

**Report of the Chief Finance Officer of the PFCC to the Police, Fire and Crime Commissioner for North Yorkshire**

**25<sup>th</sup> February 2020**

**Status: For Decision**

**Medium Term Financial Plan (MTFP) 2020/21 to 2023/24 and Capital Plans 2020/21 to 2023/24 - Policing**

**1. Executive Summary**

**1.1 Purpose of the Report**

This report asks the PFCC to agree the Budget proposals for 2020/21 and the Medium Term Financial Plan (MTFP) for 2020/21 – 2023/24 in line with the legal requirement to set a budget prior to the 1st March each year for the following financial year. It also asks the PFCC to agree the funding for the Capital Programme for 2020/21 and the indicative allocations for the period 2021/22 to 2023/24

**2. Recommendations**

2.1 The PFCC is requested to approve the allocation of the £177,212k of revenue funding, that is forecast to be received by the PFCC in 2020/21, in the following areas:

- £1,150k to run the Office of the PCC
- £4,101k for Commissioned Services and Community Safety Initiatives
- £3,544k for Policing Priorities
- £689k for Asset Management Costs
- £165,227k to the Police Force
- £2,715k to the Capital and Revenue Development Programme
- £202k from Earmarked Reserves

2.2 The PFCC is asked to note that the 2020/21 budget is based on the approved £10 increase in the level of Band D precept for 2020/21.

- 2.3 The PFCC is asked to take cognisance of the Robustness of Estimates and Adequacy of Financial Reserves section included within this report.
- 2.4 The PFCC is asked to approve the Reserves Strategy that is attached at Appendix B
- 2.5 The PFCC is asked to approve that the Capital and Revenue Development Programme is initially set at £9,471k, as set out at Appendix A, for 2020/21 and within that programme approve that:
- The small items fund for 2020/21, to be managed as set out in the Financial Regulations by the Chief Constables Chief Finance Officer.
  - Indicative approval of the 2021/22 Rolling Programme budgets as set out in Appendix A, and delegation of approval of any requests to pre-order against the 2021/22 budgets to the Commissioners Chief Finance Officer, up to 25% of each indicative budget. The 2021/22 Rolling Programmes will be submitted for formal approval at this time next year.
  - Delegation to the Commissioners Chief Finance Officer to approve, where needed and appropriate, for the carry forward of any slippage from the approved 2019/20 CRDP into 2020/21.

### **3. Planning and Funding Assumptions**

#### **3.1 Overall Financial Context**

#### **3.2 Police Funding Settlement 2020/21**

- 3.3 The 2020-21 Police Finance Settlement was announced on 22 January in a written statement by the Policing Minister, Kit Malthouse. Full details of the Settlement can be found on the Home Office gov.uk pages.
- 3.4 Publication of the Police Finance Settlement was delayed due to the December 2019 general election, with Home Office ministers opting to go straight to a final settlement in the new year. This decision meant that there was no provisional settlement or consultation over the Christmas period.
- 3.5 Prior to the 2020-21 settlement publication policing was expecting an additional £750m for recruitment of 6,000 officers (towards the 20,000 total). Force allocations of officer numbers had already been published and had been calculated pro-rata to core grant. In return for this additional money the Treasury had asked the Home Office to find £120m of savings from within their budget.
- 3.6 As there was no Provisional Police Settlement provided by the Government in relation to 2020/21, with the first indication of the Police Settlement for 2020/21 given on the 22<sup>nd</sup> January 2020 – this provided the PFCC with just over 1 week to propose a precept to the Police, Fire and Crime Panel, in line the statutory requirements to do so, and almost no time to plan a budget, consult with the public and ensure that all of the financial plans align with the operational plans of the Force.
- 3.7 Headlines  
The Government announced that “We are giving police forces £700 million for the recruitment of 6,000 additional officers by the end of March 2021, which represents an increase of almost 10% of the core grant funding provided last year. Assuming full take up of precept flexibility, overall funding for PCCs will increase by £915 million to £13.1 billion next year.”
- 3.8 The main points within the settlement were as follows:
- £50m of the £750m retained centrally to support recruitment of officers
  - Of the remaining £700m - £532m will be provide via un-ringfenced core grant, with the remaining £168m ring-fenced for successfully meeting recruitment targets.
  - No other inflationary increases in core grant
  - Resulting in a 7.5% increase in core funding
  - £92m (9%) increase in reallocations to over £1.1bn in 2020-21
  - Flat cash pension grant allocations compared to 2019-20
  - Reduction of 74% to capital grant funding to PCCs
  - Ending of the Police Transformation Fund
- **Precept flexibility of up to £10** for all PCCs (or equivalents) in 2020-21.

### 3.9 What is expected in return for this Flexibility and improved funding position?

The Minister's Statement goes on to say that, in return for the additional £1.1bn invested in policing the Home Office expect:

- Forces to recruit the additional 6,000 officers by the end of March 2021
- A further planned £30m savings from procurement in 2020-21
- Continued improvements in digital, data and technology solutions to maximise the benefits of mobile working.
- Continue to pursue best values from the investment in police technology. The Home Office will work with the sector in the coming year to draw up a detailed plan which will be overseen by the, ministerially-chaired, Strategic Change and Investment Board (SCIB)

### 3.10 What does this mean for North Yorkshire in 2020/21 in terms of Funding?

- An increase in Police Grant of £5,178k or 7.5%
- Up to £1,635k from the ring-fenced grant for the officer uplift – linked to the recruitment of 58 FTE Police Officers by the end of March 2021
- Police Pension Grant remains at £1,449k
- A reduction of £324k or 74% in Capital Grant

3.11 Based on the increase in precept being proposed then the overall impact on the Core funding for the organisation is set to increase by 6.8% as set out in the table below:

<b>Overall Government and Local Revenue Funding</b>				
	<b>2020/21</b>	<b>2019/20</b>	<b>(Increase)/Reduction</b>	<b>Year on Year Change</b>
	£000s	£000s	£000s	%age
<b>Government Funding</b>				
Police Grant	(45,291)	(41,994)	(3,297)	7.9%
RSG/National Non Domestic Rate	(29,072)	(27,191)	(1,881)	6.9%
Council Tax Freeze Grant	(2,152)	(2,152)	0	0.0%
Council Tax Support Grant	(5,746)	(5,746)	0	0.0%
Additional Police Pensions Grant	(1,449)	(1,449)	0	0.0%
Police Officer Uplift Grant	(1,635)	0	(1,635)	
<b>Actual Impact of Settlement changes</b>	<b>(85,345)</b>	<b>(78,532)</b>	<b>(6,813)</b>	<b>8.7%</b>
<b>Impact of a £10 increase in Band D Precept - 3.91% increase</b>				
Net Surplus on Collection Funds	(360)	(318)	(43)	13.5%
Council Tax Requirement	(80,734)	(76,980)	(3,754)	4.9%
<b>Total Local Funding</b>	<b>(81,094)</b>	<b>(77,298)</b>	<b>(3,796)</b>	<b>4.9%</b>
<b>Total Government + Local Funding</b>	<b>(166,439)</b>	<b>(155,830)</b>	<b>(10,609)</b>	<b>6.8%</b>

3.12 How does North Yorkshire compare to the National Picture in term of 2020/21 settlement?

The forecast average increase in Revenue funding across England and Wales is, subject to all areas experiencing a 1.33% increase in tax base, and increasing their precept by £10, 7.84%.

3.13 North Yorkshire however will only get an increase of 6.81% with a £10 precept increase. This is therefore significantly below the average level of increase and, depending on the actual tax base growth elsewhere in the country and the precept agreed in those areas, likely to be the second lowest increase in the country.

3.14 The highest increase in total revenue funding, as a result of this settlement, within the country, excluding the City of London Police, is expected to be in Northumbria at 9.26%, with the lowest expected to be 6.79% in Surrey. These increases assume that both areas increase the precept by £10 and that the tax base in both areas have increased by 1.33%.

3.15 **The difference between the average settlement nationally (7.84%) and the forecast settlement in North Yorkshire (6.81%) equates to a financial cost of nearly £1.6m.**

3.16 Overall Policing Funding

3.17 The significant increases in Government funding in 2020/21, combined with continued increases in Precept, means that in 2020/21 the total income available for Policing will be higher than 2010/11 for the first time.

3.18 In overall cash terms, nationally, PCCs will have 3.6% more funding via Government Grants and Precept than was available in 2010/11. However once inflation is taken into account this still means that overall funding is around 12.5% lower than in 2010/11.

3.19 The picture in North Yorkshire however is significantly better than the national average. In Cash Terms there is now nearly 12% more cash available for spending on Policing and Crime than there was in 2010/11 and in real terms the organisation is only 5.5%, or £10m worse off than it was in 2010/11.

3.20 Government Funding for 2021/22 and beyond

3.21 The funding position for 2021/22 will be set out and determined as part of the Spending Review that will be undertaken in 2020.

3.22 It is important however to recognise that as part of the written ministerial statement the government stated the following:

3.23 The Government has committed £750 million to enable the recruitment of 6,000 additional officers. To manage the delivery of this uplift, we are ring-fencing £168 million which will be paid to forces in line with their progress in recruiting the 6,000 additional officers by March 2021, **and making the**

**relevant infrastructure improvements needed to recruit the 20,000 additional officers by March 2023.** Funding will be released quarterly and in arrears subject to evidence on their progress.

- 3.24 It is possible therefore that future settlements won't be on a similar scale to the current one and that all enabling and infrastructure cost, so estates, IT and fleet, to support the full 20,000 National Uplift may, from the Governments perspective, have already been included in this settlement.
- 3.25 There were no references within the settlement to the Funding Formula and any review of this.
- 3.26 Top-slices/Reallocations totalling £1,121m have been announced for 2020/21. This is £92m, or 9% higher than 2018/19. The areas this funding will now be spent on, instead of being allocated to PCC's is as follows:

Police Funding	2017/18 (£m)	2018/19 (£m)	2019-20 (£m)	2020-21 (£m)
<b>o/w Reallocations and adjustments</b>	<b>812</b>	<b>945</b>	<b>1,029</b>	<b>1,120.9</b>
PFI	73	73	73	72.8
Police technology programmes	417	495	495	498.4
Arm's length bodies	54	63	63	73.1
Police Uplift Programme				16.5
National Operational Policing Units (including football policing and wildlife crime)				2.9
Top-ups to NCA and ROCUs	-	-	56	56.8
Strengthening the response to Organised Crime	28	42	90	140
Counter Terrorism				32.4
Police transformation fund	175	175	175	
National Capability Programmes				47.0
Forensics				28.6
Special Grant	50	93	73	80.9
Pre-charge bail	15	4	4	2.0
Serious Violence	-	-	-	38.9
PRUM (Transition from EU Systems)	-	-	-	1.8
HO STAR (Science Technology & Research)	-	-	-	8.0
Blue Light Commercial	-	-	-	3.7
Police Now				7.0
Safer Streets Fund				10.0

- 3.27 Of the £80.9m earmarked for special grant, £26.3m is understood to be reserved for costs associated with Hillsborough, leaving £54.6m for special grant. A reduction of £18.4m on the previous year, which had been higher to accommodate the Commonwealth Heads of Government meeting.
- 3.28 The allocations for force Serious Violence Surge Funding are expected to be released separately.

