



Police and Crime Panel

Date **Friday 12 March 2021**

Time **10.00 am**

Venue **Remote Meeting - This meeting is being held remotely via Microsoft Teams**

Business

Part A

**[Items during which the Press and Public are welcome to attend.
Members of the Public can ask questions with the Chairman's
agreement]**

1. Apologies for Absence
2. Substitute Members
3. Declarations of interest, if any
4. Minutes of the meeting held on 4 February 2021 (Pages 3 - 8)
5. Media Report - Report of the Acting Police, Crime and Victims' Commissioner (Pages 9 - 12)
6. 2021/22 Revenue and Capital Budgets - Report of the Acting Police, Crime and Victims' Commissioner (Pages 13 - 58)
7. Office of the PCVC Restructure - Report of Interim Chief Executive (Pages 59 - 64)
8. Delivery of Priorities in the Police, Crime and Victims' Plan 2018-21 - Report of the Acting Police, Crime and Victims' Commissioner (Pages 65 - 72)
9. Quarterly Performance Report - Report of the Acting Police, Crime and Victims' Commissioner (Pages 73 - 84)
10. PCVC Decision Records - Report of the Acting Police, Crime and Victims' Commissioner (Pages 85 - 90)
11. HMICFRS Inspections - Report of the Acting Police, Crime and Victims' Commissioner (Pages 91 - 96)
12. Complaints Update - Report of Monitoring Officer and Clerk to the Police and Crime Panel (Pages 97 - 100)
13. Such other business, as in the opinion of the Chairman of the meeting, is of sufficient urgency to warrant consideration

Helen Lynch
Monitoring Officer

County Hall
Durham
4 March 2021

To: **The Members of the Police and Crime Panel**

Durham County Council

Councillors D Boyes, P Crathorne, L Hovvels (Chair), J Nicholson, S Quinn,
A Savory and M Simmons

Darlington Borough Council

Councillors J Dulston, B Jones (Vice-Chair) and Wallis

Independent Co-opted Members

Mr N J H Cooke and Mr D K G Dodwell

Contact: Ian Croft

Tel: 03000 269702

DURHAM COUNTY COUNCIL

At a Remote Meeting of **Police and Crime Panel** held via Microsoft Teams on
Thursday 4 February 2021 at 10.00 am

Present:

Councillor L Hovvels (Chair)

Durham County Council:

Councillors D Boyes, P Crathorne, J Nicholson, S Quinn, A Savory and
M Simmons

Darlington Borough Council:

Councillors J Dulston, B Jones (Vice-Chair) and Wallis

Independent Co-opted Members:

Mr N J H Cooke and Mr D K G Dodwell

1 Apologies for Absence

There were no apologies for absence.

2 Substitute Members

There were no substitute Members.

3 Declarations of interest

There were no declarations of interest.

4 Minutes

The minutes of the meeting held on 16 October 2020 were conformed as a correct record and signed by the Chair.

Matters Arising from the minutes:

Councillor Boyes referred to a query he made at the previous meeting regarding check point criteria and asked whether any information was now available. In response S Caddell advised that she had held discussions with the Chief Constable regarding the query raised and as the disposals policy was currently under review it was not possible to provide any further information at this time, however suggested that the force could attend a

future meeting to discuss. It was agreed that the topic should be placed on the agenda for the next meeting.

5 Media Report

S White, Acting Police, Crime and Victims' Commissioner introduced and welcomed L Constantine who had been recently appointed to the role of Media and Engagement Officer.

The Media and Engagement Officer proceeded to provide an update of press coverage concerning the work of the Police, Crime and Victims' Commissioner since the previous meeting (for copy see file of Minutes).

S White commented that he wished to highlight that despite the prolonged lockdown period, engagement and consultation had still been undertaken and in order to reach those people who would not normally engage, radio had also been used as a platform to get the key messages out to as many people as possible.

Resolved: That the report be noted.

6 PCVC Proposed Precept

The Panel considered a report of the Office of the Police, Crime and Victims' Commissioner which updated the Panel on the process for setting the Policing precept for 2021/22, and sought the Panel's support for an increase of £15 per household per year for properties in Band D, and commensurate increases for other properties (for copy see file of Minutes).

G Ridley, Chief Finance Officer highlighted key pressures on the revenue budget whilst noting that government funding, which was reviewed every 12 months by government, provided for a Police Grant increase of 3.5% to £97.8m, allowing for an additional 68 Police Officers to be employed within Durham and Darlington. However, no additional funding would be provided beyond that.

He went on to explain that in order to achieve a balanced budget for 2021/22 (£140.4m), it would be necessary to increase the precept by the maximum permitted; £15 per household, per year (Band D).

The Acting PCVC explained that in terms of planning and looking ahead many assumptions were factored into budget forecasting as funding was only provided for a period of 12 months, which made looking ahead far more challenging.

He further noted that consultation on the precept had been stifled because of the ongoing situation with COVID-19, however the PCVC had ran an online survey and had undertaken awareness raising via social media and radio.

The Chair invited the Clerk to the Panel to set out the procedure and process when considering the precept report. The Clerk to the Panel confirmed the timescales to consider the proposed precept in accordance with the Regulations. The Clerk outlined the option of the Panel to veto the proposal and that this would require agreement by two thirds of the full membership to veto (for copy see file of Minutes).

Councillor Boyes commented that he wished to congratulate the PCVC on the level of consultation undertaken, whilst noting that the results were not clear cut showed an indication of the times we were living in and highlighted that many people in County Durham were struggling. He therefore queried whether there were any in-force efficiencies that could be achieved or reviewed, for example the police vehicle fleet. Despite that he added that he supported the proposed increase.

Councillor Wallis raised a number of queries, the first being regarding funding settlements; secondly, whether statistics were available regarding consultation responders and whilst recognising that there was increased poverty in our communities, if the Panel chose not to support the increase what areas of the budget would not be funded and would it be possible to utilise reserves to meet those budget needs.

In response the Acting PCVC advised that the current funding formula was significantly outdated, and in many cases unfair when compared to other forces across the country. However, it was interesting to note that similar issues were reflected across the country, with 70% of PCC's proposing a maximum precept rise in 2021/22. He added that whilst he acknowledged that an increase shouldn't necessarily be the first thing that we always want, the force was still dealing with a significant period of 10 years of reduced funding against a picture of increased policing demand.

He further provided details as to the impact on the budget and policing should a lower or nil increase be agreed, highlighting that increased hardship often resulted in increased policing demand. If the precept was raised by only £10 there would be around 20% less PCSO's and Police Officer recruitment targets would not be met.

Further discussion ensued regarding use of reserves and the Acting PCVC explained that if reserves were used this year to fund the budget shortfall this would leave a larger budget deficit based on the assumptions forecast over the next 3 years. In relation to the query raised as to who the consultation was reaching, he explained that the young and old were the hardest groups

to engage with, however these groups had been targeted and it was promising to note that 900 18-34yr olds had responded. In addition, ethnic minority groups, also provided 300 responses to the consultation, a category group which had been previously hard to reach.

Councillor Nicholson added that in her area she knew all too well that people who were working were struggling financially and were visiting foodbanks for additional help. She therefore felt that whilst a small monthly increase it was one that added additional pressure to those already struggling and therefore added that she would struggle to support the proposed £15 increase.

Councillor Jones added that whilst he understood the points raised regarding those in our communities who were struggling financially, people did want an efficient police service and therefore felt it would be wrong to deny the increase.

Mr Dodwell commented that from experience where charges had been frozen for a period of a year it created year on year problems going forward.

Councillor Dulston further echoed the comments of Councillor Boyes regarding how the message regarding custody provision improvements was communicated and furthermore echoed those comments made regarding the use of reserves to fund the budget shortfall in 2021/22.

Moved by Councillor Boyes, **Seconded** by Councillor Jones and

Resolved:

- (i) That the current position of the consultation and the expected outcome be noted;
- (ii) That the proposed £15 precept increase at Band D with the same percentage applied to all Council Tax bands be approved;
- (iii) That there be no veto of the Acting PCVC proposal;
- (iv) That the Chairman respond to the Acting PCVC and the response be published online.

7 PCVC Decision Records

The Panel considered a report of the Acting Police, Crime and Victims' Commissioner which provided an update on the Police, Crime and Victims' Commissioner's decision register for 2020-2021, and addressed the forward plan (for copy see file of Minutes).

Resolved: That the content of the report be noted.

8 Quarterly Performance Report

The Panel considered a report of the Durham Police, Crime and Victims' Commissioner's Office which provided performance against the Police, Crime and Victims' Plan 2018-2021 (for copy see file of minutes).

Councillor Savory at this point declared an interest in the item, specifically points raised regarding Community Speedwatch as he she had been involved with this project in her division at Wear Valley.

Councillor Boyes in referencing page 8, paragraph 29 of the report asked for some clarity to be provided regarding the way in which crime was recorded as he had concerns that if there was not a consistent approach across the country it made the job of comparing and contrasting figures extremely difficult. He went on to raise a second point relating to mental health and drug and alcohol issues and how it was perceived that having the public health budget taken away from the council next year would impact Durham on a crime level.

