures and their plans for living within their agreed budgets. The Home Office will continue to work closely with sector representatives to monitor this issue and I can assure you that I remain committed to ensuring the Police have the resources they need.

It is now critical that the sector focuses on where efficiencies can be made while still improving productivity. The NPCC are currently conducting a review into the operational productivity of Policing. This is led by Sir Stephen House and will support the service in understanding the effectiveness and productivity of Police forces. The Home Office will continue to work with the Policing Sector to

share best practice in relation to the delivery of efficiencies and productivity gains.”

217. The funding of Capital Infrastructure dialogue will therefore continue.



## APPENDICES

Appendix 1a	-	Impact of Incremental Council Tax Precept Changes.
Appendix 1b	-	Medium-Term Financial Projections 2023/24 to 2027/28.
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 2022/23 Income and Expenditure Forecast.
Appendix 7	-	Reserves and Committed Funds Position 2022/23.
Appendix 8a	-	Capital Programme 2023/24 to 2027/28.
Appendix 8b	-	Long-Term Project Programme 2023/24 to 2027/28.



## 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:

Taking part in approximately 93 Vulnerable Adult strategy discussions per month.

Supporting approximately 4 victims of domestic abuse per day through the Multi-Agency Risk Assessment Conferences.

#### MAPPA

Managing 856 Registered Sex Offenders in the Community.

Taking part in approximately 271 Child Protection strategy discussions per month.

Respond to approximately 42 incidents flagged as being associated with people with mental health issues

Carry out 6 stop and searches, on persons and vehicles, 1 of which will result in an arrest

Deal with 38 Anti-Social Behaviour incidents

Respond to approximately 11 missing person reports

Respond to 47 domestic abuse reports, 8 of which will result in an arrest

As well as dealing with crime, officers will:

Approximately 149 crimes are reported

Approximately 466 incidents are recorded

Approximately 239 999 calls are received

Officers will deal with 5 residential burglaries, 10 thefts, 3 thefts from a motor vehicle, 2 thefts of a motor vehicle, 16 violent crimes, 1 robbery and 5 sexual assaults

Officers will make approximately 24 arrests, 2 of which identify as violence with injury.

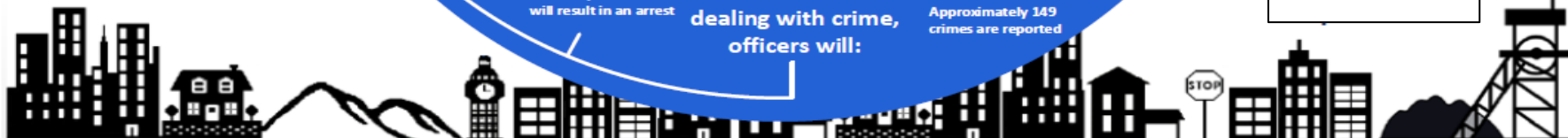
In March 2021 the estimated population of Gwent was 598,194. There are currently 1443 Gwent Police Officers, meaning there is 1 Police Officer for every 415 members of the public.

There are currently 821 Police Staff supporting the front line operational delivery.

There are approximately 178 Community Support Officers covering the Gwent area



Over 13,115 miles are driven each day by Gwent Police vehicles.



**Police and Crime Commissioner for Gwent / Heddlu Gwent Police**  
**Medium Term Financial Projections 2023/24 to 2027/28**  
**Impact of Incremental Council Tax Precept Changes**  
**At 27th January 2023**

<b>Assumption</b>		<b>Base Growth</b>	<b>Precept Growth</b>	<b>Total Growth</b>	<b>Increase / (Decrease)</b>
<b>Base Growth %</b>	<b>Precept Growth %</b>	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>
0.28%	7.50%	192,561	5,126,428	5,318,989	465,630
0.28%	7.00%	192,561	4,784,516	4,977,077	123,718
0.28%	6.82%	192,561	4,660,798	4,853,359	0
0.28%	6.50%	192,561	4,442,604	4,635,165	(218,194)
0.28%	6.00%	192,561	4,100,692	4,293,253	(560,106)
0.28%	5.50%	192,561	3,758,781	3,951,342	(902,017)
0.28%	5.00%	192,561	3,416,869	3,609,430	(1,243,929)
0.28%	4.50%	192,561	3,074,957	3,267,518	(1,585,841)
0.28%	4.00%	192,561	2,733,045	2,925,606	(1,927,753)
0.28%	3.50%	192,561	2,391,133	2,583,694	(2,269,665)
0.28%	3.00%	192,561	2,049,221	2,241,782	(2,611,577)
0.28%	2.50%	192,561	1,709,559	1,902,120	(2,951,239)
0.28%	2.00%	192,561	1,367,647	1,560,208	(3,293,151)
0.28%	1.50%	192,561	1,025,735	1,218,296	(3,635,063)
0.28%	1.00%	192,561	683,823	876,384	(3,976,975)
0.28%	0.50%	192,561	341,911	534,472	(4,318,887)
0.28%	0.00%	192,561	(0)	192,561	(4,660,798)

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**Police and Crime Commissioner for Gwent / Heddlu Gwent Police**  
**Medium Term Financial Projections 2023/24 to 2027/28**