3.29 Police Transformation Fund (PTF)

3.30 The announcement confirmed that the PTF has ended. Multi-year projects that were being funded from the PTF (estimated to be approximately £60m) will be funded from other reallocation "pots" depending on where they best fit.

3.31 Pensions Grant

3.32 Pensions Grant allocations remain unchanged from those in 2019-20. They have not been updated to reflect the new forecasts nor inflation and therefore additional costs and pressures have to be 'absorbed'.

3.33 Council Tax Legacy Grant

3.34 The Council Tax Legacy Grants relating to Council Tax Freeze grants from 2011-12, 2013-14, 2014-15 and 2015-16 as well as Local Council Tax Support (LCTS) funding remains separately identifiable in 2020-21. These have again remained flat cash settlements and therefore take no account of any changes for inflation or local need since they were awarded and is another area where additional costs are having to be 'absorbed'.

3.35 National and International Capital City Grant (NICC)

3.36 In 2020-21 the NICC grant for the City of London and MOPAC (which used to be referred to as the Met special Payment) have remained frozen in cash terms at £4,834,086 and £185,339,439 respectively.

3.37 Capital Funding

3.38 Total Police Capital Grants are now worth £76m but only £12.3m will be allocated locally – compared to £46.9m in 2019-20 (a 74% reduction). The Ministerial Statement refers to this as "rebalancing" adding that the PCCs are able to spend their revenue income flexibly.

3.39 This means that the Total Capital Grant for Policing the whole of North Yorkshire is only £116k, a cut of £324k (or 74%) from 2019/20. When this Grant is compared to a Capital Programme of around £10m per year it means there is a significant need to use Revenue Funding to fund the Capital Programme.

3.40 Counter Terrorism

3.41 A total of £960m for Counter Terrorism policing had already been announced for 2020-21 – PCCs will be notified privately of their individual allocations.

3.42 Ministry of Justice Grants

3.43 PCCs were notified of their 2020-21 allocations for commissioning of victims' funding in a letter dated 16 January 2020. Allocations include a 1.84% inflationary increase and will continue to be distributed according to the 2018 population estimates. North Yorkshire will receive £964k in 2020/21.

### 3.43 MTFP Assumptions

When the 2019/20 budget was set in February 2019 the forecasts were underpinned by the following assumptions:

- Pay Awards: 2% increase p.a
- Precept: Increases of:
  - 2019/20 - £22.95 or 9.86%
  - 2020/21 - £12 or 4.7%
  - 2021/22 - 1.99%
  - 2022/23 - 1.99%
- Tax Base increases 1.0% per annum, Collection Surplus £400k p.a
- Government Grants: Frozen until 2020/21 and the increases of 2% thereafter
- Impact of Funding Formula review – Nil

3.44 In line with good planning our assumptions remain under review and are updated with the best information available and it is expected that the MTFP for 2020/21 and beyond will assume the following:

- Pay Awards: 2.5% increase p.a
- Precept: Increases of:
  - 2020/21 - £10 or 3.91%
  - 2021/22 - 1.99%
  - 2022/23 - 1.99%
  - 2023/24 – 1.99%
- Tax Base increases 1.0% per annum, Collection Surplus £400k p.a
- Government Grants: Increases of 3% from 2021/22 onwards
- Impact of Funding Formula review – Nil

### 3.45 Precept

Just under 50% of the Net Budget Requirement within North Yorkshire is now funded by the local precept and therefore this provides more financial resilience than in most Police Force areas as decisions around the Government Grant have less of an impact than in those areas that are funded by 75-80% from Government Grants, which have either been frozen or reducing over most of the 10 years.

3.46 However as can be seen from this year's settlement, when Government Grant increases are at a higher rate than Precept then the overall picture for North Yorkshire is not as healthy.

3.47 The Localism Act 2011 includes powers to introduce arrangements for council tax referendums. The Police Funding Settlement set out that PCC's would be able to increase Band D bills by as much as £10 before a referendum is required in 2020/21.



- 3.48 Consultation was undertaken within North Yorkshire and the results published as part the supporting information for the PCC's decision to propose a £10 increase in the Band D precept for 2020/21. This proposal was supported by the Police, Fire and Crime Panel and therefore this budget incorporates a Band D 'Policing' precept for 2020/21 for North Yorkshire of £265.77
- 3.49 For the purposes of planning, the balanced plan that is set out within this paper assumes the following:
- 2021/22 – Precept Increase of 1.99%, £5.29 per annum
  - 2022/23 – Precept Increase of 1.99%, £5.39 per annum
  - 2023/24 – Precept Increase of 1.99%, £5.50 per annum
- 3.50 During the period 2014/15 to 2017/18 the overall Tax Base for North Yorkshire (based on the number of Band D equivalent properties) grew by an average of 1.77%.
- 3.51 However in the last 3 years this has slowed significantly to an average of 1.1% and in 2020/21 the collective growth across North Yorkshire is only 0.93%. This is the lowest level of tax base growth since 2012/13.
- 3.52 The trend therefore appears to be one of slower increases and therefore this plan assumes that the Tax Base increases by 1% per annum going forward, which is lower than the increases that the OBR is forecasting for England as a whole.
- 3.53 Each 0.1% increase in the Council Tax Base above the 1% growth included within the MTFP would generate additional income of just over £80k per annum.
- 3.54 The collective collection surplus in 2019/20, which is payable in 2020/21, is £360k, which is broadly the same as last year, which was £318k and this was the lowest that it had been since 2013/14. This general trend may suggest that the collection of Council Tax is becoming more challenging. The current financial plans continue to assume a surplus on the collective collection funds of £400k per annum across the eight councils
- 3.55 These assumptions will all be kept under review as details for future years become available and projections amended accordingly
- 3.56 Specific Grants, Other Income and Partnership Fees and Charges
- 3.57 These sources of income and funding are forecast to provide between £13.9m and £17.1m across the life of the plan.
- 3.58 Within this there has been a significant increase in the area of Specific Grants – this has increased overall by £1.6m from 2019/20 which is primarily in relation to the receipt of a the Police Officer Uplift Grant.

3.59 Future increases in this area are also dependent on the continuation of the Police Officer uplift grant which is forecast to reach circa £5.6m by 2022/23.

3.60 The entire funding therefore expected to be available to the PFCC for Policing for the next 4 years, in comparison to 2019/20, is as follows:

	Actual Budget 2019/20	Forecast Budget 2020/21	Forecasts		
			2021/22	2022/23	2023/24
<b>Core Funding</b>	<b>£000s</b>	<b>£000s</b>	<b>£000s</b>	<b>£000s</b>	<b>£000s</b>
Government Grant	(69,185)	(74,363)	(76,594)	(78,891)	(81,258)
Council Tax Precept	(77,298)	(81,094)	(83,564)	(86,067)	(88,650)
Council Tax Freeze Grant	(2,152)	(2,152)	(2,152)	(2,152)	(2,152)
Council Tax Support Grant	(5,746)	(5,746)	(5,746)	(5,746)	(5,746)
<b>Funding for Net Budget Requirement</b>	<b>(154,380)</b>	<b>(163,355)</b>	<b>(168,055)</b>	<b>(172,856)</b>	<b>(177,806)</b>
%age Change in Net Budgetary Requirement	6.2%	5.8%	2.9%	2.9%	2.9%
<b>Other Funding</b>					
Specific Grants	(4,105)	(5,887)	(7,783)	(9,445)	(9,585)
Partnership Income/Fees and Charges	(8,129)	(7,982)	(7,451)	(7,402)	(7,486)
<b>Total Funding</b>	<b>(166,615)</b>	<b>(177,224)</b>	<b>(183,289)</b>	<b>(189,703)</b>	<b>(194,877)</b>
%age Change in Funding	6.2%	6.4%	3.4%	3.5%	2.7%

3.61 As a result of the Government Grant settlements being better than expected, the flexibility to increase precept by more than previously forecast then the overall funding available to the PFCC, is significantly higher than projected in February 2019.

3.62 The overall funding available to the PFCC has increased by over 6%, or £10m, for the second year running, the 2020/21 settlement has therefore provided a further significant opportunity to invest in Policing and Crime services within North Yorkshire, on the back of the significant investment made in 2019/20.

## **4. Expenditure Plans**

4.1 In setting the budget for 2020-21 the PFCC will need to make decisions on how the overall funding discussed in Section 3 is allocated. The PFCC will need to provide funding/budgets to the areas discussed in the following sections:

### 4.2 Office of the PCC

The PCC set a budget of £1,080k for 2019-20.

4.3 The proposed budget in this area for 2020/21 is £1,150k which reflects a significantly higher pension's contribution rate (10.3% versus 3.9% previously), pay inflation and general inflationary pressures.

4.4 The MTFP assumes that there will be a requirement for increases in inflation for this budget area throughout the plan.

### 4.5 Community Safety and Victims and Witnesses Commissioning

The role and responsibilities of the PFCC is wider than Policing and this has been acknowledged with the addition of responsibilities around Community Safety and Victims and Witnesses services.

4.6 The Ministry of Justice have confirmed the level of the Victims and Witnesses Grant for 2020/21, allocations include a 1.84% inflationary increase and will continue to be distributed according to the 2018 population estimates. North Yorkshire will receive £964k in 2020/21 which is £18k higher than the previous year

4.7 Current plans expect that around £4.1m per annum is provided to continue to deliver those services already in place in 2019/20.

### 4.8 Asset Management

4.9 When investment in Capital is funded through borrowing there is a requirement to make a charge against the revenue budget to reflect the use of the asset over its useful life. This charge is called a Minimum Revenue Provision.

4.10 Furthermore when this borrowing is funded via a loan then there are also interest charges incurred.

4.11 The combination of these two areas are factored into the Asset Management budget which is estimated to be £689k for 2020/21. This is forecast to increase in future years as there is some additional borrowing factored into the current capital plans.

4.12 Transform 2020 Programme

4.13 In very high level basic terms the Transform 2020 Programme aimed to:

Stage 1 – Simplify

4.14 Remove duplication of processes, define and refine what our enabling services do, ensure staff are deployed appropriately and supported to be the best they can, support managers to provide strong leadership and optimise the use of technology.

Stage 2 – Standardise

4.15 Transition to self service enabling services across the organisations, continue to improve processes, implement technology standardisation through joint procurements when upgrades are required, ongoing prioritisation in line with emerging needs of North Yorkshire Police, North Yorkshire Fire & Rescue Service and the public of North Yorkshire.

4.16 This will then lead to Stage 3 – Share – where: A completely standard set of processes are in place across North Yorkshire Police and North Yorkshire Fire & Rescue Service, underpinned by a common set of systems

4.17 Business Cases were developed and approved for a number of areas that would be transformed, including:

- Business Admin Services
- Communications
- Digital Information and Services Group
- Finance
- HR
- Information Management
- Organisational Development
- Professional Standards
- Resource Management
- Training
- Transport, Logistics and Estates
- Customer Contact

4.18 Regular updates have been provided to the PFCC on the progress in this area and these are not duplicated within this report. However the finances that underpin the programme are a key factor within the MTFP and therefore it is important that these are set out.