In response the Acting PCVC responded by noting his shared frustration regarding performance reporting, given that it had been a topic of discussion for many years. However, it was positive to note that Durham was good at reporting and this was evident when it had been found to be an efficient and effective force. As a result of Durham's reporting mechanisms being so accurate this did have the tendency to skew figures somewhat, however he was confident that the Chief led a force that which was at the top end of performance. It was further suggested that the Chief be invited to attend a future meeting to discuss in more depth.

With regards to the second point raised, the Acting PCVC noted his shared concerns regarding the loss of Public Health funding and reduction in support that would be available to those who needed it.

Resolved: That the content of the report be noted.

9 Commissioning Activity

The Panel considered a report of the Acting Police, Crime and Victims' Commissioner which provided an update to Panel Members regarding key decisions and considerations at the Commissioning Boards held between 1st October 2020 and 31st January 2021 (for copy see file of Minutes).

Resolved: That the content of the report be noted.

10 Joint Independent Audit Committee Report

The Panel considered a report of the Acting Police, Crime and Victims' Commissioner which provide an update on a recent report taken to the Joint Independent Audit Committee (JIAC) in respect of use of consultants by the Office of Police, Crime & Victims Commissioner for Durham, as well as by Durham Constabulary (for copy see file of Minutes).

Resolved: That the content of the report be noted and accepted.

11 Complaints Update

The Panel considered a report of the Monitoring Officer and Clerk to the Police and Crime Panel which provided an update on the implementation on the procedure for handling complaints relating to the Police, Crime and Victims Commissioner (PCVC) or the Deputy Police, Crime and Victims Commissioner (where appointed) and to provide an update on the number of formal complaints received since the last meeting. (for copy see file of Minutes).

Resolved: That the content of the report be noted.

12 HMICFRS Inspection Reports

The Panel considered a report of the Acting Police, Crime and Victims' Commissioner's Office which outlined the findings of the recent inspections conducted by Her Majesty's Inspectorate of Constabulary and Fire and Rescue Services (HMICFRS), upon which Police & Crime Commissioners are required to comment (for copy see file of Minutes).

Resolved: That the Police and Crime Panel notes

- (i) the content of the inspection report.
- (ii) that all HMICFRS inspections were postponed due to the initial COVID-19 emergency but resumed in October 2020.

Police and Crime Panel**12th March 2021****Media Report****Report of the Acting Police, Crime and Victims' Commissioner****1. Purpose**

This paper provides an update of press and social media coverage concerning the work of the Police, Crime and Victims' Commissioner since the previous meeting.

2. Top press releases published

Press releases published since the last meeting include:

- Further support provided to victims that are experiencing court delays
- Durham officers among first to carry life-saving drug which will temporarily overcome the effects of a drug overdose
 - Naloxone feature was broadcast on ITV Tyne Tees 27th Jan 2021. Included a pre-record interview with APCVC
- Funding lifeline for local group to deliver online workshops around community safety
- Overwhelming majority support given for increase in police element of Council Tax
- RSACC launches its first radio ad campaign to support survivors during COVID-19 lockdown
- Darlington's youth offending team rated 'outstanding'
- Extra funding for services providing support for victims of domestic abuse and sexual violence
- Local project to discourage speeding in Hunwick wins PCVC support
- PCVC's office 'highly commended' for transparency and openness

Key publications include Northern Echo, Chronicle Live, Aycliffe Today, Sunderland Echo, Newton News, Police Oracle.

3. Social media activity

- 7615 followers on Twitter (6th highest number amongst PCCs)
- 5656 followers and 5189 likes on Facebook (2nd highest number amongst PCCs)
- 547 followers on the PCVC Instagram Account (6th highest number amongst PCCs)

Top social media posts between (01.02.21 - 26.02.21)

Top tweets:

- 4.7k reach – At home shouldn't mean at risk #YouAreNotAlone
- 1.7k reach – Safer Streets Fund
- 998 reach – Additional funding available for services
- 800 reach – Recruiting for a Policy and Commissioning Assistant

Top Facebook posts:

- 6.7k reach – Safer Streets Fund
- 861 reach - Recruiting for a Policy and Commissioning Assistant
- 477 reach – February Office Newsletter

Top Instagram posts:

- 104 reach – Road Safety, stopping distances
- 102 reach – CoPaCC Openness and Transparency Award
- 99 reach – Safer Internet Day

4. Columns

- Durham Advertiser/Teesdale Mercury/Weardale Community News
 - Roadmap out of lockdown and urge to comply with restrictions
- One Darlington Magazine
 - Safer Streets Scheme

5. Recommendations

Panel Members are recommended to note the information contained in this report.

Lucy Constantine (Senior Media Officer) / **Simon Hahn** (Digital Media Officer)

Appendix 1: Risks and Implications

Finance

None

Staffing

None

Equality and Diversity

None

Accommodation

None

Crime and Disorder

None

Children's Act 2004

None

Stakeholder/Community Engagement

None

Environment

None

Collaboration and Partnerships

None

Value for Money and Productivity

None

Potential Impact on Police and Crime Plan Priorities

Positive coverage of activity will help to boost confidence in policing.

Commissioning

None

Other risks

None

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Report to Police and Crime Panel**12 March 2021****Report of Acting Police, Crime and Victims' Commissioner****2021/22 Revenue and Capital Budgets****Purpose of Report**

1. To present to Panel the revenue and capital budgets for 2021/22.

Background

2. The Acting PCVC has set the budget for 2021/22 which is underpinned by a £15 Band D precept rise, which has been agreed by the Panel at the meeting held on 4th February 2021.
3. The appendix to this report shows the detailed budget papers, and these will be presented at the meeting. Within the detail of the budget, a number of key points to share with the panel, which were discussed on the last meeting when the precept increase was agreed.

These are as follows:

- a) The police officer uplift programme has provided funding for an addition 68 new officer recruits during 2021/22. The budget includes provision for an additional 14 officers. These have been recruited from other forces and are experienced officers who will not be required to be trained or attend university as is now required for all probationer constables. These transferred officers are more expensive to employ than new recruits, however, they bring with them much needed skills in terms of detective experience and custody management experience and they have been able to “hit the ground running”.
- b) The Force normally recruits PCSO's in December each year. In 2021/22 this will be brought forward to June, with an estimated intake of up to 20 new recruits . A recruitment exercise is underway with the Force receiving 179 applications of which 97 will be interviewed between late February and early March. The bringing forward of PCSO recruitment will become normalised in future with the planning assumption of an intake in April 2022.

PROTECT

- c) The Force will continue to over recruit to vacant call handler posts to minimise vacancies to improve service delivery. This will complement investment in the control room in terms of increased capacity regarding telephone investigation.
- d) The Force has commenced recruitment of additional posts to manage domestic abuse demand and these posts are expected to be filled in April / May. This will give additional capacity and capability to this service area.
- e) The Force has procured additional technology for officers, i.e. new body worn devices to replace existing devices which are now approaching end of life. The new devices offer additional functionality in terms of the quality of video footage, the ability to download footage simply to attach to case files and also increase the storage of video footage to allow for expected growth in digital evidence.

Recommendation

- 4. The Panel is recommended to consider the report.

Gary Ridley

Chief Finance Officer

Appendix 1: Risks and Implications

Finance

As outlined in the report.

Staffing

As outlined in the report, with recruitment being dependent on suitable applicants being recruited.

Equality and Diversity

n/a

Accommodation

n/a

Crime and Disorder

n/a

Children's Act 2004

n/a

Stakeholder/Community Engagement

n/a

Environment

n/a

Collaboration and Partnerships

n/a

Value for Money and Productivity

n/a

Potential Impact on Police and Crime Plan Priorities

n/a

Commissioning

n/a

Other risks

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Executive Board

18 February 2021

Revenue & Capital Budgets 2021/22

Medium Term Financial Plan 2021/22 to 2024/25

Revenue & Capital Budgets 2020/21



Joint Report of PCVC Chief Finance Officer and Chief Constable

Introduction

- The purpose of this report is to enable the Police Crime and Victims' Commissioner (PCVC) to:
 - Set the revenue budget and issue the policing precept for 2021/22,
 - Approve the capital budget for 2021/22,
 - Approve the revised revenue & capital budgets for 2020/21,
 - Approve the treasury management policy and strategy for 2021/22,
 - Approve the medium term financial plan,
 - Consider the robustness of the estimates and adequacy of reserves.
- The covering report is divided into the following sections:
 - Background
 - Grant Settlement
 - 2021/22 Council Tax requirement
 - Reserves
 - Key risks
 - Cost control
 - Capital Budget
 - Medium term Financial Plan 2021/22 to 2024/25
- The Prudential Code is included in appendix 2
- The Medium-Term Financial Plan is attached as appendix 3
- Appendix 4 gives details of the robustness of the estimates

Background

- The financial settlement for 2021/22 (received December 2020) announced a further increase in Government funding to Police Forces to compensate for the uplift in Police Officer numbers.
- The Medium Term Financial Plan in Appendix 3 outlines estimated future year's funding levels. Whilst a balanced budget for the next 3 financial years can be achieved under the proposed spending plan, this is based on the estimated funding levels continuing for the uplift programme. However years 4 and beyond give risk to rapidly rising deficits including funding the capital programme.
- The settlement allowed a Council Tax increase of £15 for Band D for 2021/22. Whilst recognising the impact of any increase in Council Tax on the finances of households in County Durham and Darlington, in view of the future budgetary challenges referred to later, it is the view of officers that it is more important than ever, so far as is possible, to protect the base budget by increasing the Council Tax.
- The Government have announced that they intend to review the police funding formula allocation between Forces for future years. Our understanding, based on previous exemplifications published in 2015, is that Durham could potentially lose up to £10m per annum from the changes. In terms of timing, any new formula could only be introduced in 2023/24 at the earliest. A separate report has been produced showing how such a reduction would be financed.