**At 27th January 2023**

	( a )	( b )	( c )	( d )	( e )	( f )
	<b>2022/23 Actual £'000s</b>	<b>2023/24 Forecast £'000s</b>	<b>2024/25 Forecast £'000s</b>	<b>2025/26 Forecast £'000s</b>	<b>2026/27 Forecast £'000s</b>	<b>2027/28 Forecast £'000s</b>
1 Effect of increases to authorised Establishment, Pay Awards and Increments		7,697	4,230	4,391	4,558	4,729
2 Non-Staff Inflation		1,590	977	1,041	1,107	1,175
3 Apprenticeship Levy Scheme		-	-	-	-	-
4 In Service Pressures / Developments		2,039	2,776	2,800	2,800	2,800
5 Budget savings identified		(2,699)	(60)	-	-	-
6 Finance costs		1,132	1,404	632	2,098	2,081
7 Unavoidable Cost Increases		9,759	9,328	8,864	10,563	10,786
8 Gross Budget Movement		9,759	9,328	8,864	10,563	10,786
9 Recurring Base Budget Brought Forward		156,427	166,186	175,514	184,378	194,941
10 Projected Budgetary Requirement	156,427	166,186	175,514	184,378	194,941	205,727
11 Increase on Previous Years Base Budget	8.20%	6.24%	5.61%	5.05%	5.73%	5.53%
12 Pending						
13 Central Government Funding						
14 Police Grant	(62,343)	(62,520)	(64,020)	(62,020)	(60,020)	(58,020)
15 Revenue Support Grant	(25,727)	(25,877)	(25,877)	(25,877)	(25,877)	(25,877)
16 National Non-Domestic Rates	(212)	(191)	(191)	(191)	(191)	(191)
17 Total Central Government Funding	(88,282)	(88,589)	(90,089)	(88,089)	(86,089)	(84,089)
18 Council Tax	(68,145)	(72,998)	(78,344)	(84,081)	(90,239)	(96,847)
19 Total Funding	(156,427)	(161,587)	(168,433)	(172,170)	(176,327)	(180,936)
<b>20 Projected Recurring Deficit / (Surplus) Before Efficiencies</b>	<b>0</b>	<b>4,599</b>	<b>7,081</b>	<b>12,208</b>	<b>18,614</b>	<b>24,791</b>
<b>21 Efficiencies</b>						
22 Future Year Continuous Improvement Programme Savings	-	(1,142)	(2,590)	(3,164)	(3,564)	(3,904)
<b>23 Reserve Utilisation</b>	<b>-</b>	<b>(3,457)</b>	<b>(2,468)</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>24 Projected Recurring Deficit/ (Surplus) After Efficiencies &amp; Reserve Utilisation</b>	<b>0</b>	<b>0</b>	<b>2,023</b>	<b>9,044</b>	<b>15,050</b>	<b>20,887</b>

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**Police and Crime Commissioner for Gwent / Heddlu Gwent Police**  
**Medium Term Financial Projections 2023/24 to 2027/28**  
**Objective Analysis 2022/23 Net Revenue Expenditure**  
**At 27th January 2023**

Service area	Officer/Staff costs £'000	Non-pay costs £'000	Gross Revenue Expenditure £'000	Income £'000	Net Revenue Expenditure £'000
Local Policing	47,629	1,087	48,716	(6,561)	42,155
Dealing with the Public	10,111	57	10,168	-	10,168
Criminal Justice Arrangements	6,970	1,653	8,623	(1,408)	7,215
Roads Policing	4,616	445	5,061	(779)	4,282
Operational Support	5,691	1,758	7,449	(126)	7,323
Intelligence	4,278	476	4,754	(317)	4,437
Investigations	12,936	1,779	14,715	(1,445)	13,270
Public Protection	8,950	1,433	10,383	(239)	10,144
Investigative Support	2,869	1,120	3,989	-	3,989
National Policing	2,615	1,551	4,166	(1,901)	2,265
Support Functions	20,877	20,803	41,680	(359)	41,321
Police & Crime Commissioner	1,140	5,972	7,112	(2,555)	4,557
Central Costs	2,415	6,339	8,754	(1,375)	7,379
	<b>131,097</b>	<b>44,473</b>	<b>175,570</b>	<b>(17,065)</b>	<b>158,505</b>
	75%	25%	100%		
Net Movements in Reserves					(2,078)
<b>Total Net Revenue Expenditure 2022/23</b>					<b>156,427</b>

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**Police and Crime Commissioner for Gwent / Heddlu Gwent Police**  
**Medium Term Financial Projections 2023/24 to 2027/28**  
**Assumptions**  
**At 27th January 2023**

Description	2023/24 Estimate	2024/25 Estimate	2025/26 Estimate	2026/27 Estimate	2027/28 Estimate	Source
<b><u>Police Officers</u></b>						
Pay Awards	3.50%	3.00%	3.00%	3.00%	3.00%	CFO estimate benchmarked with Welsh Forces.
<b><u>Police Staff</u></b>						
Pay Awards	3.50%	3.00%	3.00%	3.00%	3.00%	CFO estimate benchmarked with Welsh Forces.
<b><u>Indirect Staff Costs</u></b>	3.50%	3.00%	3.00%	3.00%	3.00%	CFO estimate benchmarked with Welsh Forces.
<b><u>Non Staff Inflation</u></b>						
General (Including Rates)	4.00%	2.00%	2.00%	2.00%	2.00%	CFO estimate benchmarked with Welsh Forces.
Utilities - Gas	15.00%	5.00%	5.00%	5.00%	5.00%	CFO estimate benchmarked with Welsh Forces.
Utilities - Electric	15.00%	5.00%	5.00%	5.00%	5.00%	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	10.00%	5.00%	5.00%	5.00%	5.00%	CFO estimate benchmarked with Welsh Forces.
Diesel	10.00%	5.00%	5.00%	5.00%	5.00%	CFO estimate benchmarked with Welsh Forces.
<b><u>Funding</u></b>						
Central Government Police Funding	0.35%	1.69%	-2.22%	-2.27%	-2.32%	Additional Op Uplift Funding being cost neutral. Impact of funding formula changes 2025/26 onwards.
Council Tax Base Increase	0.28%	0.47%	0.47%	0.47%	0.47%	Updated Council Tax Bases for 2023/24 and average three-year growth used for 2024/25 onwards.
Council Tax Precept Increase	6.82%	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 2023/24 to 2027/28**  
**Force Establishment**  
**At 27th January 2023**