4.19 Significant progress has been made against the savings targets with nearly £7m of the £10m having been identified and removed from current/future budgets. This is summarised in the table below:

<b>T2020 Savings Summary</b>	<b>2020/21</b>	<b>2021/22</b>	<b>2022/23</b>	<b>2023/24</b>
	<b>£000s</b>	<b>£000s</b>	<b>£000s</b>	<b>£000s</b>
Original Savings Target	(7,500)	(10,000)	(10,000)	(10,000)
Savings identified and removed from budgets	5,043	6,670	6,539	6,922
<b>Savings to be delivered</b>	<b>(2,457)</b>	<b>(3,330)</b>	<b>(3,461)</b>	<b>(3,078)</b>

- 4.20 Plans are in place for the 'Savings to be delivered' however these are not sufficiently progressed that there is enough confidence to remove these from the budget. Further work will therefore need to continue across the years to ensure these are fully delivered.
- 4.21 **It is important to recognise that the majority of the remaining balance on the Policing Priorities Fund is only available should these remaining savings be delivered.**
- 4.22 Policing Priorities Fund  
The Policing Priorities Fund was established in 2018/19 and continues to be held under the control of the PFCC.
- 4.23 It was initially established for Policing Priorities and investments in Service Improvements and Development to enhance the service important to the public of North Yorkshire. It was funded through the additional capacity that was provided, in 2018/19, through the better than expected funding settlement and specifically the additional Precept funding that continues to be received from the increase of £11.50 per year for a Band D property in 2018/19.
- 4.24 This initial investment was used to invest in the Force Control Room and also into Commissioned Services.
- 4.25 To drive improvements in Value for Money and create the capacity for needed investment the PFCC set the Force a target to deliver £10m of recurring cashable efficiency savings over the period 2018/19 to 2021/22. The delivery of these savings were then expected to add to this fund. With the forecast balance on the Fund to reach £5.1m in 2020/21 before increasing to £7.6m in 2021/22.
- 4.26 As mentioned in previous years the ability to invest is therefore linked to the delivery of the savings and efficiencies set out within the Transform 2020 Programme and as discussed above.
- 4.27 The savings identified and delivered to date has enabled significant investments to be made and planned across the 4 years of this MTFP. In 2020/21 alone over £2.5m has been made available to reinvest. The vast majority of the reinvestment across the plan has been into the Digital/ICT Strategy where plans are in place to invest nearly £17m across the next 4 years.

#### 4.28 Scope for Further Investment

Even if none of the additional savings plans are delivered in either 2020/21 or 2021/22 then there is some capacity to invest further.

4.29 The table below shows that it is safe to invest just over £1m in each of the next 2 years, whether or not any of the remaining savings plans are delivered.

<b><u>Investments versus savings</u></b>	<b>2020/21</b>	<b>2021/22</b>	<b>2022/23</b>	<b>2023/24</b>
	<b>£000s</b>	<b>£000s</b>	<b>£000s</b>	<b>£000s</b>
Balance on Investments Line	3,544	4,609	3,036	2,400
Savings to be delivered	(2,457)	(3,330)	(3,461)	(3,078)
<b>Additional Investment that can be made</b>	<b>1,087</b>	<b>1,279</b>	<b>(426)</b>	<b>(678)</b>

4.30 It is important however to recognise that these savings do need to be delivered otherwise additional investments will become unsustainable. There is however no real risk, from a financial perspective, from further investments, over the next 2 years providing they remain within the above balances and that all other assumption within the plan prove to be accurate.

4.31 The areas for investment are expected to come from those set out within the precept proposal and are attached as Appendix C for information, these cover the following areas:

- Mental Health Support to frontline policing
- Offender Management: Domestic Abuse, Stalking and Coercive Control
- Offender management: Development of integrated criminal justice pathways
- Serving the public: NYP Service Desk development
- Multi-Agency Rural Support/Public Safety Service

4.32 Plans therefore need to be developed quickly to enable these plans to be approved and implemented.

#### 4.33 Reinforcing the Frontline

4.34 In 2019 the PFCC undertook a Neighbourhood Policing Survey which provided a timely reminder of the concerns that the public have about the erosion of local policing services in North Yorkshire. The summary findings of the survey were that:

- Overall, residents feel less safe than they did a year ago
- 40% of people feel crime and anti-social behaviour is getting worse in their area
- Policing comes at the bottom of the list when residents are asked to rate local public services
- Less than one third of people are satisfied with the level of police presence in their area
- Scarborough and Richmondshire are standout areas for good practice and community confidence

- There is support for partners to take more action over mental health related issues
  - Communities feel they should be given a greater say on resolving anti-social behaviour
- 4.35 In response to these concerns, and the strategic direction of the PFCC to deliver the 'Reinforcing the Front Line' goal set out in the Police and Crime Plan, the Force developed plans to address the areas that were raised within this survey and proposed the following:
- Community Resilience Teams with a visible presence dedicated to prevention and facilitating multi agency working.
  - Mental Health Coordinators to support our most vulnerable residents and reduce the need for emergency secondary interventions
  - Increased and structured engagement with communities to understand what matters to the place with a focus on volume acquisitive crime and volume offenders. Subsequently this will reduce the fear of crime through increased traditional community presence and engagement.
- 4.36 This would include:
- Integrated Offender Management
  - Neighbourhood Teams focused on volume acquisitive crime and volume crime prevention and engagement
  - Bail Management
  - Creation of a Public Safety Officer across public sector organisations.
  - Online PCSOs to provide prevention advice and support investigations such as online crime
  - A City Task Force, focused on primary interventions to ensure that our more urban communities problems are being solved.
- 4.37 To deliver these proposals would result in an increase in both Police Officers (51 FTEs) and PCSO's (23.5 FTEs) and once fully implementing would cost in the region of £3.3m on an annual basis.
- 4.38 As all of these new posts are expected to be filled by the end of 2019/20 then all of the funding previously held under the control of the PFCC have been allocated to the Chief Constable to continue to employ people in these posts and deliver the improvements expected.
- 4.39 2020/21 will be the first year when all resources are in place throughout the year and therefore it might be appropriate to consider revisiting the Neighbourhood Policing Survey towards the end of 2020/21 to understand if improvements are being made and felt and/or consider some other form of assessment for this significant investment.
- 4.40 As previously highlighted there have been some delays in posting into the new roles as during 2019/20 which has resulted in the PFCC holding back around £600k from the Force during 2019/20. As you would expect this creates a financial challenge for the Force and as at December 2019 the Force is

forecasting to overspend in 2019/20 by £215k. This is something that they are working to address.

- 4.41 Plans have been drawn up to invest these funds across the following areas, with further details provided in Appendix D:
- Whole Family Approach' pilot for vulnerable Children and Young People affected by Domestic Abuse.
  - Domestic Abuse Reducing Reoffending and Harm Prevention: Perpetrator Work and System Improvements
  - Programmes to Support Early Intervention and Prevention
- 4.42 The final 'underspend' from this area in 2019/20 will be earmarked for these proposals.



## 5. Police Force

- 5.1 The vast majority of the funding available to the PFCC will be provided to the Chief Constable, this provides the budgetary constraints in which the PFCC expects the Force to work within, in delivering against the Police and Crime Plan. It is vital that these allocations are seen as limits within which the Force must operate, as there is neither the capacity nor authority to exceed the budget provided.
- 5.2 It is also useful to consider that the budget projections for future years should be seen as limits to work within.
- 5.3 To be able to deliver an overall balanced budget for the next 4 years the PFCC forecasts to be able provide the Chief Constable with the following levels of financial resources:
- 2020/21 - £165.3m
  - 2021/22 - £168.3m
  - 2022/23 - £175.1m
  - 2023/24 - £182.6m
- 5.4 These should be seen as the maximum likely to be available and therefore the Force will need to plan to deliver within these overall limits and deliver the necessary savings and efficiencies, discussed elsewhere in this report, to be able to invest into other areas.
- 5.5 The figures set out below forecast expected spend over the next 4 years in comparison to 2019/20, include all funds available to the Force and show the savings and efficiencies still to be delivered:

	Actual Budget 2019/20	Forecast Budget 2020/21	Forecasts		
			2021/22	2022/23	2023/24
<b>Police Force Planned Expenditure</b>	£000s	£000s	£000s	£000s	£000s
<b>Pay</b>					
Police Pay	75,929	83,180	87,618	91,578	94,980
Police Overtime	2,033	2,101	2,239	2,295	2,352
PCSO Pay (incl Overtime)	6,719	7,651	7,870	8,096	8,861
Staff Pay (incl Overtime)	38,548	37,023	36,856	37,559	40,914
<b>Pay Total</b>	<b>123,229</b>	<b>129,956</b>	<b>134,583</b>	<b>139,527</b>	<b>147,108</b>
<b>Non-Pay Budgets</b>					
Other Non Salary	1,648	1,656	1,587	1,614	1,648
Injury and Medical Police Pensions	3,700	3,709	3,780	3,890	3,943
Premises	4,519	4,277	3,955	3,942	3,924
Supplies and Services	22,848	24,216	24,057	24,511	24,878
Transport	2,643	2,667	2,701	2,739	2,777
<b>Non-Pay Total</b>	<b>35,358</b>	<b>36,526</b>	<b>36,080</b>	<b>36,695</b>	<b>37,170</b>
<b>Projects</b>	991	1,202	988	2,328	1,435
<b>Efficiency and Savings Targets</b>	(5,000)	(2,457)	(3,330)	(3,461)	(3,078)
<b>Total Planned Force Expenditure</b>	<b>154,577</b>	<b>165,227</b>	<b>168,321</b>	<b>175,088</b>	<b>182,635</b>
%age Change in Expenditure	18.9%	6.9%	1.9%	4.0%	4.3%
<b>Employee Numbers</b>	FTEs	FTEs	FTEs	FTEs	FTEs
Police Officers	1,450	1,509	1,587	1,645	1,645
PCSOs	223	224	224	224	224
Police Staff	1,160	1,042	1,020	1,017	1,017

- 5.6 As referenced earlier in the report the overall core funding available to the PFCC in 2020/21, in comparison to 2019/20, has increased by £10.6m which has subsequently resulted in an increase in funds to the Chief Constable of just over £10.6m, in comparison to 2019/20. This is an increase of almost 7%.
- 5.7 The sections below set out where the overall funding available to the Chief Constable is planned to be spent and also highlights some of the areas of investment and development in 2020/21 as a result of this additional funding.
- 5.8 What is planned for 2020/21?
- 5.9 As referred to earlier the Policing Minister's Statement on the funding settlement for 2020/21 stated that, in return for the additional £1.1bn invested in policing the Home Office expect:
- Forces to recruit the additional 6,000 officers by the end of March 2021
  - A further planned £30m savings from procurement in 2020-21
  - Continued improvements in digital, data and technology solutions to maximise the benefits of mobile working.
  - Continue to pursue best values from the investment in police technology. The Home Office will work with the sector in the coming year to draw up a detailed plan which will be overseen by the, ministerially-chaired, Strategic Change and Investment Board (SCIB)
- 5.10 Police Recruitment Plans in North Yorkshire
- 5.11 To be able to receive the £1,635k specific grant that is included within these financial plans, for the additional Uplift of Police Officers, North Yorkshire need to recruit an additional 58 FTEs by the end of March 2021.
- 5.12 This follows closely on the back of recruiting the additional 51 Officers during 2019/20 and is likely to precede the recruitment of around 78 additional Officers in 2021/22 and then a further additional 58 in 2022/23.
- 5.13 To enable the growth in Police Officer numbers being targeted by the Government it is projected that North Yorkshire Police will need to recruit the following number of Police Officers to reach these targets, while replacing those who will leave or retire:
- 2019/20 – 182 FTEs
  - 2020/21 – 106 FTEs
  - 2021/22 – 125 FTEs
  - 2022/23 - 133 FTEs
- 5.14 This is clearly both a significant challenge and opportunity. The reason why there is such a higher level of recruitment in 2019/20 is that an early start has begun on recruiting these additional Police Officers.

