

HUMBERSIDE POLICE AND CRIME PANEL

5 February 2019

PRESENT:

East Riding of Yorkshire Council	Councillor Richard Meredith
Hull City Council	Councillor Sean Chaytor Councillor Denise Thompson Councillor Linda Tock
North East Lincolnshire Council	Councillor Matthew Patrick Councillor Dave Watson
North Lincolnshire Council	Councillor Jonathan Evison Councillor Trevor Foster
Independent Co-opted Member	Mrs Susan Whittaker

The meeting was held at the Ergo Building, Bridge Head Business Park, Meadow Road, Hessle.

- 273 **WELCOME AND INTRODUCTIONS** – The Chairman welcomed everyone to the meeting, and invited all in attendance to introduce themselves and identify the local authority they were representing.
- 274 **APOLOGIES FOR ABSENCE – Resolved** - That it be noted that apologies for absence had been received from Councillors Barrett, Stathers and Walker (East Riding of Yorkshire Council), Bolton (North East Lincolnshire Council) and Hannigan (North Lincolnshire Council).
- 265 **DECLARATIONS OF DISCLOSABLE PECUNIARY INTERESTS AND PERSONAL OR PERSONAL AND PREJUDICIAL INTERESTS** – There were no declarations of disclosable pecuniary interests and personal or personal and prejudicial interests.
- 266 **POLICE PRECEPT FOR 2019/20 AND MEDIUM TERM RESOURCE STRATEGY 2019/20 TO 202/24** – The Chairman welcomed Keith Hunter (Police and Crime Commissioner), Rachel Cook (Chief Executive Officer of the Office of the Police and Crime Commissioner) and John Bates (Deputy Chief Executive and Treasurer of the Office of the Police and Crime Commissioner) to the meeting to present the Commissioner’s 2019/20 precept options. In addition, the Police and Crime Commissioner (PCC) guided the Panel through his Medium Term Resource Strategy (MTRS), covering the period 2019/20 to 2023/24.

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The MTRS provided detailed information on the revenue and capital budget assumptions used in formulating the Strategy and set out details of the options being considered by the PCC when making the decision on his precept proposal.

Under the requirements of the Police Reform and Social Responsibility Act (2011), the Panel must review the proposed precept notified to it and must make a report to the PCC on the proposed precept. The report may include recommendations, including recommendations as to the precept that should be issued for the financial year.

As part of the budget setting process, the Commissioner was required to consider whether or not to propose any changes to council tax. The amount of the council tax precept was a decision for the Commissioner who would take account of the views of the Police and Crime Panel and the Government's Council Tax increase limit in making that decision.

The Commissioner had proposed a precept increase of 12.04%. The financial implications for residents are that the Band D Council Tax amount would increase to £223.31 for 2019/20, an increase of £23.99.

Members were aware that since the Comprehensive Spending Review in 2010, the Police Service, along with other public sector partners, had faced significant financial pressures at the same time as having to meet increasing demands for service. Following announcements made in November 2015 the Police Service was protected but the top slicing of resources by the Home Office to support national programmes, such as the replacement of the Emergency Services Network (ESN) and to provide transformation funding to assist in the delivery of the Policing Vision 2025 meant that Police and Crime Commissioners (PCCs) continued to suffer reductions in Government support.

In 2018 the Government confirmed that in 2018/19 all PCCs would receive the same amount of general grant as they had in 2017/18. After a number of years when the maximum increase in precept allowed was 2% for the majority of PCCs and with those whose precepts were in the lowest quartile allowed to increase by £5, all PCCs could increase their precepts by up to £12 for a Band D property before requiring a referendum. Ministers made it clear that their assumption was that all PCCs would increase their precepts by the maximum amount.

At that time, the Minister also indicated that the same arrangements would apply in 2019/20 i.e. the settlement would be flat cash and there would be another opportunity to raise the precept by a further £12, provided significant progress was made towards efficiency and productivity targets and greater transparency in relation to reserves. Members were informed that during 2018/19 the Service had responded to these requirements, providing additional information on reserves and reserves strategies as well as providing regular updates on the achievements of targets for savings and efficiency targets e.g. in relation to procurement.

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Members considered the Medium Term Resource Strategy (MTRS), which provided details of the funding to be made available in terms of Police Grant in 2019/20 based on the Provisional Settlement announced on 13 December 2018, which was subsequently confirmed in the Final Police Grant Report and Ministerial Statement published on 24 January 2019. It took into account increases in the tax base and assumptions of Collection Fund surpluses based on estimates from the four billing authorities in the Humberside Police Force area.