Grant Settlement

- The final Local Government Finance Settlement, together with the Police Grant Report for 2021/22, has been put before the House of Commons. Central funding for 2021/22 has been set at £100.12m, an increase of £4.64m from 2020/21. This increase is to fund the uplift of police officers and includes £1.100m in ring-fenced grant which will only be released when the target for the officer uplift for the year is reached. This represents a challenge for the Force and a recruitment timetable has been agreed which will be monitored internally and nationally. The Settlement for future years is based on current best estimates and includes further funding for additional uplift of officers. It is not known whether future years will include any portion of ring-fenced grant.
- Government has announced a £670m grant to compensate Local Authorities, Police and Crime Commissioners/Forces and Fire and Rescue services for loss of tax base income. The Office of the Police and Crime Commissioner for Durham's share of this is £1.059m. It is proposed that this grant be spread over the three coming financial years in order to mitigate the loss of tax base growth, which is expected to extend over more than one year. An additional amount was received in 2020/21 in relation to loss of in year council tax.

	2020/21 £000	2021/22 £000	2022/23 £000	2023/24 £000	2024/25 £000
Police Grant	46,406	49,584	50,684	55,184	55,184
Ring-fenced Grant	1,896	1,100	4,500	-	-

	2020/21 £000	2021/22 £000	2022/23 £000	2023/24 £000	2024/25 £000
DCLG General Grant	39,805	42,061	42,061	42,061	42,061
Legacy Council Tax Freeze Grants	6,110	6,110	6,110	6,110	6,110
Pension Grant	1,260	1,260	1,260	1,260	1,260
COVID grant	359	353	353	353	-
Central Gov't Funding	95,836	100,468	104,968	104,968	104,615

- As well as general grant, there will continue to be other specific grants in 2021/22 for example capital grant and counter terrorism grant.
- The Ring-fenced grant is specifically used to fund the increase in office numbers and so is already deducted from the PCVC's budget requirements.
- The government has announced the 2021/22 Council Tax capping criteria at £15. This report notes the precept has been agreed at a £15 increase at Band D.
- Every 1% variation in the Band D Council Tax affects the Council Tax Requirement by £0.38m. A £15 increase in Council Tax, which is the maximum increase recommended to avoid a referendum and is a 6.97% rise, would result in an increase to the base budget of £2.63m for every year in the future. This would increase the Band D precept from £215.24 to £230.24 per annum, an increase of £15 per annum, which is 29p per week. The impact on the majority of households in County Durham and Darlington which are Band A properties, would be an increase of £10 from £143.49 to £153.49 per annum, which is equivalent to 19p per week.
- The Government has continued with a number of 'top sliced' funding streams totalling £1.1bn in 2021/22.
- Police capital grant has remained at £0.133m. To maintain investments in new assets this must be supplemented by revenue contributions to capital and use of capital receipts.

2021/22 Council Tax Requirement

- The '*council tax bases*' of Durham County Council and Darlington Borough Council are used to calculate the proportion of the PCVC's total precept levied on each Council. The tax base is the estimated full year equivalent number of chargeable Band D dwellings with two or more liable adults and in respect of which tax will be received. The '*council tax bases*' for 2021/22, determined by the relevant authorities and notified to the Police and Crime Commissioner, are as follows:

Council	Notified Council Tax Base
Durham County	141,623.20
Darlington	33,479.60
Aggregate Council Tax Base	175,102.80

- The Basic Council Tax for the Office of the Police and Crime Commissioner (OPCC) is calculated by dividing the precept by the aggregate of tax base.

$$\frac{\text{Council Tax Requirement}}{\text{Aggregate Council Tax Base}} = \begin{array}{l} \text{Basic Council Tax} \\ (\text{At Band D}) \end{array}$$

- An increase of £15 in Band D Council Tax would result in a budget of £139,350,803.

	£	£
PCVC's Budget Requirement (based on an increase in Basic Council Tax of £10 band D)		139,350,803
Less:		
Specific Grant	49,583,706	
DCLG Grant	42,061,171	
Pension Grant	1,260,381	
Legacy Council Tax Grants	6,110,124	
COVID 19 grant	353,159	
		99,368,541
		39,982,262
less:		
Estimated overall net deficit on Collection Funds at 31 st March 2021		333,407
Council Tax Requirement		40,315,669

This would mean a council tax of:

$$\frac{\text{£40,315,669}}{\text{175,102.80}} = \text{£230.24}$$

- The Council Tax Requirement has been set at a level that results in a £15 increase in Band D Council Tax for the year ending 31st March 2022 and**
 - That in determining the Council Tax Requirement, the PCVC notes the PCVC Chief Finance Officer's report on the robustness of the estimates and the adequacy of reserves and risks in the budget, attached as Appendices 3 and 4.
 - The 'council tax base' for the whole of the Force area of County Durham and Darlington will be **175,102.80**.
 - The 'basic amount of council tax' be £230.24 and the amount of council tax for each category of dwelling will be as follows:

Valuation Band	(Proportion of Basic Amount)	Council Tax 2020/21
		£
A	(6/9)	153.49
B	(7/9)	179.08
C	(8/9)	204.66
D	Basic Amount)	230.24
E	(11/9)	281.40
F	(13/9)	332.57
G	(15/9)	383.73
H	(18/9)	460.48

- The Budget Requirement is £135,812,157 and that after taking account of Police Specific Grant of £48,301,309, DCLG of £39,804,922, Pension Grant of £1,260,381 and Legacy Council Tax Grants of £6,110,124, precepts totalling £40,315,669 be issued to Authorities as follows:

Council	Council Tax Base	Precept (£)
Durham County	141,623.20	32,607,326
Darlington	33,479.60	7,708,343
	175,102.80	40,315,669

- Precept Instalments: Discussions with the Treasurers of the Collecting Authorities have taken place, and the dates for the payment of the precept in ten equal instalments are as follows:

(a) Durham County Council

- 6 April 2021
- 4 May 2021
- 2 June 2021
- 2 July 2021
- 2 August 2021
- 2 September 2021
- 4 October 2021
- 2 November 2021
- 3 December 2021
- 5 January 2022

(b) Darlington Borough Council

- 19 April 2021
- 25 May 2021
- 30 June 2021
- 4 August 2021
- 9 September 2021
- 14 October 2021
- 18 November 2021
- 23 December 2021
- 1 February 2022
- 8 March 2022

The precept has been consulted on and proposed by the PCVC.

Level of Financial Reserves

- To ensure ongoing financial viability it is important that the Police Crime and Victims' Commissioner continues to maintain a suitable level of reserves. Whilst there is no general guidance on what represents a suitable level of reserves in percentage terms, it is important to take into account the various risks to be faced when coming to a view on reserve levels. It is the view of Chief Finance Officer (for the PCVC and Chief Constable) that general reserves should not be used to support day to day expenditure given: the level of funding uncertainty in future years (where the grant allocation has not been confirmed by the Home Office); localisation of council tax benefit; rising costs and council tax capping limits. Reserves should only be used to invest in capital expenditure or invest in expenditure which will lead to clear efficiencies.
- The current policy statement on the level of reserves includes the following:
 - The Police Crime and Victims' Commissioner will set aside sufficient sums in earmarked reserves as it considered prudent to do so. The PCVC Chief Finance Officer will be authorised to establish such reserves as are required, will review them for both adequacy and purpose, and report on a regular basis to the Police Crime and Victims' Commissioner.
 - The Police Crime and Victims' Commissioner will aim to maintain, broadly, general reserves of between 4% and 5% of the revenue estimates which are currently about £5.574m and £6.948m respectively (based on 2021/22 revenue funding of £139.812m) subject to an annual review by the PCVC Chief Finance Officer as part of the budget process.
- The following tables show the estimated movement in financial reserves over the period to 31st March 2024 assuming a £15 Band D Council Tax increase for 2021/22 and then 1.98% for future years.