5.15 Wider Financial Impact of Operation Uplift and increased Police Officers

5.16 While the focus of Operation Uplift is the increase in Police Officers there is recognition that 'just' funding the salary costs of the Officers won't be sufficient.

5.17 The national work that is overseeing this project were clear that to enable this to happen would require funding to support the following areas:

5.18 It was estimated that 6,500 FTE staff would be required to enable initial recruitment and then deal with the extra work generated from having 20,000 additional officers.

- More Officers would require more capital expenditure in terms of vehicles, IT (laptops, phones, body worn video etc) and having 26,500 additional staff would require more estate.
- All of these capital assets would incur revenue running costs.
- More officers would require uniforms, they would work overtime and un-social hours, they would need training and would generate additional costs in areas such as custody and forensics, while also increasing general costs of 'doing business' and employing people, such as insurances.

5.19 Funding has been set aside within the financial plans for these areas however the detailed costs are still being developed and therefore there is an element of risk that the costs, beyond Police Officer salaries, are insufficient to meet all of the costs of Uplift. This is an area that will need to be closely monitored in 2020/21.

5.20 Police Pay

5.21 In setting out the precept and budget for 2019/20 one of the areas of biggest risk that was highlighted from a cost perspective was in relation to pay awards.

5.22 This was a risk that materialised during 2019/20 and is expected to continue to add pressures to the budget in coming years and as such higher assumptions on pay awards have been included within the MTFP.

5.23 The impact of the 2019/20 pay awards, which were 2.5%, in comparison to a budget that could afford a 2.0% increase created a pressure of £370k in 2019/20 – this was however a part year effect as the awards are made with effect from the 1st September each year.

5.24 The recurring impact of both the 2019/20 award and future forecast pay awards being higher than previously expected are set out within the table below:

<b>Financial Impact of Pay Awards at 2.5% versus 2%</b>	<b>2020/21</b>	<b>2021/22</b>	<b>2022/23</b>	<b>2023/24</b>
	<b>£000</b>	<b>£000</b>	<b>£000</b>	<b>£000</b>
Impact of 2019/20 award	615	630	645	665
Impact of 2020/21 assumption	370	645	665	680
Impact of 2021/22 assumption		380	660	680
Impact of 2022/23 assumption			385	680
Impact of 2023/24 assumption				395
<b>Impact of increasing pay assumptions to 2.5%</b>	<b>985</b>	<b>1,655</b>	<b>2,355</b>	<b>3,100</b>

5.25 As can be seen from the above table, what appears to be a relatively small change, from 2% to 2.5%, has had a significant impact on the costs that the organisation will likely face in the coming years – with additional costs of £3.1m forecast across the MTFP period in comparison to previous forecasts based on 2% increases.

5.26 It is however important to recognise that neither the PFCC nor the Chief Constable have any control over the level of pay awards. These are determined at a national level. It is also worth considering that the current national level of wage of wage inflation, as published by the ONS in November 2019, is currently 3.2%

5.27 Settlements in line with the ONS level of wage inflation would more than double the pressures that will need to be 'absorbed' or funded within the financial plans of the organisation. This therefore continues to be the area of biggest potential risk in terms of cost pressures.

5.28 The total impact on the budget of pay awards is the addition of £3.7m of costs to the 2020/21 budget in comparison to the 2019/20 budget.

5.29 Included within the Police Pay budget is sufficient funding to reach an average of 1,509 FTE Police Officers throughout 2020/21, with an expectation that the number of Officers 'employed' by the end of 2020/21 would be in excess of 1,530 FTEs – which would be more than sufficient to meet the requirements set out by the Home Office for North Yorkshire.

5.30 The Budget proposed for Police Pay for 2020/21 is over £7m higher than the budget that was set in 2019/20 and reflects the costs the additional Uplift Posts, the Reinforcing the Front line posts from 2019/20 and an allowance for a 2.5% pay award from the 1<sup>st</sup> September 2020.

5.31 Police Officer Recruitment

5.32 In an environment of uncertain funding settlements, leading to paused recruitment activity, smaller recruitment and training teams, there has been a recurring challenge of maintaining Police Officer numbers at the level provided for within the Budget in almost all previous years. This however changed in 2019/20 and the Force has delivered in line with a very challenging recruitment plan. The Force and those involved in the delivery of this overall programme should be congratulated on this achievement and encouraged to continue to deliver what will be equally challenging recruitment targets over the next 3 or so years.

5.33 The Force reached the 2019/20 Police Officer establishment of 1,451 FTEs in November 2019, which was as expected and will continue to be above this level for the remainder of the year. The expectation is that there will be in excess of 1,500 FTE Police Officer 'employed' by the Force to start the 2020/21 financial year which will put them in an excellent position to deliver against the recruitment plans that underpin these financial plans.

5.34 Police Overtime

For the second year in a row Police Overtime is no longer an area of significant concern in terms of expenditure being incurred beyond the budget set. This is a significant improvement and another area that the Force should be congratulated on, the improvement and controls in this area have clearly been significantly improved which has aided significantly in the financial position of the organisation.

5.35 The Value for Money indicators would suggest that an overtime budget of circa £2m is an appropriate level for a Force the size of North Yorkshire and this continues to the level of the budget set across the plan. It is likely that this is an area that will increase both locally and nationally as the increased levels of Police Officers are delivered.

5.36 PCSO Pay Budget

The budget for PCSO's is based on an Establishment of 223.5 FTEs, this is as per 2019/20 after taking into account the investment in Reinforcing the Frontline.

5.37 It is forecast that the number of PCSO's at the start of 2020/21 will be just above 223.5 FTEs however this is dependent on the final recruitment numbers in March 2020, where the plan assumed that 28 FTEs will start.

5.38 It is important that recruitments are planned and delivered in this area, so that the overall FTEs can be maintained especially given the significant Police Officer recruitments planned and the experience of previous years where a number of PCSOs have been successful in the process.

5.39 Staff Pay Budget and FTE's

5.40 2019/20 was a year of significant change for many Police Staff as a result of the following:

- The completion of the Stage 2 transfer
- The Transform 2020 work and the impact of the Business Cases that were approved and implemented/being implemented.
- The 'Enable' Collaboration with the Fire Service

5.41 Establishment Reductions

5.42 The implementation and continued implementation of the Transform 2020 programme has reduced the Police Staff Establishment from 1,160 FTEs (net of 31 vacancies), in 2019/20, down to 1,042 FTEs (net of 50 vacancies) for 2020/21. This is a reduction of 118 FTEs or 10% and has resulted in savings of just over £3.1m.

5.43 This plan assumes that the staff establishment will reduce slightly further to 1,017 FTEs, which will equate to an overall reduction of 143 FTE posts, or just over 12%. This will increase the savings to nearly £3.8m.

5.44 The overall staff numbers included within this MTFP are as per the table below:

	2019/20	2020/21	2021/22	2022/23	2023/24
<b>Employee Numbers</b>	FTEs	FTEs	FTEs	FTEs	FTEs
Police Staff	1,160	1,042	1,020	1,017	1,017

5.45 It is likely that once the work on the development of the Operation Uplift requirements are assessed that new roles will be required as part of that work and that the Staff Establishment will then grow in future years.

5.46 It is also important to be aware of the number of staff that were in post as at the end of December 2019. This totalled 1,003 FTEs.

5.47 This equates to a further 39 FTE vacancies in excess of the budgeted position, which recognises that vacancies will always occur and therefore has already factored in 50 FTE vacancies across the MTFP.

5.48 The financial impact of these additional 39 additional vacancies, based on average costs, would be an underspend on Staff Pay of circa £1.3m. It is vital to understand the need for these posts to be filled, the impact that these vacancies are having on service delivery and the plans to fill them, including any constraints/challenges in filling staff vacancies.

5.49 From the 1<sup>st</sup> April 2020 the PFCC and Chief Constable as separate employers will operate, for the first time since the creation of PCC's, with the same Pension Contribution rate.

- 5.50 In 2019/20 the Force had a historically low contribution rate of 11.3% and the PFCC had an even lower contribution rate at 3.9%.
- 5.51 The Local Government Pension Scheme (LGPS) underwent its normal 3 yearly revaluation during 2019/20 and this then provides the required contribution levels for the following 3 years. The combined, so for both the PFCC and CC, contribution rates are as follows:
- 2020/21 – 10.3%
  - 2021/22 – 10.7%
  - 2022/23 - 11.1%
- 5.52 It is important to understand that these rates are very low in comparison to 'normal' employer's contribution rates into the LGPS. Under normal circumstances the employer's contribution rate would be 18.6% per annum however the North Yorkshire Police/PFCC element of the LGPS is in surplus, with the value of assets higher than the liabilities by just over 40% (the equivalent of £70m).
- 5.53 This surplus is expected to reduce over the coming years based on these lower contribution rates – which save the organisation about £3m per year.
- 5.54 The MTFP reflects that the employer's contribution rate may return to the 18.6% level, which creates a significant imbalance in 2023/24 in the current plan. While it is unlikely that the rate will increase from 2022/23 to 2023/24 by 7.5% is it something that needs to be kept in mind and is something that will happen over time once the current surplus is reduced.
- 5.55 In addition to the continuation of the T2020 programme which is factored into the current staff forecasts, work will also continue during 2020/21 on the Enable Collaboration.
- 5.56 This Collaboration will formally commence on the 1<sup>st</sup> April 2020. There are no assumptions within this plan that this collaboration will lead to specific savings beyond those already agreed through some combined/shared roles and buildings.
- 5.57 The MTFP assumes that staff will be awarded a 2.5% pay award from the 1<sup>st</sup> September each year.
- 5.58 Non-Pay Budgets  
Almost all non-pay budgets are now under the control of the Chief Constable. In total this accounts for a projected £36.5m worth of expenditure in 2020/21 which is higher than the 2019/20 figure by nearly £1.2m, or 3.3%.
- 5.59 All of this increase is within Supplies and Services, which includes an allowance for the costs of the non-Police Officer Pay costs of the Uplift Programme until the exact areas of costs are determined.

- 5.60 In addition to this an allowance of an additional £0.5m per annum has been factored into the budget to address a recurring under funding of the costs and settlement of insurance and legal claims against the Force, this assessment is underpinned by an actuarial review.
- 5.61 Putting aside these 2 specific areas the overall non-pay budget has reduced year on year despite inflationary cost pressures and unavoidable growth. This is a direct result of the work of the T2020 programme with savings of around £1.8m delivered in 2020/21, this is due to grow to nearly £3.3m by the end of this plan.
- 5.62 A significant amount of the 'Savings still to be delivered' from the T2020 programme are expected from the non-pay budgets and are very reliant on further savings of nearly £1.7m being delivered from Third Party Spend.
- 5.63 This will be a significant challenge for the Force and one that will require a lot of time and focus.