Description	2022/23 Forecast No.	2023/24 Forecast No.	2024/25 Forecast No.	2025/26 Forecast No.	2026/27 Forecast No.	2027/28 Forecast No.
<b>Officers Baseline</b>						
<b>Officers Baseline - 1st April 2020</b>	<b>1,423.0</b>	<b>1,506.0</b>	<b>1,506.0</b>	<b>1,506.0</b>	<b>1,506.0</b>	<b>1,506.0</b>
Police Staff Investigator Posts						
Operation Uplift	83.0					
Externally Funded Posts						
Amber Posts Funded						
<b>Total Authorised Baseline</b>	<b>1,506.0</b>	<b>1,506.0</b>	<b>1,506.0</b>	<b>1,506.0</b>	<b>1,506.0</b>	<b>1,506.0</b>
<b>Officer Actuals</b>						
<b>Actuals as at 30th September</b>	<b>1,442.0</b>	<b>1,506.0</b>	<b>1,506.0</b>	<b>1,506.0</b>	<b>1,506.0</b>	<b>1,506.0</b>
Retirees - Ordinary	(56.0)	(43.0)	(36.0)	(50.0)	(37.0)	(37.0)
Retirees - Medical	(5.0)	(6.0)	(6.0)	(6.0)	(6.0)	(6.0)
Leavers - Probationer Drop Out	(33.0)	(24.0)	(12.0)	(12.0)	(12.0)	(12.0)
Other Leavers - Dismissal/Tfr to other Force/Voluntary Resignation	(39.0)	(25.0)	(27.0)	(27.0)	(27.0)	(27.0)
Recruitment - Probationers	180.0	94.0	76.0	90.0	77.0	77.0
Recruitment - Transferees, Police Now, Detective Now	17.0	4.0	5.0	5.0	5.0	5.0
<b>Forecast Actual</b>	<b>1,506.0</b>	<b>1,506.0</b>	<b>1,506.0</b>	<b>1,506.0</b>	<b>1,506.0</b>	<b>1,506.0</b>
<b>Police Office Establishment Under/(Over)</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>
<b>PCSOs</b>						
WG Funded	121.0	121.0	121.0	121.0	121.0	121.0
Force Funded	51.0	61.0	71.0	81.0	91.0	101.0
<b>Total</b>	<b>172.0</b>	<b>182.0</b>	<b>192.0</b>	<b>202.0</b>	<b>212.0</b>	<b>222.0</b>
<b>Police Staff</b>						
Baseline	803.9	835.2	848.2	848.2	848.2	848.2
Actual in year movements	31.3	(3.0)				
Apprentices - Fixed term contracts		16.0				
SIB Approved Changes inc Investment Funded Posts						
<b>Total</b>	<b>835.2</b>	<b>848.2</b>	<b>848.2</b>	<b>848.2</b>	<b>848.2</b>	<b>848.2</b>
<b>Authorised Establishment Grand Total</b>	<b>2,513.2</b>	<b>2,536.2</b>	<b>2,546.2</b>	<b>2,556.2</b>	<b>2,566.2</b>	<b>2,576.2</b>

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**Police and Crime Commissioner for Gwent / Heddlu Gwent Police**  
**Medium Term Financial Projections 2023/24 to 2027/28**  
**In Service Pressures and Budget Developments**  
**At 27th January 2023**

Description	2023/24 £	2024/25 £	2025/26 £	2026/27 £	2027/28 £
1 Loan Interest	1,131,900	1,404,350	632,100	2,097,850	2,081,400
2 Police Digital Services Company	60,116				
3 Operation Uplift Spend - Officer Salaries	610,749				
4 Funding Formula Revision			2,000,000	2,000,000	2,000,000
5 National Police Air Service Remodelling	(150,000)				
6 Future years' pressures to be confirmed		2,000,000	2,000,000	2,000,000	2,000,000
7 Property insurance for new HQ	(35,000)				
8 Covid Hub rental of portacabin - Op Camdale	(8,500)				
9 Rent		(14,579)			
10 Rates		(9,124)			
11 Pay increments		800,000	800,000	800,000	800,000
<b>Sub total prior year pressures</b>	<b>1,609,265</b>	<b>4,180,647</b>	<b>5,432,100</b>	<b>6,897,850</b>	<b>6,881,400</b>
<b><u>New cost pressures 2023/24</u></b>					
12 Finance Professionals subscriptions	3,000				
13 Gwent Police Contribution to Pension Hub Salaries	44,000				
14 Audit Wales Fee increase - median is £96k	7,000				
15 Gas increase - 299%	450,022				
16 Electricity increase - 212%	621,149				
17 New Storage rental at Vantage Point	13,650				
18 Operational Training Rental increase	19,352				
19 Clothing/Uniform inflation up by 8.5% - 4.5%	19,352				
20 Fuel price increase (shortfall risk managed)	150,000				
21 Hire of vehicles	7,000				
22 ICT costs from New HQ completion and disaster recovery centre	66,868				
23 Reveal user licenses	155,063				
24 Body Worn Video cameras - Data Sim Cards	64,397				
25 ICT PPU software and offender management system costs	11,990				
26 ICT Increase in ATOS software budget	61,500				
27 ICT Increase in Longarm Service software budget	13,269				
28 ICT Cost of ROSA licences	6,000				
29 ICT Source (intranet) software	8,225				
30 ICT New patient management system - support and maintenance	6,633				
31 Contribution to Wellbeing dogs	5,500				
32 ICT Niche hosting charge (SWP) and Softcat (Office 365)	78,365				
33 Insurance increases 15% - 20%	227,841				
34 Change in national mileage policy	59,137				
35 Additional Bank Holiday for King's Coronation	200,000				
36 Staff additional pay pressure for 2022/23	750,000				
37 Unrecoverable secondment income	70,000				
38 Overtime inflationary pressure	137,000				
39 Service Improvement Board - November 2022 Business Cases	500,000				
40 SRS partnership fees - Office 365 back up/product licences	192,500				
<b>Income increase</b>					
41 Investment Income	(350,000)				
42 RASSO - HO Funding	(100,000)				
43 Apprentice Levy Fund allocation 2023/24	(480,000)				
<b>Sub total 2023/24 new pressures</b>	<b>3,018,813</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>Total pressures in 2023/24 Master budget and MTFP</b>	<b>4,628,078</b>	<b>4,180,647</b>	<b>5,432,100</b>	<b>6,897,850</b>	<b>6,881,400</b>