Summary of Total Reserves

Financial Reserves	Balance 31/3/20 £'000	Move 2020/21 £'000	Est Balance 31/3/21 £'000	Move 2021/22 £'000	Est Balance 31/3/22 £'000	Move 2022/23 £'000	Est Balance 31/3/23 £'000	Move 2023/24 £'000	Est Balance 31/3/24 £'000
General	6,559	-	6,559	-	6,559	-	6,559	-	6,559
Capital Grants Unapplied	2,269	133	2,402	(221)	2,181	(2,076)	105	-	105
Capital Contribut'ns	54	-	54	-	54	(54)	-	-	-
Capital Receipt	16,138	100	16,238	(9,224)	7,014	(7,014)	-	-	-
Earmarked	5,734	2,411	8,145	-	8,145	(3,604)	4,541	(3,723)	818
Total Reserves	30,754	2,644	33,398	(9,445)	23,953	(12,748)	11,205	(8,323)	7,482

The expected use of reserves is as follows:

- £9.445m to fund capital expenditure in 2021/22
- £12.784m to fund capital expenditure in 2022/23
- £8.323 to fund capital expenditure in 2023/24

The above usage is to fund the draft capital programme and will be subject to regular review. This usage shows a significant reduction in reserves.

Key Risks

- The following key risks with associated mitigating action and responsible persons are included within the medium term financial plan (see appendices 3 and 4 for more details):
 - Revised allocation formula between Forces,
 - An ageing estate portfolio putting increased pressure on facilities management budgets,
 - Police officer capacity to respond to service demands,
 - Flexibility to move police resources to areas of need,
 - Demand continues to rise and change,
 - Collaboration may require up-front costs of change,
 - Uncertainty about partners' future budget plans,
 - The impact of any move to multiyear pay awards,
 - Uncertainty in relation to future pension costs,
 - Adequate future funding of uplift.

Cost Control

Given the continual impact of austerity, cost control is more important than ever. External audit review Value for Money arrangements each year and give the PCVC and Chief Constable positive assurance in this regard. Internal audit also review financial controls and financial planning assumptions on a regular basis and their last report gave substantial assurance to the Chief Constable.

Specifically the following controls are in place:

- Monthly budget reviews are carried out in each Command.
- The Chief Finance Officer reviews the overall Force and PCVC budgets each quarter.
- Overtime is reviewed by the Force Executive and each Command monthly.
- Detailed outturn reports are produced quarterly.
- Experienced and qualified Finance staff work closely with the Commanders and Executive officers.
- The Deputy Chief Constable and Assistant Chief Officer chair the Strategic Resource Group which controls overall officer and staff numbers to ensure they remain in line with budget.
- Benchmarking is carried out regularly eg use of the VFM profiles and other external data.

- Commissioning Boards for both the PCVC and Chief Constable are in place to ensure planned changes in resources and grants are carefully considered.

Capital Budget 2021/22

Prudential Code (including Treasury Management)

- Under the Prudential Code for Capital Expenditure, the PCVC is free to make borrowing decisions according to what is affordable. The proposed capital programme for new starts and carry forward in 2021/22 totals £13.157m of which part could be met with a contribution from Capital Receipts Unapplied. In order to reduce the impact on the 2021/22 budget, the Council Tax Requirement has been compiled on the assumption that capital receipts and a revenue contribution to capital will be used to finance the capital budget after taking account of capital grant. Technical recommendations relating to the Code are set out in Appendix 2.
- The Prudential Code for Capital Finance in Local Authorities was introduced with effect from 1 April 2004. The key objectives of the Prudential Code are to ensure that within a clear framework the capital investment plans of the PCVC are affordable, prudent and sustainable.
- A further key objective is to ensure that treasury management decisions are taken in accordance with good professional practice and in a manner that supports prudence, affordability and sustainability. Details of the requirements of the Code are included in Appendix 2 and the recommended limits are detailed below for consideration.
- **It is recommended that the PCVC considers prudential borrowing and treasury management arrangements outlined in Appendix 2 and affirms them as the basis on which such business will be conducted in 2021/22 in order to facilitate the major capital programme outlined in the Medium Term Financial Plan.**
- The 2020/21 capital programme is progressing. The revenue consequences of this programme have been taken into account in the 2021/22 budget and medium term financial plan. Certain projects are committed but not yet fully delivered and it is therefore necessary to allow a carry forward into 2021/22.
- **It is recommended that the PCVC agrees the carry forward of underspends on the 2020/21 capital programme.**

Considerations under the Prudential Code

- In considering the programme for capital investment, under the Prudential Code, the PCVC is required to have regard to the following matters:
 - Affordability, e.g. implications for Council Tax. The prudential indicators have been set assuming a Council Tax increase of £15 in 2021/22 and 1.98% in subsequent years.
 - Prudence and sustainability, e.g. implications for external borrowing. The implication for external borrowing of the PCVC's capital spending plans has been assessed as both prudent and sustainable in the long term.
 - Value for money.

- Stewardship of assets.
- Service objectives, e.g. strategic planning for the PCVC and the Force. The PCVC has a medium term financial plan that is updated annually and that helps to ensure that both service and corporate objectives are taken account of as part of the budgetary process.
- Practicality, e.g. achievability of the forward plan. The current capital plan is deemed to be achievable.
- The 2021/22 capital programme is considered to be both realistic and achievable.
- The revised capital budget for the years 2020/21 and the proposed capital expenditure for 2021/22 to 2022/23 are detailed in the table below.

	Outturn 2020/21 £'000	Estimate 2021/22 £'000	Estimate 2022/23 £'000	Estimate 2023/24 £'000	Estimate 2024/25 £'000
Expenditure					
Buildings: Major works	1,200	5,775	14,416	0	0
Buildings: Minor Works	760	1,221	500	500	500
Buildings carry forward from prior year		1,530	0	0	0
Vehicles	1,643	1,300	1,300	1,300	1,300
Vehicle carry forward from prior year	0	70	0	0	0
ICT	2,172	1,571	1,620	2,634	4,511
ICT carry forward from prior year	0	1,550	0	0	0
Equipment	154	140	350	50	270
Total	5,929	13,157	18,186	4,484	6,581
Funding					
Capital Grant	0	0	2,209	133	133
Special Grant	116	324	0	0	0
Capital Receipts	0	9,324	7,168	100	100
Revenue Contribution	5,812	3,509	5,205	528	5,907
Strategic Reserve	0	0	3,604	3,723	441
Self-Financed Borrowing	0	0	0	0	0
Total	5,928	13,157	18,186	4,484	6,581
Capital Financing Costs					
Minimum Revenue Provision	325	325	325	325	70
Revenue Contribution	5,812	3,509	5,205	528	5,907
Contribution from Reserves	0	0	3,604	3,723	441
Interest Charges	258	258	258	258	258
Total	6,395	4,092	9,392	4,834	6,676

Further work is underway to deliver the Asset Strategy and ICT Strategy which will act as a guide for future investment.

Medium Term Financial Plan 2021/22 to 2024/25

- The updated Medium Term Financial Plan is attached as Appendix 3.
- Council Tax increases are assumed at £15 for 2021/22 and then 1.98% for 2022/23 and beyond.
- The Local Government Provisional Finance Settlement provides details of formula grant levels for 2021/22. Settlement figures for 2022/23 onwards assume further increases to support the uplift in police officer numbers for two years.

Acknowledgement

The preparation of this budget for the PCVC has required a great deal of effort by many people. We would like to express our sincere thanks to the Chief Constable's staff and the PCVC Chief Finance Officer's staff for their invaluable support and assistance.

G Ridley

PCVC Chief Finance Officer

J Farrell

Chief Constable

Appendix 1: Risks and Implications

Finance

These are contained in the main body of the report.

Staffing

The budgetary implications for staffing are dealt within the MTFP.

Equality and Diversity

N/A

Accommodation

The capital budget has implications for the way in which accommodation will be delivered in the future.

Crime and Disorder

N/A

Human Rights

N/A

Children's Act 2004

N/A

Stakeholder/Community Engagement

A number of public consultation meetings were held to invite views on budget setting and the level of precept.

Environment

N/A

Collaboration

A full and developing programme of collaboration is in place to effectively manage austerity. The Constabulary Programme Boards will oversee VFM and productivity in relation to the delivery of the 2021/22 budget.