## 6. Overall Financial Summary

6.1 The table below shows the current projected position of the overall finances available to the PFCC, however this is based on a significant number of assumptions that have been discussed and set out within this report.

	Actual Budget 2019/20	Forecast Budget 2020/21	Forecasts		
			2021/22	2022/23	2023/24
<b>Core Funding</b>	£000s	£000s	£000s	£000s	£000s
Government Grant	(69,185)	(74,363)	(76,594)	(78,891)	(81,258)
Council Tax Precept	(77,298)	(81,094)	(83,564)	(86,067)	(88,650)
Council Tax Freeze Grant	(2,152)	(2,152)	(2,152)	(2,152)	(2,152)
Council Tax Support Grant	(5,746)	(5,746)	(5,746)	(5,746)	(5,746)
<b>Funding for Net Budget Requirement</b>	<b>(154,380)</b>	<b>(163,355)</b>	<b>(168,055)</b>	<b>(172,856)</b>	<b>(177,806)</b>
%age Change in Net Budgetary Requirement	6.2%	5.8%	2.9%	2.9%	2.9%
<b>Other Funding</b>					
Specific Grants	(4,105)	(5,887)	(7,783)	(9,445)	(9,585)
Partnership Income/Fees and Charges	(8,129)	(7,982)	(7,451)	(7,402)	(7,486)
<b>Total Funding</b>	<b>(166,615)</b>	<b>(177,224)</b>	<b>(183,289)</b>	<b>(189,703)</b>	<b>(194,877)</b>
%age Change in Funding	6.2%	6.4%	3.4%	3.5%	2.7%
<b>Office of the PCC Planned Expenditure</b>	£000s	£000s	£000s	£000s	£000s
<b>Total Planned Expenditure</b>	<b>1,080</b>	<b>1,150</b>	<b>1,200</b>	<b>1,250</b>	<b>1,300</b>
<b>Commissioned Services</b>	£000s	£000s	£000s	£000s	£000s
<b>Total Planned Expenditure</b>	<b>3,655</b>	<b>4,101</b>	<b>4,148</b>	<b>4,169</b>	<b>4,225</b>
<b>Policing Priorities Fund</b>	£000s	£000s	£000s	£000s	£000s
Investment Fund	2,700	3,544	4,609	3,036	2,400
Reinforcing the Frontline	3,295	0	0	0	0
<b>Total Policing Priorities Fund</b>	<b>5,995</b>	<b>3,544</b>	<b>4,609</b>	<b>3,036</b>	<b>2,400</b>
<b>Asset Management</b>	<b>401</b>	<b>689</b>	<b>979</b>	<b>979</b>	<b>979</b>
<b>Police Force Planned Expenditure</b>	£000s	£000s	£000s	£000s	£000s
<b>Pay</b>					
Police Pay	75,929	83,180	87,618	91,578	94,980
Police Overtime	2,033	2,101	2,239	2,295	2,352
PCSO Pay (incl Overtime)	6,719	7,651	7,870	8,096	8,861
Staff Pay (incl Overtime)	38,548	37,023	36,856	37,559	40,914
<b>Pay Total</b>	<b>123,229</b>	<b>129,956</b>	<b>134,583</b>	<b>139,527</b>	<b>147,108</b>
<b>Non-Pay Budgets</b>					
Other Non Salary	1,648	1,656	1,587	1,614	1,648
Injury and Medical Police Pensions	3,700	3,709	3,780	3,890	3,943
Premises	4,519	4,277	3,955	3,942	3,924
Supplies and Services	22,848	24,216	24,057	24,511	24,878
Transport	2,643	2,667	2,701	2,739	2,777
<b>Non-Pay Total</b>	<b>35,358</b>	<b>36,526</b>	<b>36,080</b>	<b>36,695</b>	<b>37,170</b>
<b>Projects</b>	991	1,202	988	2,328	1,435
<b>Efficiency and Savings Targets</b>	(5,000)	(2,457)	(3,330)	(3,461)	(3,078)
<b>Total Planned Force Expenditure</b>	<b>154,577</b>	<b>165,227</b>	<b>168,321</b>	<b>175,088</b>	<b>182,635</b>
%age Change in Expenditure	18.9%	6.9%	1.9%	4.0%	4.3%
<b>Total Expenditure Budgets after Efficiencies and Savings</b>	<b>165,708</b>	<b>174,711</b>	<b>179,257</b>	<b>184,522</b>	<b>191,539</b>
<b>(Surplus)/ Deficit before Reserves/Capital</b>	£000s	£000s	£000s	£000s	£000s
<b>(907)</b>	<b>(2,512)</b>	<b>(4,032)</b>	<b>(5,181)</b>	<b>(3,338)</b>	
Planned Transfers to/(from) General Fund	0	0	0	0	0
Contribution to Capital Programme	2,342	2,715	3,970	5,118	6,855
Planned Transfers to/(from) Earmarked Reserves	(1,436)	(202)	63	63	63
<b>Net (Surplus)/ Deficit After Reserves</b>	<b>(0)</b>	<b>0</b>	<b>0</b>	<b>(0)</b>	<b>3,580</b>
<b>General Reserves</b>	£000s	£000s	£000s	£000s	£000s
General Fund Balance b/f	5,974	5,759	5,759	5,759	5,759
Current Year Forecast (Over)/ Under spend	(215)				
General Fund Balance c/f	<b>5,759</b>	<b>5,759</b>	<b>5,759</b>	<b>5,759</b>	<b>5,759</b>

- 6.2 Based on the plans and assumption outlined within this report then the organisation can demonstrate a balanced budget for the next 3 years, with a very specific challenge in 2023/24 and beyond.
- 6.3 It is however vital that the good work over the last year or so continues, with particular focus on:
- Continuing the great work on recruitment of Police Officers
  - Continuing to manage Police Overtime tightly
  - Continuing to deliver the savings within the T2020 programme
  - Continuing to prioritise saving to invest
- 6.4 There are however areas for development during 2020/21 and these will include:
- The better management of change and projects so that the significant slippages seen within the Capital Programme become less significant.
  - Beginning the work to deliver on the significant work set out within the Digital/ICT strategy.
  - The closer working of Police and Fire through the Enable collaboration
  - The delivery of the requirements around Operation Uplift.
  - Delivery of the significant proposal made in relation to investment that are set out within appendices C and D to this report.
- 6.5 Overall however the financial flexibility that has been provided over the last few years for precept increases, combined with the significant increase in Government funding this year, and the savings being delivered through the T2020 programme, has result in the organisation being in a very strong financial position. This strong financial position should therefore provide an excellent platform from which to make further improvements in the coming years in line with the publics needs and demands.

## 7. Capital Financing and Expenditure

7.1 The assets owned by the PFCC are a vital platform for the delivery of the Police, Fire and Crime Plan, with the overall purpose of the capital plan to provide sufficient funding to renew the asset base of the organisation, informed by condition deficiency surveys, 'fit for purpose' reviews, equipment replacement programmes, business continuity requirements and invest to save expenditure. Plans have been drawn up and are being developed for capital investment which would aid the organisation in delivering against the Police, Fire and Crime Plan.

7.2 The current Capital Plans, which will be subject to review, development and refinement as 2020/21 progresses, are set out below:

<b>Capital Financing and Expenditure</b>	<b>2020/21</b>	<b>2021/22</b>	<b>2022/23</b>	<b>2023/24</b>	<b>Total</b>
	£000s	£000s	£000s	£000s	£000s
<b>Earmarked Reserve/Funding b/f</b>	<b>1,236</b>	<b>2,802</b>	<b>2,670</b>	<b>1,606</b>	
Capital Grant	116	118	120	123	<b>476</b>
Capital Receipts	169	169	169	169	<b>676</b>
Capital Receipts from Estates Strategy	3,038	3,268	1,031	0	<b>7,337</b>
Contributions from Revenue	2,715	3,970	5,118	6,855	<b>18,657</b>
Borrowing	5,000			1,254	<b>6,254</b>
<b>Projected in-year funding available</b>	<b>11,037</b>	<b>7,525</b>	<b>6,438</b>	<b>8,400</b>	<b>33,401</b>
<b>Capital and Revenue Project Plans</b>					
<b>Firm</b>					
Fleet	2,158	1,308	1,833	1,535	<b>6,834</b>
ICT	3,058	3,425	3,546	4,711	<b>14,739</b>
Estates	2,738	1,933	1,087	859	<b>6,618</b>
Other Rolling Programmes	962	846	961	839	<b>3,607</b>
Other Schemes	555	146	75	0	<b>776</b>
<b>Total Agreed Programme</b>	<b>9,471</b>	<b>7,657</b>	<b>7,502</b>	<b>7,943</b>	<b>32,573</b>
<b>Earmarked Reserve/Funding c/f</b>	<b>2,802</b>	<b>2,670</b>	<b>1,606</b>	<b>2,064</b>	

### 7.3 Capital Grant

The PCC is expected to receive only £116k in terms of Core Capital Grant in 2020/21, this is 74% lower than last year. If the PFCC wants, or needs, to spend more on Capital Expenditure than this Grant provides then the options are as follows:

- Borrowing money (either through loans or from current cash balances) to fund Capital Purchases.
- The sale of Capital Assets resulting in a Capital Receipt.
- A contribution from the Revenue Budget
- The Use of Reserves

- 7.4 A significant element of the spend included within the Capital Programme is directly linked to the Digital/ICT strategy. Beyond this much of the spend relates to maintaining the Fleet and Estates of the organisation to underpin and maintain service delivery.
- 7.5 The spend has been curtailed based on experience of the last few years with an element of slippage already factored into the plans, however delivery will need to be closely managed and forecast to ensure maximum benefit from the plans.
- 7.6 A Capital Earmarked Reserve is now factored into the plans which provides the scope and capacity to fund additional investments as required and/or meet any costs for the delivery of the Uplift programme when they're fully developed.
- 7.7 The CIPFA Prudential Code of Practice is a key element in the system of capital finance. Under this system individual PCC's are responsible for deciding the level of their affordable borrowing having regard to the prudential code. The associated paper 'Annual Treasury Management Strategy (Police)' includes the Prudential Indicators and provide the PFCC with reasonable assurance that the proposed Capital Plan and its financing are within prudential limits.

## **8. Reserves**

- 8.1 The requirement to produce a Reserves Strategy has been incorporated into the Financial Management Code of Practice and therefore producing one is a statutory requirement.
- 8.2 The Financial Management Code of Practice set out the requirements for PFCC's and these requirements are set out in the Reserves Strategy that is set out at Appendix B to this report, for approval, along with the detail to meet the requirements within the Code.

## 9. Risks

9.1 The major risks and unknowns surrounding the figures presented here are set out below:

- Pay Awards are higher than the assumptions within the plan
- Any differences between the future years' actual Government Grant settlements, including Legacy Council Tax Grant and the estimated figures.
- Any review of the funding formula.
- Variations in future years between the estimated tax base used and the actual declared tax base.
- That the public does not support the precept increases that are factored into the current plans
- Increasing costs of the employers Pension Contribution into the Police Pension Fund.
- Increasing costs of the employers Pension Contributions into the Local Government Pension Scheme when the scheme is actuarially reviewed in 2022/23.
- Sensitivity of assumptions, including inflation and borrowing costs.
- The ability and capacity to either absorb growth/cost pressures and/or deliver savings to enable expenditure in essential areas to continue.
- Ability to deliver the remaining savings of the T2020 programme included within the plans within the timeframes set and also to the level needed whilst delivering the required levels of service.
- The capability and capacity of the Force to manage the level of change that it is currently embarking on and deliver this as required.
- Delivery against a challenging recruitment plan while at the same time maintaining standards of training and continuing to make significant progress in relation to equality and diversity.