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**Police and Crime Commissioner for Gwent / Heddlu Gwent Police**  
**Medium Term Financial Projections 2023/24 to 2027/28**  
**Identified Budgetary Savings**  
**At 27th January 2023**

Description	2023/24 £	2024/25 £	2025/26 £	2026/27 £	2027/28 £
1 Housing Allowance		(60,000)			
2 PC - holiday pay top up	(19,845)				
3 Sergeant - holiday pay top up	(3,000)				
4 Detective Constable - holiday pay top up	(15)				
5 Staff/officer recruitment costs	(33,234)				
6 Force Medical Advisor	(14,200)				
7 Staff related - medical	(10,819)				
8 Drug/blood testing	(5,583)				
9 Training fees	(2,568)				
10 Professional subscriptions for employees	(520)				
11 Gas	(3,500)				
12 Rent	(92,543)				
13 Hire of venues	(38,104)				
14 National Non Domestic Rates	(18,190)				
15 Police Staff mileage	(640)				
16 Travel costs	(4,925)				
17 Stationery	(310)				
18 Office equipment	(4,111)				
19 Externally sourced printing	(510)				
20 Books and publications	(367)				
21 Catering - training, meetings and ceremonies	(9,500)				
22 Clothing and uniforms	(89,062)				
23 Custody medical contract	(242,400)				
24 Custody supplies and consumables	(30,600)				
25 Decommissioning of Services	(503,532)				
26 Bank charges	(300)				
27 Internal audit fee	(2,160)				
28 Firearms and ammunition	(100,000)				
29 Specialist operational equipment	(49,256)				
30 Postage and courier services	(5,000)				
31 Radio vehicle installation	(10,200)				
32 Radio consumables	(24,655)				
33 Radio repairs and maintenance	(20,400)				
34 ICT hardware purchases	(3,183)				
35 ICT software contracts	(47,232)				
36 Subscriptions	(10,340)				
37 Promotional materials	(1,620)				
38 Training related accommodation	(17,626)				
39 Subsistence	(720)				
40 Collaboration contribution	(751,001)				
41 Partnership projects	(519,500)				
42 Accident report income	(8,000)				
	<b>(2,699,271)</b>	<b>(60,000)</b>	<b>0</b>	<b>0</b>	<b>0</b>

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**Police and Crime Commissioner for Gwent / Heddlu Gwent Police**  
**Medium Term Financial Projections 2023/24 to 2027/28**  
**Continuous Improvement Programme Savings 2022/23 to 2027/28**  
**At 27th January 2023**

	Description	2022/23	2023/24	2024/25	2025/26	2026/27	2027/28	Total Recurrent
		Plans Required £'000	Plans Required £'000	Plans Required £'000	Plans Required £'000	Plans Required £'000	Plans Required £'000	2022-2028 Plans Required £'000
	<b><u>Service Improvement</u></b>							
1	Airwave Voice move to data services	16	16					32
2	Telematics - Reduction in Servicing and Fuel	100	50	50	50	50	50	350
3	Telematics - Reduction in Accidents	50	50	50				150
4	Custody future single site operating model			750				750
5	Uniform Ordering System/Uniform rationalisation		5					5
6	Process Automation (Net of Investment)		50	50	50	50	50	250
7	O365 Application Roll Out	20	20	20	20	20	20	120
8	Police Regulations - Review Ill-Health Retirements	20	20	20	20	20	20	120
9	De-carbonisation of Fleet - Reduction in running costs	6	12	25	40	60		143
	<b><u>Collaboration</u></b>							
10	ICT Services - Data Centre rationalisation		285					285
	<b><u>Estates Rationalisation</u></b>							
11	Estates and Facilities - Carbon Reduction	150	150	133				433
12	New HQ Transfer - Vantage Point Lease Savings		129		194			323
13	Reduced Running Costs of New HQ Building		100	125				225
14	Cleaning savings		50					50
	<b><u>Enabling and Support Services</u></b>							
15	Telephone Rationalisation	78						78
16	MFD Printer Rationalisation	20						20
17	MFD Printing - Volumes	10	5	5				20
18	De-Commission Northgate ANPR	16						16
19	Supplies and Services (National programmes of work)	200	200	200	200	200	200	1,200
20	Niche Forensics - Socrates Licence			20				20
21	Airwatch Mobile Data security - NEP In Tune	20						20
22	People Services	57						57
	<b>Grand Total</b>	<b>763</b>	<b>1,142</b>	<b>1,448</b>	<b>574</b>	<b>400</b>	<b>340</b>	<b>4,667</b>
	<b>Cumulative savings 2023/24 to 2027/28</b>		1,142	2,590	3,164	3,564	3,904	

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**Police and Crime Commissioner for Gwent / Heddlu Gwent Police**  
**Medium Term Financial Projections 2023/24 to 207/28**  
**Gwent Group Income & Expenditure Report as at 30th September 2022**  
**At 27th January 2023**