Value for Money and Productivity

N/A

Other risks

N/A

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PRUDENTIAL CODE

Background

1. The framework of the prudential capital finance system, which came into effect from 1st April 2004, is contained in the Local Government Act 2003. Under the Act, Government borrowing controls based on “credit approvals” were abolished with effect from 1st April 2004. The PCVC is now free to borrow and take out leases without Government consent, provided these commitments can be afforded. The Prudential Code is designed to guide the PCVC’s decision on what can be afforded. The Local Authorities (Capital Finance and Accounting) (England) Regulations 2003 specifies the Prudential Code for Capital Finance in Local Authorities, issued by CIPFA, as the code of practice to which local authorities must have regard when setting and reviewing their affordable borrowing limit.
2. The key objectives of the Prudential Code are to ensure that within a clear framework the capital investment plans of the PCVC are affordable, prudent and sustainable. A further key objective is to ensure that treasury management decisions are taken in accordance with good professional practice and in a manner that supports prudence, affordability and sustainability.
3. To demonstrate that the above objectives have been fulfilled the Prudential Code sets out the indicators that must be used, and the factors that must be taken into account. The Code does not include limits; these are for the PCVC to set.
4. Previously, credit approvals from Central Government set the limit of a local authority’s long-term borrowing and attracted Revenue Support Grant (RSG) towards the financing costs of loans (interest and repayment of principal). Under the current system, unless, exceptionally, a national limit is imposed, the PCVC is free to make his own borrowing decisions according to what can be afforded. Concerning borrowing up to 2010/11, Central Government support for borrowing through Formula Grant was given on the basis of a named amount of capital expenditure which borrowing will support. With effect from 2011/12 the Government determined that no new supported borrowing allocations would be made in the Spending Review period. Government support is now given in the form of capital grant only. The PCVC will take the totality of Central Government support into account in setting prudential limits.

Prudential Indicators

5. The capital expenditure estimates to be incurred for the current and future years are outlined below:

	Outturn 2020/21 £'000	Estimate 2021/22 £'000	Estimate 2022/23 £'000	Estimate 2023/24 £'000	Estimate 2024/25 £'000
Expenditure	5,929	13,157	18,186	4,484	6,581

6. Estimates of the ratio of financing costs to net revenue stream for the current and future years are:

	Outturn 2020/21	Estimate 2021/22	Estimate 2022/23	Estimate 2023/24	Estimate 2024/25
	%	%	%	%	%
Ratio of Financing Costs to Net Revenue Stream	4.86%	3.01%	6.63%	3.28%	4.50%
Financing Costs (£'000)	6,395	4,092	9,392	4,834	6,676
Net Revenue Stream (£'000)	131,684	135,811	141,599	147,236	148,366

The indicator takes into account minimum revenue provision and any contributions from reserves. The net revenue stream is the amount raised from local taxation and non-specific grant income.

7. Estimates of the current and future years Capital Financing Requirement are:

	Outturn 2020/21 £'000	Estimate 2021/22 £'000	Estimate 2022/23 £'000	Estimate 2023/24 £'000	Estimate 2024/25 £'000
Capital Financing Requirement	13,113	12,788	12,463	12,139	12,069

The Capital Financing Requirement measures the underlying need to borrow for a capital purpose. The PCVC has an integrated treasury management strategy and has adopted the CIPFA Code of Practice for Treasury Management in the Public Services. The PCVC's treasury management strategy and annual plan for 2021/22 is part of this Section (see paragraph 21 onwards).

The PCVC has at any point in time a number of cash flows both positive and negative, and manages the treasury position in terms of borrowings and investments in accordance with the approved treasury management strategy. In day-to-day cash management no distinction can be made between revenue cash and capital cash. External borrowing arises as a consequence of all the financial transactions and not simply those arising from capital spending. In contrast the Capital Financing Requirement reflects the PCVC's underlying need to borrow for a capital purpose.

8. CIPFA's Prudential Code for Capital Finance includes the following as a key indicator of prudence:

"In order to ensure that over the medium term net borrowing will only be for a capital purpose the PCVC should ensure that gross external borrowing does not, except in the short term, exceed the total of capital financing requirement in the preceding year plus the estimates of any additional capital financing requirement for the current and next two financial years."

Minimum Revenue Provision (MRP) Statement

9. Previously local authorities were required to set aside some of their revenue as provision for repayment of debt. MRP was calculated each year subject to a minimum of 4% of capital financing requirement at the start of the year.
10. These rules have been replaced with a duty for an authority to provide for an amount of MRP which is considered to be "prudent". CLG has issued guidance on MRP. The regulations do not define "prudent provision".
11. The guidance explains that the broad aim of prudent provision is to ensure that debt is repaid over a period that is reasonably close to the time over which the capital expenditure will provide benefits. In the case of borrowing supported by Government through the Formula Grant system, it would be reasonable to link the period of making provision of the grant, which is 4% of the estimated supported capital expenditure and 4% equates to the repayment of debt over 25 years.
12. MRP should normally start in the financial year following the one in which the expenditure was incurred.
13. The Secretary of State recommends that a Statement of Methodology to be used by authorities be approved by the PCVC before the start of each financial year.

14. It is recommended when determining the minimum revenue provision:

- a. **Option 2: CFR Method (MRP is equal to 4% of the non-housing capital finance requirement at the end of the preceding financial year) is used in relation to all capital expenditure before 1st April 2008, but only for capital expenditure financed by supported borrowing during 1st April 2008 to 31st March 2011.**
- b. **Option 3: Asset Life Method (MRP is based on the life of the asset) is used for capital expenditure financed by unsupported borrowing after 1st April 2008.**

External Debt

15. In respect of external debt, it is recommended that the PCVC approves the following Authorised Limits for total external debt, gross of investments, for the next three financial years. These limits separately identify borrowing from other long-term liabilities such as finance leases. The limits are consistent with the capital financing requirement.

Authorised Limits	Outturn 2020/21 £'m	Estimate 2021/22 £'m	Estimate 2022/23 £'m	Estimate 2023/24 £'m	Estimate 2024/25 £'m
Borrowing	18.1	17.8	17.5	17.1	17.1
Long term Liabilities	0.0	0.0	0.0	0.0	0.0
Total	18.1	17.8	17.5	17.1	17.1

16. The Authorised Limits are consistent with the PCVC's current commitments, existing plans and the proposals in this budget report for capital expenditure and financing, and with the approved Treasury Management policy statement and practices. They are based on the estimate of most likely, prudent but not worst-case scenario, with the addition of sufficient headroom over and above this to allow for operational management. An assessment of risk has been taken into account, as have plans for capital expenditure, estimates of the Capital Financing Requirement and estimates of cash flow requirements.
17. The proposed Operational Boundary for external debt is based on the same estimates as the Authorised Limit but reflects directly the PCVC Chief Finance Officer's estimate of the most likely prudent but not worst case scenario, without the additional headroom included within the Authorised Limit. The Operational Boundary represents a key management tool for in year monitoring by the PCVC Chief Finance Officer. Within the Operational Boundary, figures for borrowing and other long-term liabilities are separately identified.

Operational Boundary for External Debt	Outturn 2020/21 £'m	Estimate 2021/22 £'m	Estimate 2022/23 £'m	Estimate 2023/24 £'m	Estimate 2024/25 £'m
Borrowing	13.1	12.8	12.5	12.1	12.1
Long term Liabilities	0.0	0.0	0.0	0.0	0.0
Total	13.1	12.8	12.5	12.1	12.1

Council Tax

18. The Prudential Indicators have been calculated assuming a £15 increase in 2021/22 and 1.98% for 2022/23 and beyond.
19. The capital programme is funded by a mix of capital grants, contributions from earmarked reserves and borrowing under the prudential code.
20. The estimate of the incremental impact of this prudential borrowing, over and above capital investment decisions that have previously been taken by the Authority for Band D Council Tax, are:

	Outturn 2020/21	Estimate 2021/22	Estimate 2022/23
	%	%	%
Incremental Impact on Band D Council Tax	0.00%	0.00%	0.00%

Treasury Management

21. The CIPFA Code of Practice for Treasury Management in the Public Services makes the following key recommendations:

- (i) Public service organisations should put in place formal and comprehensive objectives, policies and practices, strategies and reporting arrangements for the effective management and control of their treasury management activities.
 - (ii) Their policies and practices should make clear that the effective management and control of risk are prime objectives of their treasury management activities.
 - (iii) They should acknowledge that the pursuit of best value in treasury management and the use of suitable performance measures are valid and important tools for responsible organisations to employ in support of their business and service objectives; and that within the context of effective risk management, their treasury management policies and practices should reflect this.
22. The PCVC has formally adopted the key recommendations of the CIPFA Code of Practice for Treasury Management in the Public Services and has created and maintains as the cornerstone for effective treasury management:
- a. A treasury management policy statement stating the policies and objectives of its treasury management activities
 - b. Suitable treasury management practices (TMPs), setting out the manner in which the PCC will seek to achieve those policies and objectives, and prescribing how it will manage and control those activities.
23. Reports will be presented to the PCVC on the treasury management policies, practices and activities, including an annual strategy and plan in advance of the year, and an annual report after its close, in the form prescribed in the TMPs. In implementing this strategy the PCVC will give priority to security and liquidity rather than yield. However the PCVC will aim to achieve the highest rate of interest consistent with proper levels of security and liquidity. In particular attention is drawn to the key objectives of the Investment Strategy which is firstly safeguarding the repayment of principal and interest of its investments on time and secondly ensuring adequate liquidity. The investment return is the third objective. The PCVC delegates responsibility for the execution and administration of its treasury management policies and practices to the PCVC Chief Finance Officer, who will act in accordance with the Policy Statement, Treasury Management Practices and CIPFA's Standard of Professional Practice on Treasury Management.