## **10 Robustness of Estimates and Adequacy of Financial Reserves Advice**

- 10.1 As CFO to the PFCC it is my duty to specifically comment on the robustness of the estimates put forward for the PFCC's consideration. For the reasons set out in this report and from my own review of the estimates process I am satisfied that the proposed spending plan for 2020/21 is sound and robust.
- 10.2 There are however a number of areas of savings that will need to be delivered from a revenue perspective in 2020/21 to deliver a balanced financial position. The key to most of these is the continued delivery of the Transformation Programme that has been discussed within this report.
- 10.3 The likely risk from a financial underspend perspective, however, in terms of revenue spending is likely to be in relation to Police Staff, given the current level of vacancies.
- 10.4 The main risk in terms of higher than forecast spend will come from any pay awards agreed during the year.
- 10.5 It will be vital to continue to closely monitor the financial position throughout 2020/21 to ensure that the finances support the delivery and achievement of the Police, Fire and Crime Plan objectives.
- 10.6 The funding available to deliver the Capital plans of the organisation are robust and the focus will continue to be on delivering the schemes and the benefits that are expected from those scheme.
- 10.7 A review has been undertaken of the PCC's reserves and general balances. The PCC's general balances and reserves are an important part of the PCC's risk management strategy giving the financial flexibility to deal with unforeseen costs or liabilities. Assuming the approval of the plan set out in the budget report, I am satisfied that the PFCC would have adequate levels of financial reserves and general balances throughout the MTFP provided that service restructuring is delivered and future growth, if any, is managed and funded from sustainable savings.
- 10.8 In overall terms the capacity to increase precept and the better than expected government funding settlement has reduced the overall risk that the organisation faces in terms of Funding in the short term. Both the next Comprehensive Spending Review and any subsequent Funding Formula review could however change this position significantly.
- 10.9 The MTFP forecasts that General Reserves will be maintain at nearly £6m across the MTFP which assumes a £215k overspend in 2019/20 is funded from the general fund. This will provide a General Reserve of just over 3.5% of the Net Budget Requirement in 2020/21 and I believe this to be a reasonable level given the overall challenges and risks faced by the organisation.

**APPENDIX A****Summary Capital Programme:**

<b>Details</b>	<b>2020/21 DRAFT PLAN</b>	<b>2021/22 DRAFT PLAN</b>	<b>2022/23 DRAFT PLAN</b>	<b>2023/24 DRAFT PLAN</b>
	<b>£000</b>	<b>£000</b>	<b>£000</b>	<b>£000</b>
<b>ICT</b>	3,058	3,425	3,546	4,711
<b>Fleet Rolling Programme</b>	2,158	1,308	1,833	1,535
<b>Estates Rolling Programme</b>	2,738	1,933	1,087	859
<b>General Equipment Rolling Programme</b>	962	846	961	839
<b>Other Schemes</b>	555	146	75	0
<b>Total</b>	<b>9,471</b>	<b>7,657</b>	<b>7,502</b>	<b>7,943</b>

## Appendix B

### **Reserves Strategy**

There is a requirement within the Financial Management Code of Practice to publish a Reserve Strategy and as part of arrangement to improve transparency:

- Each PCC should publish their reserves strategy on their website, either as part of their medium term financial plan or in a separate reserves strategy document. The reserves strategy should include details of current and future planned reserve levels, setting out a total amount of reserves and the amount of each specific reserve held for each year. The reserves strategy should cover resource and capital reserves and provide information for the period of the medium term financial plan (and at least two years ahead).
- Sufficient information should be provided to enable understanding of the purpose(s) for which each reserve is held and how holding each reserve supports the PFCC's medium term financial plan.

The strategy should be set out in a way that is clear and understandable for members of the public, and should include:

- how the level of the general reserve has been set;
- justification for holding a general reserve larger than five percent of budget;
- details of the activities or items to be funded from each earmarked reserve, and how these support the PFCC and Chief Constable's strategy to deliver a good quality service to the public.
- Where an earmarked reserve is intended to fund a number of projects or programmes (for example, a change or transformation reserve), details of each programme or project to be funded should be set out.

The information on each reserve should make clear how much of the funding falls into the following three categories:

- Funding for planned expenditure on projects and programmes over the period of the current medium term financial plan.
- Funding for specific projects and programmes beyond the current planning period.
- As a general contingency or resource to meet other expenditure needs held in accordance with sound principles of good financial management (e.g. insurance).

With this in mind the Reserves Forecast across the MTFP are shown below, along with the necessary supporting information on the following pages:



## Reserves Forecast

The following schedule sets out the forecast movements on reserves over the life of the current long term financial plan, it is important to recognise that whilst the schedule sets out the expected use of the current reserves circumstances will change and all reserves will be reviewed at least annually. It is also important to recognise that there will undoubtedly be a need to create new reserves, in future years, to deal with risks that are currently unknown; therefore while the current schedule shows that the overall level of risks will reduce significantly, the likelihood is that they will not reduce in overall financial terms as exactly planned and that while current reserves are spent new reserves are likely to be needed to manage future risks.

	Balance at 31 March 2019 £000	Tranfers In 2019/20 £000	Tranfers Out 2019/20 £000	Balance at 31 March 2020 £000	Tranfers In 2020/21 £000	Tranfers Out 2020/21 £000	Balance at 31 March 2021 £000	Tranfers In 2021/22 £000	Tranfers Out 2021/22 £000	Balance at 31 March 2022 £000	Tranfers In 2022/23 £000	Tranfers Out 2022/23 £000	Balance at 31 March 2023 £000	Tranfers In 2023/24 £000	Tranfers Out 2023/24 £000	Balance at 31 March 2024 £000
<b>Funding for planned expenditure on projects and programmes over the period of the current medium term financial plan.</b>																
Revenue Initiatives	238			238	33	(101)	170	33	(33)	170	33	(33)	170	33	(33)	170
Capital Reserve	154	2,342	(2,497)	0	2,715	(2,715)	(0)	3,970	(3,970)	0	5,118	(5,118)	0	6,855	(6,855)	0
Firearms Licence Reserve	590			590			590			590			590			590
PCC Community Fund Reserve	511		(250)	261		(250)	11			11			11			11
Commissioned Services Reserve	543		(126)	417		(29)	388			388			388			388
<b>Total Reserves within current MTFP</b>	<b>2,036</b>	<b>2,342</b>	<b>(2,873)</b>	<b>1,506</b>	<b>2,747</b>	<b>(3,094)</b>	<b>1,159</b>	<b>4,003</b>	<b>(4,003)</b>	<b>1,159</b>	<b>5,150</b>	<b>(5,151)</b>	<b>1,159</b>	<b>6,887</b>	<b>(6,887)</b>	<b>1,159</b>
<b>Funding for specific projects and programmes beyond the current planning period.</b>																
Confiscated Monies Reserve	103	130	(100)	133	130	(100)	163	130	(100)	193	130	(100)	223	130	(100)	253
Cost of Change Reserve	220			220			220			220			220			220
<b>Total Reserves beyond current MTFP</b>	<b>323</b>	<b>130</b>	<b>(100)</b>	<b>353</b>	<b>130</b>	<b>(100)</b>	<b>383</b>	<b>130</b>	<b>(100)</b>	<b>413</b>	<b>130</b>	<b>(100)</b>	<b>443</b>	<b>130</b>	<b>(100)</b>	<b>473</b>
<b>As a general contingency or resource to meet other expenditure needs held in accordance with sound principles of good financial management (e.g. insurance)</b>																
Insurance Reserve	511			511			511			511			511			511
Pay and Pensions Reserve	1,587		(250)	1,337			1,337			1,337			1,337			1,337
Major Incident Reserve	1,114			1,114			1,114			1,114			1,114			1,114
<b>Total General Contingency Reserves</b>	<b>3,212</b>	<b>0</b>	<b>(250)</b>	<b>2,962</b>			<b>2,962</b>			<b>2,962</b>			<b>2,962</b>			<b>2,962</b>
<b>Total Earmarked Reserves</b>	<b>5,572</b>	<b>2,472</b>	<b>(3,223)</b>	<b>4,821</b>	<b>2,877</b>	<b>(3,194)</b>	<b>4,505</b>	<b>4,133</b>	<b>(4,103)</b>	<b>4,535</b>	<b>5,280</b>	<b>(5,251)</b>	<b>4,565</b>	<b>7,017</b>	<b>(6,987)</b>	<b>4,595</b>
<b>General Reserves</b>	<b>5,974</b>	<b>(215)</b>	<b>0</b>	<b>5,759</b>	<b>0</b>	<b>0</b>	<b>5,759</b>	<b>0</b>	<b>0</b>	<b>5,759</b>	<b>0</b>	<b>0</b>	<b>5,759</b>	<b>0</b>	<b>0</b>	<b>5,759</b>
<b>Total Usable Reserves</b>	<b>11,546</b>	<b>2,258</b>	<b>(3,223)</b>	<b>10,580</b>	<b>2,877</b>	<b>(3,194)</b>	<b>10,264</b>	<b>4,133</b>	<b>(4,103)</b>	<b>10,294</b>	<b>5,280</b>	<b>(5,251)</b>	<b>10,324</b>	<b>7,017</b>	<b>(6,987)</b>	<b>10,354</b>
<b>Capital Receipts Reserve</b>	<b>1,911</b>	<b>484</b>	<b>(1,159)</b>	<b>1,236</b>	<b>3,207</b>	<b>(1,641)</b>	<b>2,802</b>	<b>3,437</b>	<b>(3,569)</b>	<b>2,670</b>	<b>1,200</b>	<b>(2,264)</b>	<b>1,606</b>	<b>169</b>	<b>(169)</b>	<b>1,606</b>

## **Why have these Reserves been established and what will they used for?**

### **Funding for planned expenditure on projects and programmes over the period of the current medium term financial plan.**

#### **Revenue Initiatives and Revenue CRDP Reserve (Funding for Planned Expenditure over MTFP)**

These reserves are held to meet the forecast costs of some on-going revenue initiatives to enable one off schemes/expenditure to be funded

#### **Capital Reserve (Funding for Planned Expenditure over MTFP)**

This reserve is held to meet the forecast costs of capital schemes which will enable the capital needs of the organisation to be funded in a sustainable manner, without the need to increase borrowing beyond what is determined to be a prudent level and to also provide some contingency to fund unknown investments whether these be from local changes or national initiatives.

#### **PFCC Community Fund (Funding for Planned Expenditure over MTFP)**

The PFCC has established the reserve to support local community safety initiatives over the period of her term in Office. £250k per annum has been set aside to support this initiative.