BUDGET AREA						
Gwent Police Group Revenue Budget as at period 202206						
	Annual Budget	Budget YTD	Actual YTD	Variance YTD	Full Year Forecast	Variance
<b>EXPENDITURE</b>						
1 Police Officer Pay & Allowances	83,129,588	41,522,092	38,478,649	3,043,443	78,591,378	4,538,210
2 Police Staff & CSO Pay & Allowances	39,082,007	19,114,372	19,592,004	(477,632)	39,425,270	(343,263)
3 Police Officer Overtime & Enhancements	2,021,926	843,100	1,456,145	(613,045)	2,912,290	(890,364)
4 Police Staff & CSO Overtime & Enhancements	1,747,839	858,092	886,182	(28,090)	1,772,363	(24,524)
5 Other Employees Related Costs	4,349,593	1,867,501	1,581,293	286,207	4,349,559	34
6 Premises Costs	6,887,395	3,348,698	4,138,177	(789,479)	8,172,660	(1,285,265)
7 Transport Costs	3,354,140	1,879,974	1,432,466	447,508	3,696,960	(342,820)
8 Supplies & Services	31,384,723	12,739,559	14,318,815	(1,579,256)	31,247,861	136,862
9 Major Incident Schemes	328,057	138,020	196,608	(58,588)	328,057	0
10 Proactive Operational Initiatives	207,993	87,540	72,885	14,655	207,993	0
11 Contribution to Police Computer Co.	1,195,252	597,626	1,256,151	(68,525)	1,256,151	(60,899)
12 Capital Charge	189,189	94,596	27	94,569	189,189	0
	<b>173,877,702</b>	<b>83,091,170</b>	<b>83,409,403</b>	<b>(318,233)</b>	<b>172,149,732</b>	<b>1,727,970</b>
<b>OTHER APPROVED REVENUE REQUIREMENTS</b>						
13 Development Funds	0	0	0	0	0	0
14 Identified Recurring Savings	0	0	0	0	0	0
	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>INCOME</b>						
15 Investment Income	(50,000)	(25,002)	(80,948)	55,946	(380,948)	330,948
16 Other Income	(16,835,323)	(5,369,641)	(4,163,030)	(1,206,610)	(17,156,443)	321,120
	<b>(16,885,323)</b>	<b>(5,394,643)</b>	<b>(4,243,979)</b>	<b>(1,150,664)</b>	<b>(17,537,391)</b>	<b>652,068</b>
17 NET EXPENDITURE BEFORE TRANSFERS	<b>156,992,379</b>	<b>77,696,527</b>	<b>79,165,424</b>	<b>(1,468,897)</b>	<b>154,612,341</b>	<b>2,380,038</b>
<b>TRANSFERS</b>						
18 Transfers to Reserves	210,332	0	0	0	210,332	0
19 Revenue Contribution To Capital/Projects Scheme	6,150,500	0	0	0	6,150,500	0
	0	0	0	0	0	0
TOTAL RESERVE TRANSFERS	<b>6,360,832</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>6,360,832</b>	<b>0</b>
20 NET EXPENDITURE INCLUDING TRANSFERS	<b>163,353,211</b>	<b>77,696,527</b>	<b>79,165,424</b>	<b>(1,468,897)</b>	<b>160,973,173</b>	<b>2,380,038</b>
<b>21 FUNDED BY:</b>						
22 Revenue Support Grant	(25,727,167)	(12,863,583)	(16,370,389)	3,506,805	(25,727,167)	0
23 National Non-Domestic rates	(212,065)	(106,032)	(65,252)	(40,780)	(212,065)	0
24 Police Grant	(62,342,724)	(31,171,362)	(32,497,650)	1,326,288	(62,342,724)	0
25 Council Tax	(68,144,822)	(34,072,411)	(34,072,410)	(1)	(68,144,822)	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	(4,926,434)	0	0	0	(4,926,434)	0
	0	0	0	0	0	0
TOTAL FUNDING	<b>(161,353,212)</b>	<b>(78,213,389)</b>	<b>(83,005,700)</b>	<b>4,792,311</b>	<b>(161,353,212)</b>	<b>0</b>
(OVER)/UNDERSPEND	<b>1,999,999</b>	<b>(516,862)</b>	<b>(3,840,276)</b>	<b>3,323,414</b>	<b>(380,039)</b>	<b>2,380,038</b>

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**Police and Crime Commissioner for Gwent / Heddlu Gwent Police**  
**Medium Term Financial Projections 2023/24 to 2027/28**  
**Reserves and Committed Funds Position 2022/23**  
**At 27th January 2023**