Treasury Management Indicators

24. The PCVC has set an upper limit on its fixed interest rate exposures for 2020/21, 2021/22 and 2022/23 of 100% of its net outstanding principal sum.
25. The PCVC has further set an upper limit on its variable interest rate exposures for 2020/21, 2021/22 and 2022/23 of 30% of its net outstanding principal sums.

26. The PCVC's upper and lower limits for the maturity structure of its borrowings are as follows.

Amount of projected borrowing that is fixed rate maturing in each period as a percentage of total borrowing that is fixed rate:	Upper Limit	Lower Limit
	%	%
Under 12 months	50	0
12 months and within 24 months	50	0
24 month and within 5 years	50	0
5 years and within 10 years	50	0
10 years and above	100	0

27. The PCVC does not intend to invest sums for periods longer than 364 days. This is seen as prudent interest rate risk management.

28. It is recommended that the PCVC:

- a. Notes the prudential indicators,
- b. Approves the Minimum Revenue Provision (MRP) Statement in Appendix 2 (paragraphs 9 to 14) of this report,
- c. Determines an Authorised Limit of £18.1m and an Operational Boundary Limit of £13.1m for external debt in 2021/22.
- d. Reaffirms the adoption of the key recommendations of the CIPFA Code as detailed in paragraph 21 of this report.
- e. Sets an upper limit on the fixed interest rate exposures for 2020/21, 2021/22 and 2022/23 of 50% of the net outstanding principal sum.
- f. Sets an upper limit on the variable interest rate exposures for 2020/21, 2021/22 and 2022/23 of 30% of its net outstanding principal sums.

Treasury Management Policy Statement

1. The PCVC defines the treasury management activities as:

“The management of the organisation’s cash flows, its banking, money market and capital market transactions; the effective control of the risks associated with those activities; and the pursuit of optimum performance consistent with those risks”.

2. The PCVC regards the successful identification, monitoring and control of risk to be the prime criteria by which the effectiveness of its treasury management activities will be measured. Accordingly, the analysis and reporting of treasury management activities will focus on their risk implications for the organisation.
3. The PCVC acknowledges that effective treasury management will provide support towards the achievement of its business and service objectives and is therefore committed to the principles of achieving best value in treasury management, and to employing suitable performance measurement techniques, within the context of effective risk management.

Treasury Management Practices

1. TMP1 – Treasury Risk Management

- 1.1. *The PCVC Chief Finance Officer shall:*

- Design, implement and monitor all arrangements for the identification, management and control of the treasury management risks shown below;
- Report at least annually on the adequacy/suitability thereof; and
- Report, as a matter of urgency, the circumstances of any actual or likely difficulty in achieving the PCVC's objectives in this respect, all in accordance with the procedures set out in **TMP6 Reporting requirements and management information arrangements**.

1.2. Liquidity

The PCVC will ensure adequate but not excessive cash resources, borrowing arrangements, overdraft or standby facilities to enable at all times to have the level of funds available which are necessary for the achievement of service objectives.

1.3. Interest Rates

The PCVC will manage exposure to fluctuations in interest rates with a view to containment of net interest costs, or securing interest revenues, in accordance with the amounts provided in the Revenue Estimates in accordance with **TMP6 Reporting requirement and management information arrangement**.

1.4. Credit and Counterparties

The PCVC regards a prime objective of the treasury management activities to be the security of the principal sums invested. A formal counterparty list will be maintained and the named organisations and limits will reflect a prudent attitude towards organisations with which funds may be deposited, and will limit the

PCVC's investment activities to the instruments, methods and techniques referred to in **TMP4 Approved Instruments, methods and techniques**.

1.5. *Re-scheduling and Re-financing of Debt*

The PCVC will ensure that all borrowing, private financing and partnership arrangements will be negotiated, structured and documented, and the maturity profile of debt will be managed with a view to obtaining terms for renewal or refinancing, if required, which are competitive and as favourable to the organisation as can reasonably be achieved in the light of market conditions prevailing at the time.

Relationships with counterparties in these transactions will be managed in such a manner as to secure this objective, and will avoid over-reliance on any one source of funding if this might jeopardise achievement of the above.

1.6. *Legal and Regulatory*

The PCVC will ensure that all treasury management activities comply with its statutory powers and regulatory requirements. The PCVC will demonstrate such compliance, if required to do so, to all parties with whom he deals in such activities. In framing the credit and counterparty policy under **TMP1 Treasury Risk Management**, the PCVC will ensure that there is evidence of counterparties' powers, authority and compliance in respect of the transactions effected with the organisation, particularly with regard to duty of care and fees charged.

The PCVC will seek to minimise the impact of future legislative or regulatory changes on treasury management activities so far as it is reasonably able to do so.

1.7. *Fraud, Error and Corruption, and Contingency Management*

The PCVC will seek to ensure that the circumstances which may expose the PCVC to the risk of loss through fraud, corruption or other eventualities in his treasury management dealings are identified. Accordingly, he will design and implement suitable systems and procedures and will maintain effective contingency management arrangements to counter such risks.

1.8. *Market Risk*

The PCVC will seek to ensure that stated treasury management policies and objectives will not be compromised by adverse market fluctuations in the value of the principal sums invested.

2. TMP2 - BEST VALUE AND PERFORMANCE MEASUREMENT

- 2.1. The PCVC will actively work to promote best value in treasury management activities. The treasury management function will be the subject of regular reviews to identify scope for improvement.

3. TMP3 - DECISION-MAKING AND ANALYSIS

- 3.1. The PCVC will maintain full records of treasury management decisions, and of the processes and practices applied in reaching those decisions to demonstrate that reasonable steps have been taken to ensure that all issues relevant to those decisions were taken into account.

4. TMP4 - APPROVED INSTRUMENTS, METHODS AND TECHNIQUES

- 4.1. The PCVC will undertake treasury management activities by employing only those instruments, methods and techniques detailed in the Treasury Management Strategy.

5. TMP5 ORGANISATION, CLARITY AND SEGREGATION OF RESPONSIBILITIES AND DEALING ARRANGEMENTS

- 5.1. The PCVC's treasury management activities will be properly structured in a clear and open fashion and a rigorous discipline of segregation of duties will be enforced to ensure effective control and monitoring of treasury management activities for the reduction of the risk of fraud or error and for the pursuit of optimum performance.
- 5.2. The principle on which this will be based is a clear distinction between those charged with setting treasury management policies and those charged with implementing and controlling these policies, particularly with regard to the execution and transmission of funds, the recording and administering of treasury management decisions, and the audit and review of the treasury management function.
- 5.3. If and when the PCVC intends, as a result of lack of resources or other circumstances, to depart from these principles, the PCVC Chief Finance Officer will ensure that the reasons are properly reported in accordance with **TMP6 Reporting requirements and management information arrangements**, and the implications properly considered and evaluated.
- 5.4. The PCVC Chief Finance Officer will ensure that there are clear written statements of the responsibilities for each post engaged in treasury management, and the arrangements for absence cover.
- 5.5. The PCVC Chief Finance Officer will ensure there is proper documentation for all deals and transactions, and that procedures exist for the effective transmission of funds.
- 5.6. The PCVC Chief Finance Officer will fulfil all delegated responsibilities in respect of treasury management in accordance with the PCVC's Treasury Management Policy Statement, Treasury Management Practices and the CIPFA Standard of Professional Practice on Treasury Management.

6. TMP6 - REPORTING REQUIREMENTS AND MANAGEMENT INFORMATION ARRANGEMENTS

6.1. Regular reports will be prepared for consideration by the PCVC on:

- The implementation of the treasury management policies;
- The effects of decisions taken and the transactions executed in pursuit of those policies;
- The implications of changes resulting from regulatory, economic, market or other factors affecting treasury management activities; and the performance of the treasury management function.

6.2. As a minimum, the PCVC will receive:

- An Annual Report on the strategy and plan to be pursued in the forthcoming year;
- A half yearly report providing an update on treasury management activities (PCVC borrowing and investments and a national economic forecasts);
- An Annual Report on the performance of the treasury management functions in the previous year and on any circumstances of non-compliance with the organisation's Treasury Management Policy Statement and Treasury Management Practices.

7. TMP7 - BUDGETING, ACCOUNTING AND AUDIT ARRANGEMENTS

7.1. The PCVC will account for treasury management activities in accordance with appropriate accounting practices and standards and with statutory and regulatory requirements.

7.2. The PCVC will ensure that his auditors, and those charged with regulatory review, have access to all information and papers supporting the activities of the treasury management function as are necessary for the proper fulfilment of their roles and that such information and papers demonstrate compliance with external and internal policies and approved practices.