#### **Commissioned Services Reserve (Funding for Planned Expenditure over MTFP)**

To help manage the variable nature of and short term nature of some grants provided for this area of work this Reserve has been established from previous underspends in this area to help manage the uncertainties of funding changes and invest initially in new areas of work

### **Funding for specific projects and programmes beyond the current planning period.**

#### **Confiscated Monies Reserve**

These reserves hold monies raised from confiscated assets generated through the proceeds of crime, either directly or via grant from Central Government. The reserve is utilised to support crime fighting work, subject to statutory restrictions on usage

#### **Cost of Change Reserve (Funding for Planned Expenditure over MTFP)**

This reserve is held to meet the forecast costs of change and held to enable future change programmes that might be required to help transform the organisation

### **As a general contingency or resource to meet other expenditure needs held in accordance with sound principles of good financial management (e.g. insurance).**

#### **Insurance Reserve (General Contingency Reserve)**

The Police, Fire and Crime Commissioner operates on a self-insurance basis determined by the level of excess on the cover provided by external policies. This reserve is ring-fenced for insurance requirements only and cannot be used for other purposes. It is calculated based on an historic assessment of claims history and is subjected to an actuarial audit to validate the fund level on a three-yearly basis. This reserve is available should the Police, Fire and Crime Commissioner face exceptional costs or suffer a major catastrophic incident or face premium increases which cannot be met by budget in year.

**Pay and Pensions Reserve (General Contingency Reserve)**

The biggest risk within the financial plans are the cost pressures that result from Pay Awards that are higher than forecast. These awards are generally notified late in the financial year and therefore with little/no time to reduce spending if required. This reserve therefore provides a mechanism for meeting unexpected costs in this area, should they materialise, while long term savings plans are developed and delivered.

**Major Incident Reserve (General Contingency Reserve)**

This reserve was established by transfer from revenue, and is held to contribute to the funding of any one off major incident revenue costs over and above the annual budget set aside for major incidents.

## **Investment Plans beyond Police Officer Uplift**

### **1. Mental Health (MH) support to frontline policing**

1.1. Whilst the volume of incidents involving individuals with mental health issues is predicted to remain relatively static over the next two years, demand on police time remains high, with incidents with MH tag taking between 1.5 and 5 hours longer to resolve than a similar incident without a MH tag. In addition, there is an increased risk that physical and digital exploitation continues to impact the vulnerable disproportionately and increase the resourcing demands upon NYP in the future. The Commissioner has already supported significant investments to address MH demand on police resource and ensure that vulnerable individuals receive the help they require. This has included:

- A percentage of the 2019/20 precept increase was used to secure 4.5 FTE dedicated MH Co-ordinator roles across North Yorkshire. The role has been very well embedded in NYP operational processes and has expanded from its original scope of providing purely brokerage between the police and specialist services to also provide professional input and advice on MH high risk incidents. As a result, capacity is now extremely stretched.
- Professional clinical support is available to the FCR and frontline police officers in Scarborough and York through the TEWV Street Triage service. This involves MH professionals working alongside police officers and staff on the ground to address incidents where police believe individuals need immediate MH / Crisis support. The primary aims of the MH Triage is to reduce use of Section 136, reduce use of police resources devoted to dealing with MH incidences and to improve the speed and appropriateness of assessment, care and treatment provided to individuals in mental health crisis, including referral into other services and follow up care.
- NYP have identified a MH Strategic Lead, who is currently employed on a temporary basis to work with partners to develop pathways for individuals with complex needs to ensure that needs are identified and addressed so that repeat presentations can be avoided.
- Full day face-to-face training has been delivered for NYP police officers, student officers and staff, so that they are able to recognise MH conditions and safeguard effectively. As of 20th October 2019, 831 officers have attended the MH training session. Feedback from those who had received the training shows that it has made a practical difference to the approach taken to safeguard individuals with MH needs and ensure appropriate help is accessed.

1.2. However, despite these investments, a number of issues remain to be addressed:

- The closure of the Briary Wing, the mental health unit at Harrogate District Hospital, has raised concerns about the operational impact on NYP. Although the CCG has since announced additional funding in community-based provision and operational planning is well advanced to ensure that individuals will be taken to appropriate alternative places of safety, the Commissioner is working with CCGs and TEWV to evaluate whether the current MH Street Triage service is fit for purpose to provide responsive and flexible support to frontline officers in Harrogate. The feedback obtained from frontline officers in areas where Street Triage is operational has been overwhelmingly positive. All of those surveyed stated that the service offered by TEWV was invaluable to NYP as it gave access to trained MH professionals who could provide detailed information on individuals regarding any historic known issues. However, frontline officers also identified issues with availability of the service, both in terms of opening hours and availability in all locations across North Yorkshire.
- Although NYP have successfully reduce the number of S136 detentions over the last 12 months and have made strong progress on dealing appropriately with MH incidents, demand on existing resources remains stretched.

1.3. It is proposed that further investment is made into the professional MH support provided to frontline police officers and to build on the highly successful investments which were made as part of the FY1920 precepts uplift. A full assessment of future delivery options is currently ongoing with both CCG and TEWV as co-commissioners of the MH Street Triage service. This will not just address the immediate concerns arising from the closure of in-patient facilities in Harrogate but also consider the concerns raised by NYP colleagues for support available in more rural locations. It is anticipated that a more robust delivery model will be implemented across North Yorkshire and York, which will ensure that police have adequate access to support for vulnerable individuals in crisis.

1.4. An additional benefit of effective links with clinical staff is that earlier interventions can be considered before issues escalate to crisis. The options assessment has identified a cohort of repeat callers who on average, placed a call to NYP every 23 days with some individuals calling up to 40 times over a 6 month period, triggering repeat resource-intensive responses. The ST review showed that the proportion of repeat callers was lower in areas where a ST Service was available and linked with community support programmes. Further work is required to evaluate how this can be replicated across Harrogate and rural areas.

## **2. Offender Management: Domestic Abuse, Stalking and Coercive Control**

2.1. Policing demand arising from Domestic Abuse crimes has risen dramatically over the last year, and continues to do so. In the last 3 months of 2019, 2085 crimes were recorded by NYP, compared to 1558 in the corresponding period of 2018; a rise by 34%. While this represents a very positive development as individuals appear more confident to report to NYP, it also places a significant burden on the force. Nationally, 14% of all police demand is now related to domestic abuse.

- In addition, recent changes in the law will allow NYP to adjust operational practices and processes to protect vulnerable individuals more effectively. In particular, this includes giving frontline officers the s tools to address coercive control and stalking. However, these changes will also require significant operational adjustments.
- In addition, the Commissioner has identified the need to continue to work with local communities and partners to address the under-reporting of domestic abuse in rural communities.
- To address rising demand and intervene at an early point, the Commissioner has already re-procured Domestic Abuse support services to victims and commissioned a new holistic service for adult and young perpetrators. In addition, NYP has implemented MATAAC alongside MARAC and MAPPA to ensure that serial perpetrators of domestic abuse are identified and abusive behaviour is addressed.

2.2. It is now proposed that this highly effective offender management approach is reviewed and replicated for perpetrators of stalking offences. Similar to serial perpetrators of domestic abuse, individual stalking incidents are often recorded as low risk and the potential cumulative impact on victims is often recognised too late once actions have escalated. To address this, a dedicated stalking team will be required, which should include both investigative and operational resource so that trends can be identified early. Stalking behaviour is also closely linked to mental health and personality disorders, and links to professional services will be explored to develop effective offender management approaches.

2.3. Alongside the investment in dedicated capacity, it is also necessary to equip frontline police officers with the skills and tools to recognise patterns of abusive behaviour more effectively and report incidents appropriately. In particular, victims of coercive control may frequently not recognise themselves as victims until an escalation of risk and harm has occurred. It is therefore proposed that a comprehensive training programme for frontline personnel is implemented, so that the needs of vulnerable victims are identified and they are provided with the support and response they require.

2.4. Given the rapid rise in domestic crime, NYP will also require additional investment to ensure that the Force has sufficient operational capacity to continue to protect vulnerable victims and address domestic abuse crimes swiftly and effectively. Investment is therefore required to increase capacity in the team of domestic abuse officers, introduce court presentation officers who can reduce the burden on legal services to present DVPOs at court, and review current supervisory ranks.

### **3. Offender management: Development of integrated criminal justice pathways**

- 3.1. The Commissioner and the Chief Constable have a clear vision for North Yorkshire Police to embed early intervention and prevention as a way of working, in order to deliver the objectives of the Police and Crime Plan. This will require clear pathways for individuals who get in contact with the criminal justice system to be diverted away from crime at an early stage, and provide access to a suite of interventions to ensure that alternatives to custodial sentences are available for vulnerable individuals, so that underlying issues can be addressed. National evidence shows that in particular short term prison sentences are particularly harmful to vulnerable individuals and place a significant strain on public services to facilitate support for their return to the community, with significant longer-term consequences.
- 3.2. The OPFCC and Force are therefore committed to work with Criminal Justice Service (CJS) partners such as the probation services, local authorities and health partners to develop a set of integrated criminal justice pathways, implement effective case management of offender cohorts and ensure that the right interventions are available to be referred into by all partners. It will join up community-based interventions and private provision with statutory partners and ensure that issues are identified, needs are addressed and offending behaviour is prevented from re-occurring or escalating.
- 3.3. As part of the reforms to the national probation service following the re-nationalisation of Community Interest Companies, the Ministry of Justice (MoJ) has recently announced its intention to co-commission services for offenders with local P(F)CCs and other public partners, if local monies can be made available to contribute to services. This presents a tremendous opportunity for North Yorkshire, with over £1million of new funding being made available by the MoJ to support the re-integration of offenders and reduce re-offending in North Yorkshire. A range of interventions including accommodation, drug and alcohol services, skills and educational training, behavioural support and specialist services for women can be co-commissioned through the Dynamic Framework from mid-2020, with services anticipated to go live in mid-2021.
- 3.4. It is proposed that investment is made available to support the development of integrated pathways, shape the range of interventions that will be delivered in North Yorkshire and York communities through the Dynamic Framework, and work with local providers and community organisations to ensure that they are ready and able to bid for local opportunities. This will ensure that the specific profile of communities in North Yorkshire are recognised, so that interventions can be effective and work not just for the vulnerable individuals for whom they were designed but also for local communities and employers.

#### **4. Serving the public: NYP Service Desk development**

- 4.1. NYP continue to face high demand in the Force Control Room, with a large proportion of calls related to high volume crime and incidents of a non-urgent nature. As part of the T2020 review of the FCR, it was identified that the Service Desk (SD) was not utilised in an efficient and effective way, resulting in a re-organisation to integrate the service desk management into the FCR. Further work is now ongoing to review operational performance and practices. It has been recognised that North Yorkshire resolves a relatively low proportion of enquiries at first contact, with a culture of follow up appointments and ongoing investigations, which does not represent good service to the public. While the current reviews have not yet concluded, there are some key emerging themes with the potential to deliver significant benefits. In particular, the Service Desk has the potential to resolve low-risk, high-volume incidents in a direct and timely manner over the phone, which would enhance the customer experience. This could include a shift away from the current practice of scheduling in-person appointments to new processes and systems set up to deal with enquiries immediately through the Service Desk.
- 4.2. 'Getting it right first time' will not only deliver an enhanced customer experience but also benefit the Force as a whole, by reducing repeat calls into the FCR, reducing cancelled or abandoned face-to-face contacts and ensuring that response and neighbourhood policing resources are focused on the most valued activity. It is not envisaged that resolution over the phone would replace or reduce the number of welfare visits the force makes, but it would ensure that capacity is released to spend additional time on early intervention and prevention activity with vulnerable individuals.