Page 107

			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	In £'000	Out £'000	Forecast Closing Balance 27/28 £'000
<b><u>REVENUE RESERVES AND COMMITTED FUNDS</u></b>																					
<b>A</b>	<b>Statutory Reserves</b>																				
1	General Reserve		<u>5,000</u>	<u>0</u>	<u>0</u>	<u>5,000</u>	<u>0</u>	<u>0</u>	<u>5,000</u>	<u>0</u>	<u>0</u>	<u>5,000</u>	<u>0</u>	<u>0</u>	<u>5,000</u>	<u>0</u>	<u>0</u>	<u>5,000</u>	<u>0</u>	<u>0</u>	<u>5,000</u>
	<b>Sub Total</b>		<u>5,000</u>	<u>0</u>	<u>0</u>	<u>5,000</u>	<u>0</u>	<u>0</u>	<u>5,000</u>	<u>0</u>	<u>0</u>	<u>5,000</u>	<u>0</u>	<u>0</u>	<u>5,000</u>	<u>0</u>	<u>0</u>	<u>5,000</u>	<u>0</u>	<u>0</u>	<u>5,000</u>
<b>B</b>	<b>Committed Earmarked Funds Within the MTFP</b>																				
1	Capital Programme																				
a	Capital Grant		2,127	0	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		2,498	301	0	2,799	0	0	2,799	0	0	2,799	0	0	2,799	0	0	2,799	0	0	2,799
c	Revenue Contribution to Capital Programme		25,452	8,545	0	33,997	6,159	0	40,156	6,145	0	46,301	6,145	0	52,446	6,145	0	58,591	6,145	0	64,736
d	External Borrowing		0	0	0	0	11,081	0	11,081	15,454	0	26,535	8,934	0	35,469	25,756	0	61,225	26,797	0	88,022
e	ESN/Reserve Recycling		5,004	3,948	0	8,951	5,552	0	14,503	140	0	14,643	852	0	15,495	204	0	15,699	1,349	0	17,048
f	Estate Works																				
i	Replacement HQ		(2,129)	0	(400)	(2,529)	0	0	(2,529)	0	0	(2,529)	0	0	(2,529)	0	0	(2,529)	0	0	(2,529)
ii	Victims' Hub		0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
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		(175)	0	(4,379)	(4,554)	0	(5,242)	(9,796)	0	0	(9,796)	0	(10,804)	(20,600)	0	(25,909)	(46,508)	0	(25,909)	(72,417)
v	Other		(635)	0	(250)	(885)	0	(1,000)	(1,885)	0	(6,000)	(7,885)	0	0	(7,885)	0	0	(7,885)	0	0	(7,885)
g	Fleet Replacement		(7,210)	0	(1,969)	(9,179)	0	(2,325)	(11,504)	0	(1,867)	(13,371)	0	(1,707)	(15,078)	0	(2,634)	(17,712)	0	(3,606)	(21,318)
h	ICT Investment		(11,107)	0	(5,189)	(16,296)	0	(3,880)	(20,176)	0	(3,327)	(23,503)	0	(1,420)	(24,923)	0	(2,227)	(27,150)	0	(2,296)	(29,446)
i	Other Projects/Schemes		(1,216)	0	(716)	(1,932)	0	(100)	(2,032)	0	0	(2,032)	0	0	(2,032)	0	0	(2,032)	0	0	(2,032)
j	Long Term Projects		(6,173)	0	(4,374)	(10,547)	0	(11,215)	(21,763)	0	(10,405)	(32,167)	0	(1,149)	(33,316)	0	(1,132)	(34,447)	0	(1,132)	(35,579)
k	ESN		(253)	0	(140)	(393)	0	(140)	(533)	0	(140)	(673)	0	(852)	(1,525)	0	(204)	(1,729)	0	(1,349)	(3,079)
2	Forecast Accelerated Efficiency Savings		149	0	(149)	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
	<b>Sub Total</b>		<u>5,883</u>	<u>12,793</u>	<u>(17,566)</u>	<u>1,110</u>	<u>22,792</u>	<u>(23,902)</u>	<u>(0)</u>	<u>21,739</u>	<u>(21,739)</u>	<u>(0)</u>	<u>15,931</u>	<u>(15,931)</u>	<u>(0)</u>	<u>32,105</u>	<u>(32,105)</u>	<u>(0)</u>	<u>34,291</u>	<u>(34,291)</u>	<u>(0)</u>
<b>C</b>	<b>Committed Earmarked Funds Beyond the MTFP</b>																				
1	Future Budgetary Imbalances		5,925	0	0	5,925	0	(3,457)	2,468	0	(2,468)	0	0	0	0	0	0	0	0	0	0
2	Commissioning Strategy and Force Initiatives		2,003	0	0	2,003	0	0	2,003	0	0	2,003	0	0	2,003	0	0	2,003	0	0	2,003
3	Airwave		8,492	200	(805)	7,887	200	(5,140)	2,947	200	(140)	3,007	200	(852)	2,355	200	(204)	2,351	200	(1,349)	1,201
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		407	0	(284)	123	0	0	123	0	0	123	0	0	123	0	0	123	0	0	123
c	3rd Party funds		64	0	(61)	3	0	0	3	0	0	3	0	0	3	0	0	3	0	0	3
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		4,160	0	(2,132)	2,027	0	(712)	1,316	0	(700)	616	0	0	616	0	0	616	0	0	616
f	Speed Awareness Training		0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
g	Op Uplift		1,000	0	(1,000)	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
h	PCSO increase		0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
	<b>Sub Total</b>		<u>22,536</u>	<u>350</u>	<u>(4,432)</u>	<u>18,455</u>	<u>350</u>	<u>(9,459)</u>	<u>9,346</u>	<u>350</u>	<u>(3,458)</u>	<u>6,238</u>	<u>350</u>	<u>(1,002)</u>	<u>5,586</u>	<u>350</u>	<u>(354)</u>	<u>5,582</u>	<u>350</u>	<u>(1,499)</u>	<u>4,433</u>
<b>TOTAL REVENUE RESERVES AND COMMITTED FUNDS</b>			<u>33,419</u>	<u>13,143</u>	<u>(21,998)</u>	<u>24,564</u>	<u>23,142</u>	<u>(33,361)</u>	<u>14,345</u>	<u>22,089</u>	<u>(25,196)</u>	<u>11,238</u>	<u>16,281</u>	<u>(16,932)</u>	<u>10,586</u>	<u>32,455</u>	<u>(32,460)</u>	<u>10,582</u>	<u>34,641</u>	<u>(35,790)</u>	<u>9,433</u>
<b><u>CAPITAL RESERVES AND COMMITTED FUNDS</u></b>																					
<b>A</b>	<b>Committed Earmarked Funds</b>																				
1	Capital Grant		0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
2	Capital Receipts		301	0	(301)	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
	<b>TOTAL CAPITAL RESERVES AND COMMITTED FUNDS</b>		<u>301</u>	<u>0</u>	<u>(301)</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
<b>TOTAL RESERVES AND COMMITTED FUNDS</b>			<u>33,720</u>	<u>13,143</u>	<u>(22,299)</u>	<u>24,564</u>	<u>23,142</u>	<u>(33,361)</u>	<u>14,345</u>	<u>22,089</u>	<u>(25,196)</u>	<u>11,238</u>	<u>16,281</u>	<u>(16,932)</u>	<u>10,586</u>	<u>32,455</u>	<u>(32,460)</u>	<u>10,582</u>	<u>34,641</u>	<u>(35,790)</u>	<u>9,433</u>

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**Police and Crime Commissioner for Gwent / Heddlu Gwent Police**  
**Medium Term Financial Projections 2023/24 to 2027/28**  
**Capital Programme 2022/23 to 2027/28**  
**At 27th January 2023**