8. TMP8 - CASH AND CASH FLOW MANAGEMENT

8.1. All PCVC monies shall be aggregated for treasury management purposes and will be under the control of the PCVC Chief Finance Officer. Cash flow projections will be prepared on a regular and timely basis and the PCVC Chief Finance Officer will ensure that these are adequate for the purposes of monitoring compliance with **TMP1.2 Liquidity**.

9. TMP 9 - MONEY LAUNDERING

9.1. Procedures will be enforced for verifying and recording the identity of counterparties and reporting suspicions and will ensure that staff involved in this area is properly trained.

10. TMP 10 - STAFF TRAINING AND QUALIFICATIONS

10.1. The PCVC will seek to appoint individuals to the treasury management function who are both capable and experienced and will provide training for staff to enable them to acquire and maintain an appropriate level of expertise, knowledge and skills. The PCVC Chief Finance Officer will recommend and implement the necessary arrangements.

11. TMP 11 - USE OF EXTERNAL SERVICE PROVIDERS

11.1. When external service providers are employed by the PCVC, the PCVC Chief Finance Officer will ensure that this is done for reasons which have been submitted to a full evaluation of the costs and benefits. The terms of their appointment and the methods by which service providers' value will be assessed will be properly agreed and documented, and subjected to regular review.

11.2. Where feasible and necessary, a spread of service providers will be used to avoid over-reliance on one or a small number of companies. Where services are subject to formal tender or re-tender arrangements, PCVC Procedural Rules and Financial Regulations plus legislative requirements will always be observed. The monitoring of such arrangements rests with the PCVC Chief Finance Officer.

12. TMP 12 - CORPORATE GOVERNANCE

12.1. The PCVC is committed to the pursuit of proper corporate governance throughout its businesses and services, and to establishing the principles and practices by which this can be achieved. Accordingly, the treasury management function and its activities will be undertaken with openness and transparency, honesty, integrity and accountability.

12.2. The PCVC has adopted and implemented the key recommendations of the Code of Practice on Treasury Management in the Public Services. This, together with other arrangements that the PCVC Chief Finance Officer will put in place, is considered vital to the achievement of proper corporate governance in treasury management, and the PCVC Chief Finance Officer will monitor and, if and when necessary, report upon the effectiveness of these arrangements.

Treasury Management Strategy 2021/22

In implementing this strategy, the PCVC will give priority to security and liquidity, rather than yield. However, the PCVC will aim to achieve the highest rate of interest consistent with the proper levels of security and liquidity. In order to achieve this, the strategy deals with the use of specified investments, non-specified investments and the liquidity of investments.

The strategy also covers the PCVC's approach to borrowing and the use of external managers.

1) Borrowing Strategy 2021/22

The uncertainty over future interest rates increases the risks associated with treasury activity. As a result, the PCVC will take a cautious approach to its treasury strategy.

Long-term fixed interest rates are at risk of being higher over the medium term, and short term rates are expected to rise, although more modestly. The PCVC Chief Finance Officer, under delegated powers, will take the most appropriate form of borrowing depending on the prevailing interest rates at the time, taking into account the risks shown in the forecast above. It is likely that shorter term fixed rates may provide lower cost opportunities in the short/medium term.

Continuing to postpone borrowing and running down investment balances will also be considered. This would reduce counterparty risk and hedge against the expected fall in investments returns.

2) Investment Strategy 2021/22

a) Key Objectives

- i) The primary objectives of the PCVC's investment strategy are firstly safeguarding the repayment of the principal and interest of investments on time and secondly ensuring adequate liquidity. The investment return is the third objective. With the current economic background the current investment climate has one over-riding risk consideration; that of counterparty security risk.

b) Risk Benchmarking

- i) Yield benchmarks are currently widely used to assess investment performance.
- ii) These benchmarks are simple targets (not limits) and so may be breached from time to time, depending on movements in interest rates and counterparty criteria. The purpose of the benchmark is that officers will monitor the current and trend position and amend the operational strategy depending on any changes. Any breach of the benchmarks will be reported, with supporting reasons in the Annual Report.

iii) Security: The PCVC's maximum security risk benchmark for the current portfolio, when compared to these historic default tables, is 0.03% historic risk of default when compared to the whole portfolio (based on the credit rating of the institutions that the PCVC invests with; the length of time of the investments; and the historical rate of default of similar rated counterparties). This rate is provided by our treasury management advisors and the rate of 0.03 is considered extremely low risk.

iv) Liquidity: In respect of this area, the PCVC seeks to maintain:

- (1) Bank overdraft of £0.5m,
- (2) Liquid short term deposits of at least £2.0m available with a week's notice,
- (3) Weighted Average Life benchmark is expected to be 0.25 years (3 months), with a maximum of 0.5 years (6 months).

v) Yield: Local measure of yield benchmarks is:

- (1) Investments - Internal returns above the 7 day London Interbank Offered Rate (LIBOR) and as a guide the current rate of LIBOR is 0.03% (as at February 2021).

c) Investment Counterparty Selection Criteria

i) The primary principle governing the PCVC's investment criteria is the security of its investments, although the yield or return on the investment is also a key consideration. After this main principle the PCVC will ensure:

- (1) Maintenance of a policy that covers both the categories of investment types to be invested in, criteria for choosing investment counterparties with adequate security, and monitoring their security. This is set out in the Specified and Non-Specified investment sections below.
- (2) Sufficient liquidity in investments and for this purpose will set out procedures for determining the maximum periods for which funds may prudently be committed. These procedures also apply to the PCC's prudential indicators covering the maximum principal sums invested.

ii) The PCVC Chief Finance Officer will maintain a counterparty list in compliance with the following criteria and will revise the criteria and submit them to the PCVC for approval as necessary. These criteria are separate to those which choose Specified and Non-Specified investments, as they provide an overall pool of counterparties considered high quality that the PCVC may use, as opposed to defining what the investments are.

iii) The rating criteria use the **lowest common denominator** method of selecting counterparties and applying limits. This means that the application of the PCVC's minimum criteria will apply to the lowest available rating for any institution. For instance if an institution is rated by two agencies, one

meets the PCVC's criteria, the other does not, the institution will fall outside of the lending criteria. This is in compliance with a CIPFA Treasury Management Panel recommendation in March 2009 and the CIPFA Treasury Management Code of Practice.

- iv) Credit rating information is supplied by our treasury consultants on all active counterparties that comply with the criteria below. Any counterparty failing to meet the criteria would be omitted from the counterparty (dealing) list. Any rating changes, rating watches (notification of a likely change), rating outlooks (notification of a possible longer term change) are provided to officers almost immediately after they occur and this information is considered before dealing. For instance, a negative rating watch applying to counterparty at the minimum PCVC criteria will be suspended from use, with all others being reviewed in light of market conditions.

d) Specified Investments

- i) Specified Investments are defined as those satisfying the following conditions:
 - (1) Denominated in sterling,
 - (2) To be repaid or redeemed within 12 months of the date on which the investment was made,
 - (3) Do not involve the acquisition of share capital or loan capital in a body corporate,
 - (4) Are made with the UK Government, local authorities, parish councils, community councils, or with a body or in an investment scheme which has been awarded a high credit rating by a credit agency.
- ii) The criteria for providing a pool of high quality investment counterparties are:

(1) Banks 1 - Good Credit Quality

The PCVC will only use banks which:

- (a) Are UK banks
- (b) And have, as a minimum, the following Fitch, Moody's and Standard & Poors credit ratings (where rated):
 - (i) Short Term: F1
 - (ii) Long Term: A-

(2) Banks 2 - Guaranteed Banks with suitable Sovereign Support

- (a) In addition, the PCVC will use banks whose ratings fall below the criteria specified above if all of the following conditions are met:
- (b) Part nationalised UK banks- Royal Bank of Scotland
- (c) These banks can be included if they continue to be part nationalised or they meet the ratings in Banks 1 above.

(3) Banks 3 - The PCVC's own banker for transactional purposes if the bank falls below the above criteria although in this case balances will be minimised in both monetary size and time.

(4) Building Societies

(a) The PCVC will use all Societies which meet the ratings for banks outlined above.