## **2019/20 Precepts 'Underspend' Plans**

Based on demand trends and a review of existing contracts by the Commissioning and Partnership team in the OPFCC, the Commissioner identified a number of priority areas for investment in autumn 2019. These have now been developed into more detailed proposals for additional investment, and prioritised against funding available through the FY19/20 precepts uplift. It is anticipated that associated procurements will be initiated from early spring:

### **5. 'Whole Family Approach' pilot for vulnerable Children and Young People affected by Domestic Abuse (DA)**

5.1. National research shows that children and young people who have been exposed to 'adverse childhood experiences' (ACEs) such as domestic violence and child maltreatment are at high risk of suffering long-term consequences, including mental health problems (PTSD, major depression, drug and alcohol dependency) and social problems (future offending behaviour, parenting problems, and intergenerational transmission of abuse). Despite this, there is currently only limited support available to children who experience domestic abuse in North Yorkshire, with services focused on a small cohort with the highest level of need:

- NYCC Social Care commissions a therapeutic service for children who have been identified as the most vulnerable with complex issues including sexual abuse. Referrals are made through Social Services and all children are the subject of Child Protection Plans. The service has a capacity of up to 24 children at any one time.
- CYC have recently published a Request for Quotations for the delivery of one to one sessions with children and young people with a focus on those aged 8 – 11 years, which will address the effects of witnessing domestic abuse. Referrals will only be accepted by the LAT (Early Help) team and around 20 children and young people are expected to be supported in the 12 month delivery period.
- Operation Encompass is a national initiative which helps pupils aged between 4 and 18 years who may have witnessed or been exposed to domestic abuse at home, by emailing the child's school by 9am the day after police attendance at the incident. However, feedback from schools has highlighted the need for support services to provide advice and guidance following these disclosures.
- IDAS children's support workers are based at refuges in York and Harrogate. These workers are focused on working directly with children who are in residence. The support provided to children is independent of but works alongside the support commissioned to adult victims.

- 5.2. The Domestic Abuse Joint Commissioning Group has identified a longer-term aim to move towards a holistic package of support for all children and young people affected by DA alongside the adult support services from 2023/24 onwards. However, no data is currently gathered on the number of children in need of support. Estimates from 2015/16 and 16/17 show that just over a quarter of DA incidents (26% and 28% respectively) occur in families where children are present, suggesting that every year, several thousand children could be affected across North Yorkshire and York.
- 5.3. It is therefore proposed that a new, holistic range of interventions including both 1-to-1 and 'Whole Family' group sessions is piloted across North Yorkshire and York now. The service will be delivered by specially trained children's workers and the target cohort will be children and young people aged 0-16yrs who are not eligible for the NYCC Children's Therapeutic Services, new CYC Early Help service and not living within Refuge or Dispersed Accommodation provision (as outlined above). It is anticipated that 4 FTE workers will be based geographically, guided by local need and demand.
- 5.4. By supporting children and young people at an earlier stage and through well designed, integrated pathways with social care and NHS services, it is anticipated that the intergenerational consequences of domestic violence can be reduced, both in terms of impact on young persons' mental health and the likelihood of continuing the cycle of violence.
- 5.5. Although a procurement options assessment is yet to be completed, it is currently anticipated that following a full open market tender and contract implementation period, Pilot Delivery would commence from 01/01/2021 with an initial term to 31/03/2023, with the option to extend for a further 1 year to align with existing DA contractual timescales. The total proposed budget over the contract period is £330,000.

## 6. Domestic Abuse Reducing Reoffending and Harm Prevention: Perpetrator Work and System Improvements

6.1. Over the last few years, the Commissioner has supported and invested in whole-system improvements, aiming to disrupt offending behaviour through pro-active, early interventions with perpetrators. This approach has shifted the focus from domestic abuse victims and what they are doing to protect themselves to the perpetrator to stop their abusive behaviour. The proposal is to build on the work already delivered and embed sustainable change.

### 6.2. MATAC (Multi-Agency Tasking and Co-ordination) sustainability

6.2.1. MATAC centres on using intelligent data analysis to proactively target and engage serial perpetrators, who historically have not been highlighted through other risk or harm assessment processes, i.e. those who commit offences assessed as standard or medium risk against multiple victims, moving from one vulnerable person to another. As the serial perpetrator offends against different victims, the risk level to any one individual does not escalate, however the amount of harm that individual causes to multiple families can be substantial. MATAC has been independently evaluated by Northumbria University and was also the subject of a social return on investment study. The MATAC process was found to be successful; domestic abuse perpetrators achieved an average of a 61% reduction in re-offending rates for all types of offending. The average reduction for domestic abuse related offending was also significant at 65%. The social return on investment study found that for every £1 that was invested, £14.51 of social value was delivered.

6.2.2. MATAC is currently funded as part of the Domestic Abuse Whole Systems Approach (DAWSA) - a Home Office funded Police Transformation project, which terminates in March 2020.

6.2.3. Following a full options appraisal of future delivery, it is proposed that the current dedicated MATAC team should be retained for a future 12 months within NYP, which would enhance and further develop perpetrator management strategies. This will enable NYP to target new cohorts of perpetrators, integrate wider with partners that are not currently part of the process, such as prisons and DWP, and mitigate the risk that serial offenders are no longer identified through other perpetrator programmes such as IOM, MARAC or MAPPA. In the longer term, it is anticipated that NYP develop a more comprehensive perpetrator approach (please refer to proposals for FY20/21) which will ensure that the MATAC process can be integrated into business as usual.

6.2.4. As part of the MATAC team is already employed through fixed term contracts within NYP, the service can be extended without interruption. The total proposed budget for FY20/21 is £85-95,000, depending on a final decision on the role profile of the MATAC analyst / Intelligence Management Officer.

### 6.3. Support for Young People Displaying High Risk Abusive Behaviours

6.3.1. Since April 2016, IDAS have been delivering the county-wide Respect Young People's Programme ("RYPP"). Support is available for young people aged 10 to 16 years who are demonstrating abusive behaviour towards their family members and / or within intimate relationships with other young people to help them to recognise and change their behaviour. Support is also to be offered to their parent/guardians (where appropriate and relevant) to explore parenting skills and enable them to more effectively challenge unhealthy patterns of behaviour. However, the service is not currently equipped to deal with more high-risk behaviours, and our current Support Services for Adult Perpetrators cannot accept referrals for under 16 year-olds. This means that there are an increasing number of young people and their families who are unable to access support in a timely manner to prevent such behaviour escalating to the point of serious injury and/or criminalisation of the young person.

6.3.2. It is proposed that the current service offer is expanded and adapted to meet the needs of young people displaying high-risk abusive behaviours to their parent/s and other family members. This will involve working in partnership with the local youth justice system to train and upskill staff to jointly deliver a service to an additional 50 families per year with increased risk. The current commissioned service has already demonstrated evidence of impact and is ready for further expansion to meet the needs of these families. The total proposed budget for FY20/21 is £75,000.

## **7. Other Programmes to Support Early Intervention and Prevention**

7.1. Over the last 6 years, the Commissioner has supported numerous innovative and impactful initiatives through the Community Fund (CF) and Community Safety Services Fund (CSSF). Grants of up to £20,000 have been made available to community groups, charities and public sector organisation in York and North Yorkshire, which have enhanced community cohesion, prevented crime and anti-social behaviour, supported victims and worked with potential offenders to divert them from crime. A number of these projects have been highly successful and well regarded by both NYP and local communities. However, while the CF and CSSF encourage innovative working to build the evidence base for accessing mainstream funding, obtaining access to ongoing support has become increasingly difficult as many public bodies have faced severe funding cuts. As a result, not all projects have achieved a financially sustainable position and in a number of cases, the Commissioner has approved repeat funding for existing projects through the CF and CSSF to ensure continuity of service provision.

7.2. It is proposed that where there is a demonstrable local need and strong outcomes, the OPFCC will put in place multi-year grant agreements or commission multi-year services to ensure that projects can continue. Given the available funding envelope, the Commissioner has identified two project for prioritisation so far; however, additional projects may be identified if funding allows.

### **7.3. Women's Diversionary Scheme (WDS)**

Since 2017, Humankind have been successful in three applications to the CSSF to deliver the WDS across North Yorkshire and York. The scheme has two main objectives:

- To reduce offending by women in North Yorkshire by diverting them away from the Criminal Justice System; and
- To Reduce the number of women re-entering the Criminal Justice System.

Two Humankind workers work a combined 22.5 hours to provide interventions at point of arrest, most commonly for shoplifting, other referrals have been received for fraud, criminal damage, common assault and drug/alcohol related incidents. Referrals are made through the NYP IOM team and Hambleton and Richmondshire then Harrogate and York have seen the most referrals.

7.3.1. The effectiveness of a dedicated WDS has been recognised by the MoJ, who states that *'We would now encourage every Police area to consider implementing a process model which ensures officers take a gender-informed approach to all women with whom they come into contact, whether or not they are arrested.'*

7.3.2. It is proposed that the WDS is expanded to provide 2FTE across York and North Yorkshire, to include new interventions and new referral pathways from police custody and the Community Safety Hubs. The WDS will allow women to be supported away from the criminal justice system into commissioned support services, community support and out of court disposal options. It is anticipated that in the longer term, the WDS will form a critical element

of the new criminal justice pathway for women, which will be delivered jointly with the National Probation Service in FY20/21. This would offer the court the opportunity to delay passing sentence for up to 6 months whilst imposing a requirement on the women to engage with the WDS worker. The WDS worker would support the woman to adhere to the conditions that have been set and access the recommended support. Similarly, the WDS could form part of a Sentence Recommendation (via NPS PSR). If given a community sentence, the WDS worker could ensure wrap around support whilst the woman is managed in the community by the probation service.

7.3.3. Although a full procurement options appraisal is yet to be completed, it is anticipated that a tender could be launched quickly, with services operational from late summer 2020. Any contract should be awarded for a period of 12 months to align with the launch of the HMPPS Dynamic Framework, although an option to extend for a further 12 months may be necessary. The total proposed budget for this service is £140,000.

7.3.4. Scarborough Street Angels (SA) and Safe Haven (SH)

7.3.5. Scarborough SA and SH have been successful in accessing repeated funding through both the CF and CSSF. The organisations work in close partnership with the North Yorkshire Police, Scarborough Borough Council, Churches Together in Scarborough, local residents and local bars/clubs and taxis to change the atmosphere in the night-time economy and provide safe spaces for vulnerable individuals.

7.3.6. Safe Haven (SH) is the only non-alcoholic venue with paid staff providing help and providing a calming presence in St Nicholas Street. The SH is known and welcomed by residents and visitors.

7.3.7. Street Angels (SA) support the reduction in alcohol-related crime and ASB by patrolling the streets of Scarborough; their presence reduces public urination, casual destruction, racist behaviour and fear of crime. SA deal with young people missing from home, those taken ill or disabled, getting them home safely and reducing the risk of assaults. SA also help people to safety and remove glass bottles, clearing away broken glass to prevent usage as a weapon. By talking to people appearing agitated, aggressive situations are prevented from escalating and SA respond to requests for help from other NTE partners.

7.3.8. It is proposed to expand the current short-term funding arrangement to ensure long-term sustainability of the service. Following further consultation with public partners, it is anticipated that up to £60,000 will be made available over a multi-year period.