		Original 2022/23 £'000s	Forecasted 2022/23 £'000s	2023/24 £'000s	2024/25 £'000s	2025/26 £'000s	2026/27 £'000s	2027/28 £'000s
<b>A</b>	<b>Estate</b>							
1	Replacement HQ	400	400	0	0	0	0	0
2a	Estates Strategy - Gwent Police Operational Facility	2,000	1,430	0	0	10,804	25,909	25,909
2b	Estates Strategy - Fleet Workshops Relocation	1,297	1,018	1,451	0	0	0	0
2c	Estates Strategy - Abergavenny New Build	2,809	1,931	3,791	0	0	0	0
3a	Property and evidence store (ST - Bettws)	1,200	250	0	0	0	0	0
3b	Property and evidence store (LT - New Site)	0	0	0	4,000	0	0	0
4a	Cwmbran Refurbishment	0	0	0	1,000	0	0	0
4b	Newport Central Refurbishment	0	0	0	1,000	0	0	0
4c	Demolition Old HQ and Site Security	0	0	1,000	0	0	0	0
<b>A</b>	<b>Total Estate</b>	<b>7,706</b>	<b>5,029</b>	<b>6,242</b>	<b>6,000</b>	<b>10,804</b>	<b>25,909</b>	<b>25,909</b>
<b>B</b>	<b>Vehicles</b>							
1	Force Vehicle Replacement Programme	2,473	1,969	2,325	1,867	1,707	2,634	3,606
<b>B</b>	<b>Total Fleet</b>	<b>2,473</b>	<b>1,969</b>	<b>2,325</b>	<b>1,867</b>	<b>1,707</b>	<b>2,634</b>	<b>3,606</b>
<b>C</b>	<b>Information Systems</b>							
1	New HQ ICT	0	492	0	0	0	0	0
2	SAN Replacement	400	359	50	50	50	50	50
3	Server replacement	250	100	84	20	0	0	0
4	FFF	889	989	1,959	834	1,083	890	1,959
5	Patient Management System (Occupational Health)	50	47	0	0	0	0	0
	<b>DSD projects:</b>							
6	ESN	712	140	140	140	852	204	1,349
7	CRS Project	0	2,046	1,104	2,147	287	287	287
8	LMS solution	45	68	0	0	0	0	0
9	Body Worn Video	1,000	1,088	0	0	0	1,000	0
10	Safe Mobile App - Link to CRS Project	0	0	683	0	0	0	0
11	Digital Interview Recording	0	0	0	276	0	0	0
<b>C</b>	<b>Total Information Systems</b>	<b>3,346</b>	<b>5,329</b>	<b>4,020</b>	<b>3,467</b>	<b>2,272</b>	<b>2,431</b>	<b>3,645</b>
<b>D</b>	<b>Other SIB Projects / Schemes</b>	<b>42</b>	<b>716</b>	<b>100</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>E</b>	<b>Non Capital Funded Long Term Projects (Appendix 8b)</b>	<b>4,378</b>	<b>4,374</b>	<b>11,215</b>	<b>10,405</b>	<b>1,149</b>	<b>1,132</b>	<b>1,132</b>
<b>F</b>	<b>Total Programme</b>	<b>17,945</b>	<b>17,417</b>	<b>23,902</b>	<b>21,739</b>	<b>15,931</b>	<b>32,105</b>	<b>34,291</b>
<b>G</b>	<b>Funding</b>							
1	Capital Grant	0	0	0	0	0	0	0
2	Revenue Contribution to Capital	6,151	8,531	6,145	6,145	6,145	6,145	6,145
3	Funding from Reserves and Committed Funds	6,088	8,067	6,522				
4	ESN Reserve	792	805	140	140	852	204	1,349
5a	Funding from external borrowing - PWLB	4,914		11,000	15,000	8,000	25,000	26,000
5b	Balance to be found in In-Year Revenue position			81	454	934	756	797
6	Capital Asset Disposal	0	0					
7	Other Grant Funding (non Capital)		14	14	0	0	0	0
<b>G</b>	<b>Total Funding</b>	<b>17,945</b>	<b>17,417</b>	<b>23,902</b>	<b>21,739</b>	<b>15,931</b>	<b>32,105</b>	<b>34,291</b>
<b>H</b>	<b>Surplus Funds</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>

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**Police and Crime Commissioner for Gwent / Heddlu Gwent Police**  
**Medium Term Financial Projections 2023/24 to 2027/28**  
**Long Term Project Programme 2022/23 to 2027/28**  
**At 27th January 2023**

		2022/23 £'000s	Revised 2022/23 £'000s	2023/24 £'000s	2024/25 £'000s	2025/26 £'000s	2026/27 £'000s	2027/28 £'000s
<b>A</b>	<b>Estate</b>							
1	Estates Capital Maintenance	500	650	500	500	500	500	500
2	Newport Central Maintenance	350	400	0	0	0	0	0
3	Collaborative Relocation - JFU Firearms Range	0	274	7,863	7,863	0	0	0
4	Agile working	0	250	0	0	0	0	0
5	Site Security	500	0	200	0	0	0	0
6	Electric Vehicle Charging Points	20	352	250	0	0	0	0
7	TSU Re-provision including operational safety store	0	105	145	0	0	0	0
8	OST training at Mamhilad	220	193	0	0	0	0	0
9	Newport Central front office remodelling - feasibility	0	20	0	0	0	0	0
10	Carbon Trust - LED Lighting	180	180	250	0	0	0	0
11	Vantage Point Dilapidation	0	350	178	0	0	0	0
12	Access Control	450	0	605	0	0	0	0
13	Sustainability	500	0	250	325	325	300	300
14	Works to Lifts	250	0	0	0	0	0	0
15	Maindee refurbishment	740	524	0	0	0	0	0
16	Uniform Stores - Pontypool	250	500	0	0	0	0	0
17	CCTV - Newport - Cell Monitoring/Alarms	0	0	0	1,000	0	0	0
18	Rebranding of Signage	0	0	100	400	0	0	0
<b>B</b>	<b>Information Services</b>							
	<b>SRS projects:</b>							
1	Network replacement	43	120	43	43	43	43	43
2	GP Exit from Blaenavon Data Centre (inc old HQ decommissioning)	0	0	551	0	0	0	0
3	Sharepoint	60	0	0	0	0	0	0
4	DCS Upgrade	80	115	0	0	0	0	0
5	LECN	0	17	0	0	0	0	0
6	CCTV - Gwent Police (Local Authority feed) - Monmouthshire and To	0	18	0	0	0	0	0
7	Property Project (Printing from Niche for Gwent)	0	15	0	0	0	0	0
	<b>DSD projects:</b>							
8	Telematics	0	47	0	0	0	0	0
9	DEMS	235	230	267	274	281	289	289
10	LEDS	0	14	14	0	0	0	0
	<b>Total Programme</b>	<b>4,378</b>	<b>4,374</b>	<b>11,215</b>	<b>10,405</b>	<b>1,149</b>	<b>1,132</b>	<b>1,132</b>