Members were aware that prior to the Settlement there had been considerable concerns over the impact of changes to employers' police officer pension contributions identified in the autumn that had not been anticipated in forces' existing financial plans. The Settlement took into account £153 million of specific grant from Government reserves, distributed according to a methodology agreed with the Service to offset the associated cost increases. However, after taking account of Humberside's share of this and the additional general grant in the Settlement, there remained an additional cost in excess of £300,000 in 2019/20.

The PCC informed the Panel that the Minister announced that the Government were proposing to double the flexibility available to PCCs to increase the precept by £24 as opposed to the £12 increase signalled last year. The Minister also indicated that the Government had estimated that, assuming once again that all PCCs would increase their precepts by the maximum amount possible, based on its calculations, this would raise an extra £509 million.

In return for this additional support the Government expected the following:-

- Continued efficiency savings in 2019/20 through collective procurement and shared services, with an expectation that every force would contribute substantially to procurement savings and that the Home Office would be working with the police to agree the right force level objectives for 2019/20 and 2020/21.
- Major progress to resolve challenges in investigative resources identified by Her Majesty's Inspectorate of Crime and Fire and Rescue Services, including recruitment of more detectives to tackle the shortfall.
- Continued improvement in productivity, including smarter use of data that deliver £50 million of productivity gains in 2019/20.
- Maintaining a serious and organised crime response that spans the identification and management of local threats as well as support for national priorities.

The PCC reiterated that his Police and Crime Plan outlined the proposals to re-energise the local Community Safety Partnerships (CSPs). This work was significantly enhanced by the proposals in 2018/19 which included the reorganisation of the Office of the Police and Crime Commissioner and additional investment. The PCC believed this was now bearing fruit with improved input in joint working arrangements with Community Safety Partnerships and other partners. The Strategy continued to include provision to fund victims' services utilising a grant from the Ministry of Justice that has been confirmed as £1.074 million for 2019/20 (£1.119 million in 2018/19).

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The PCC confirmed that the forecasts in the MTRS were based on the information from the Chief Constable's target operating model which reflected his decision to significantly increase and bring forward the recruitment of additional police officers. It also took account of the Government's decision to award a pay increase of 2% for police officers and the recently agreed offer of a similar award to police staff.

The PCC also commented on the capital programme, which provided for local expenditure and included spending on Estates, including completion of the custody facility at Birch Way, Grimsby.

It also included proposals for a new building at Melton which would allow significant improvements to be made in efficiency and contribute to further rationalisation of the Force estate. The Programme also included provision for expenditure on IT, vehicles and equipment.

The PCC explained that as the referendum limit had been increased so significantly once again, this provided him with a range of options to consider. The precept provided the PCC with a permanent source of income in future years and in its planning the Government was now consistently assuming that all PCCs would apply the maximum possible increase. There were caveats as to whether the £12 increase for a Band D property would be available in 2019/20 but Ministers had accepted that the conditions set last year had been met. However, the assumptions about the precept increase had been superseded by the announcement that the precept flexibility next year would now be doubled to £24.

Following the increased scrutiny by the Police and Crime Panel over the level of reserves in 2018, the PCC's strategy on reserves was updated and the MTRS now incorporated the latest version, taking into account the preferred option for the increase in precept. This was now a requirement of the Financial Management Code of Practice.

Members welcomed the opportunity to discuss the two scenarios incorporated in the MTRS that illustrated the impact on staffing of the different assumptions of increases in precept next year, one being a benchmark against the projection of a £12 precept rise discussed at the Panel meeting in February 2018 against the updated spending forecast for 2019/20 and the other assuming the maximum increase allowed next year.

Following the Commissioners verbal update, the Chairman facilitated a discussion between Panel members and Mr Hunter.

Resolved – That the Secretary to the Panel write and circulate a report to the Police and Crime Commissioner, having considered the evidence submitted by the Police and Crime Commissioner, Ms Cook, Chief Executive Officer at the Office of the Police and Crime Commissioner and Mr Bates, Deputy Chief Executive and Treasurer at the Office of the Police and Crime Commissioner, stating that the Panel reluctantly agreed the Police and Crime Commissioner's proposal to increase the police element of the council tax by 12.04% or £23.99 on a Band D property, subject to the inclusion of the following recommendations -

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Recommendation 1

That the Police and Crime Commissioner attend a future meeting of the Police and Crime Panel to provide clarity as to how exactly he would protect Police Officer numbers in 2019/20.

Recommendation 2

That the Police and Crime Commissioner provide regular updates to the Panel as to how the efficiency targets were being achieved.

Recommendation 3

That 'Humberside Police Budget' be included as a standard item on all future Police and Crime Panel agendas.

Recommendation 4

That the Secretariat to the Police and Crime Panel write to the Home Secretary and Minister for Policing to express its concern that the recently announced provisional police grant settlement for 2019/20 provided members with little reassurance, particularly as it was only a one year settlement and does not allow the Police and Crime Commissioner to plan more long term.