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**SUBJECT: GWENT POLICE AND CRIME PANEL INDEPENDENT CO-OPTED MEMBERS**

**DATE: 27<sup>TH</sup> JANUARY 2023**

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**1. PURPOSE OF REPORT**

- 1.1 Following the resignation of Mr Peter Nuttall Independent Co-opted Member, the Gwent Police and Crime Panel are asked to consider the process for appointment of an independent co-opted member to serve on the Gwent Police and Crime Panel. The Panel are also asked to appoint the three Panel members to sit on the interview panel.

**2. LINKS TO STRATEGY**

- 2.1 The Police Reform and Social Responsibility Act 2011 requires the establishment of a Police and Crime Panel (PCP) within each police force area to support and challenge the local Police and Crime Commissioner.

**3. REPORT**

- 3.1 A Police and Crime Panel is required to appoint a minimum of 2 Independent Co-opted Members but can resolve to appoint more, subject to the subsequent approval of the Home Secretary.
- 3.2 The appointment of independent co-optee's provides an opportunity to readjust the experience, knowledge, and skills available across the membership of a police and crime panel. By carefully selecting individuals that complement the councillors nominated to the panel, independent co-optee's can be used to fill experience, knowledge and skills gaps to help make the panel more effective.
- 3.3 The Host Authority is responsible for the administration and advertising of any vacant positions, which are advertised in local press, the panel website and social media. Any interested persons have to meet a prescribed criteria and complete an application form setting out how they meet the role description.
- 3.4 The Gwent Police and Crime Panel Arrangements set out the appointment of co-opted members and state that Co-opted Members term of office shall be until 31st October of the same year as the next ordinary Police and Crime Commissioner election. The current Independent Co-opted Member positions were filled by Mrs Gillian Howells and Mr Peter Nuttall who were re-appointed in September 2021 and were appointed to serve until 31<sup>st</sup> October 2024. The positions must be re-advertised in 2024, however, this does not restrict existing Co-opted Members from reapplying or being re-appointed to the position.
- 3.5 On the 12<sup>th</sup> December 2022, Mr Peter Nuttall resigned his position as Independent Co-opted Member of Gwent Police and Crime Panel and the Panel were verbally updated at the meeting held on the 16<sup>th</sup> December 2022. The Panel are therefore required to carry out a recruitment process to fill this vacancy.
- 3.6 The Panel Arrangements state that the Chair and Vice Chair of the Panel and another Member of the Panel (the interview panel) supported by the Lead Officer to the Panel, will interview those

shortlisted. Therefore, the Panel are asked to appoint a third panel member to the interview panel to sit with the Chair and Vice Chair.

- 3.7 Following the interviews, a report with the recommendation of the three Panel Members will be considered by the Gwent Police and Crime Panel, at the next available meeting and will then be submitted to the Home Office for approval.

## **5. FINANCIAL IMPLICATIONS**

- 5.1 The cost of the advertisement of the co-opted position will also be met from the Police and Crime Panel grant.

## **6. CONSULTATION**

- 6.1 Consultation has taken place as outlined below and any comments received have been reflected in this report.

## **7. RECOMMENDATION**

- 7.1 The Gwent Police and Crime Panel are asked to note this report and
- 7.2 To appoint a Panel member to sit on the Interview Panel with the Chair and Vice Chair of Gwent Police and Crime Panel.

## **8. REASONS FOR THE RECOMMENDATIONS**

- 8.1 To comply with the Police and Crime Panel's statutory membership requirements.

## **9. STATUTORY POWERS**

- 9.1 Police Reform and Social Responsibility Act 2011.

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Telephone: 01443 864279

Consultees: Rob Tranter, Head of Legal Services  
Lisa Lane, Head of Democratic Services

Background Papers - Gwent Police and Crime Panel Arrangements <https://www.gwentpcp.org.uk/the-panel/panel-arrangements/>

## GWENT POLICE AND CRIME PANEL FORWARD WORK PROGRAMME 2022/23

Meeting Date	Items – No Theme – Precept meeting
<b>27 Jan 2023</b>	Panel Questions to PCC (if submitted)
	Police and Crime Commissioner for Gwent's Budget Requirement and Council Tax Precept Proposal

Meeting Date	Items – Theme Support Victims and Protect the Vulnerable
<b>31<sup>st</sup> March 2023</b>	PCC Update
	Panel Questions to PCC (if submitted)
	Performance Qtr 3
	Gwent Police/ OPCC Professional Standards report
	Victims Support Task and Finish review update
	Non-injury Road Traffic Accidents (Information Report)

Meeting Date	Items – Theme Combat Serious Crime
<b>23<sup>rd</sup> June 2023</b>	Elect Chair and Vice Chair
	PCC Update
	Panel Questions to PCC (if submitted)
	Office of the Police and Crime Commissioner for Gwent Annual Report 2022/23
	Performance Qtr 4

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