(5) Money Market Funds: AAA

(6) UK Government (including gilts and the Debt Management Account Deposit Facility (DMADF))

(7) Other Local Authorities, Parish Councils etc.

e) Non - Specified Investments

i) Non-Specified investments are those not meeting the definition in the Specified Investments section above. It is proposed that during 2020/21, the PCVC will not invest in Non-Specified Investments, including those to be repaid or redeemed more than 12 months from the date on which the investment was made.

f) Use of additional information other than credit ratings

i) Additional requirements under the Code of Practice now require the PCVC to supplement credit rating information. Whilst the above criteria relies primarily on the application of credit ratings to provide a pool of appropriate counterparties for officers to use, additional operational market information will be applied before making any specific investment decision from the agreed pool of counterparties. This additional market information (for example credit default swaps, negative rating watches/ outlooks) will be applied to compare the relative security of differing investment counterparties.

g) Time and Monetary Limits applying to Investments

i) The time and monetary limits for institutions on the PCVC's Counterparty List are as follows:

	Long term Rating)	Money Limit	Time Limit
Banks 1 category high quality	AA	£5m	1 year
Lloyds Bank	A	£7m	1 year
Banks 1 category medium quality	A-	£5m	6 months
Banks 2 category-part nationalised	N/A	£5m	1 year
DMADF	AA+	Unlimited	6 months
Local Authorities	N/A	£5m	1 year
Money market funds	AAA	£3m per fund	Liquid

- ii) Due to the uncertainty in the financial markets it is recommended that the Investment Strategy is approved on a similar approach to previous years which will provide officers with the flexibility to deal with any unexpected occurrences. Officers will restrict the pool of available counterparties from these criteria to safer instruments and institutions. Currently this involves the use of the DMADF, AAA rated Money Market Funds and institutions with higher credit ratings than those outlined in the investment strategy or which are provided support from the Government. Investments are being maintained short term to also improve the security of investments.

h) Sensitivity to Interest Rate Movements

- i) Whilst most of the risks facing the treasury management service are addressed elsewhere in this report (credit risk, liquidity risk, market risk, maturity profile risk), the impact of interest rate risk is discussed but not quantified.
- ii) The estimated impact of a 1% increase in interest rates to the estimated treasury management income for the PCVC in 2021/22 is an increase of £150,000. A decrease in interest rates is unlikely and any impact would not be material.

3) External Managers (Other than those relating to the Pension Fund)

- i) The PCVC may, upon the recommendations of the PCVC Chief Finance Officer, appoint one or more external managers to manage the short-term investment of surplus PCVC money. Any such managers appointed are to be bound by this Treasury Management Policy Statement.

Appendix 3

Durham Police & Crime Commissioner

Medium Term Financial Plan

2021/22 to 2024/25

Introduction

The prevailing national financial climate has transformed the way in which we perceive the delivery of public services. The Policing Service has an ongoing imperative to evidence value for money and deliver a consistently high level of services with shrinking financial resources. The austerity measures which have prevailed in recent years will continue to require the delivery of value for money and the bearing down on costs.

This plan demonstrates in financial terms how the Police Crime and Victims' Commissioner (PCVC) will strive to achieve his vision for policing in County Durham and Darlington. The plan provides an outline of the demands and consequential revenue resource requirements of the PCVC and Constabulary for the four financial years commencing 1st April 2021. The plan also details the proposed five year capital programme and the revenue consequences of that programme.

Durham Constabulary has embraced a corporate scorecard approach called "Plan on a Page". This strategic financial plan has been compiled in a way which reflects those strategic intentions and has been developed alongside the local Policing Plan.

The plan is owned by both the PCVC and Constabulary. Individual and collective responsibility is exercised over the management of performance and resources. Governance arrangements are in place to ensure that the PCVC holds the Constabulary to account through regular reporting of issues. Within the Constabulary, internal accountability meetings are regularly held to ensure objectives are met.

Purpose

The purpose of this financial planning document is to provide a basis for determining:

- The level of resources which are likely to be available in the future to deliver national and local priorities;
- The future demands upon the revenue budget;
- The impact of external factors;
- The financial implications of partnership working;
- The amount of capital investment which is required to achieve corporate objectives;
- The revenue consequences of such capital investment;
- The future reserve levels of the PCVC;
- The impact of additional demands on the level of council tax levied by the Police Crime and Victims' Commissioner;

- The main financial risks facing the PCVC and Constabulary.

Strategic Planning Principles

In constructing its financial plans the PCVC benefits from following the principles below:

- *Ensure that finance contributes to improved outcomes by ensuring finance follows priorities.*
- *To ensure overall financial stability.*
- *Set a comprehensive, timely, balanced and realistic budget;*
- *Take into account pay and price inflation, risk management, and achievability of savings targets;*
- *Follow its treasury management policy;*
- *Follow its reserves policy;*
- *Raise awareness of and communicate key financial messages both internally and externally;*

The medium term financial plan has been compiled following the established principles that have been adopted by the PCVC and within the following further conditions:

- *Budgets set will be affordable and not jeopardise the financial stability of the PCVC in either the short or long term;*
- *Precept increases will be kept to a minimum consistent with the provision of effective and efficient services;*
- *All spending plans will need to demonstrate that they can achieve value for money and support best value principles;*
- *Spending will be agreed only when the necessary funding is identified and approved;*
- *External funding will be sought wherever it can be used in a sustainable manner that does not lead to unforeseen costs to the PCVC;*
- *The PCVC's finances will be publicised to stakeholders in an open and transparent manner;*
- *Customers and citizens will be involved in the budget process.*

Key Strategic Areas & Objectives

The approach to strategic planning is now shaped by the prevailing drive to demonstrate value for money in a time of reducing resources. The Constabulary has created a strategy map (Plan on a Page) based on a balanced scorecard approach. This has enabled colleagues across the Constabulary to understand how their activities link with and support delivery of the key outcomes required that will help to achieve the PCVC and Constabulary's Vision.

The Vision:

"Durham Constabulary will deliver excellent policing, inspiring confidence in victims and our communities by protecting neighbourhoods, tackling criminals and solving problems around the clock, proud to deliver value for money policing across County Durham and Darlington."

The strategy map is structured into four key areas which enable the Constabulary to identify:

- What we need to be best at (Core Deliverables),
- What we need to help us (Enabling Factors),
- The resources we need (Resources),
- Use the funding efficiently and effectively (Value for Money).

Each key area describes a number of strategic objectives that informs where the PCVC and Constabulary need to focus their attention and resources. The process collects each strategic objective and identifies key linkages ensuring alignment to the corporate vision. The strategic objectives supporting each key area are:

- What we need to be best at (Core Deliverables):
 - Protecting Neighbourhoods - 'Ensure proactive approaches, with partners, to identify & protect vulnerable people and reduce harm',
 - Tackling Criminals - 'To have fewer victims and reduce re-offending',
 - Solving Problems – 'Empower the people in the organisation to take responsibility to collectively solve problems'.
- What we need to help us (Enabling Factors):
 - Effective Service Provision,
 - Managing our Data and Information – 'Ensure our information supports our ability to make informed decisions for the benefit of the public',
 - Futures – 'Be a learning organisation that can embrace digital transformation, adapt quickly to change with innovative, efficient and effective approaches',

- Organisational Attitudes and Behaviours – Ensure our attitudes and behaviours generate legitimacy, trust and confidence in the public and colleagues’.
- The resources we need (Resources):
 - Our People – ‘Have the right people, who contribute, with the capacity and capability to deliver, with wellbeing and leadership as our focus’,
 - Our Stuff – ‘Have the right resources to help us do the job’.
- Use the funding efficiently and effectively (Value for Money):
 - Ensure a balance budget and generate income,
 - Identify & consider collaborative opportunities which bring tangible benefits & realise efficiencies,
 - Have a suitable medium term and long term financial plan with identified contingencies,
 - Prepare for future funding changes and austerity and maximise savings from new ways of working,
 - Have a fully costed and funded capital plan with aligned capital investment,
 - Invest wisely.

Revenue Expenditure

Financial Planning Assumptions

The key income planning assumptions have been driven by funding announced in the provisional government figures and have been collated on a table and explained in detail in the previous section on police service funding.

The key expenditure related planning assumptions are reflected in the attached table

	Estimate 2021/22	Estimate 2022/23	Estimate 2023/24	Estimate 2024/25
Officer Pay Inflation (from September each year)	0%	1.75%	2.0%	2.5%
Officer Pension Contribution Increase	0%	0%	0%	0%
Staff Pay Inflation	0%	1.75%	2.0%	2.5%
Police Staff Pension Contribution Decrease (including lump sum payment)	0%	0%	0%	0%
Police Officer Vacancy Factor	0%	0%	0%	0%
Police Staff Vacancy Factor	4.0%	4.0%	4.0%	4.0%
Energy & Fuel Inflation	1.4%	1.4%	1.4%	1.4%
Other Non-Pay Inflation (except where contractually based)	0%	0%	0%	0%
Council Tax Increase Band D	£15	1.98%	1.98%	1.98%
Tax Base Growth	0%	0.75%	0.75%	1.0%
Other Income Inflation	0%	0%	0%	0%

In relation to Government grant, assumptions for 2021/22 and 2022/23 are based on estimated uplift figures using standard capitation rates.

Work Force Planning

The following table shows expected workforce numbers at the end of each financial year.

	Outturn 2020/21	Estimate 2021/22	Estimate 2022/23	Estimate 2023/24	Estimate 2024/25
Officers	1,220.0	1,274.0	1,364.0	1,364.0	1,364.0
PCSO's	146.0	146.0	146.0	146.0	146.0
Staff	1038.8	1038.8	1038.8	1038.8	1038.8
Apprentices	54.0	54.0	54.0	54.0	54.0
PCVC	16.8	16.8	16.8	16.8	16.8
Total FTE	2,475.6	2,529.6	2,619.6	2,619.6	2,619.6

These figures are kept under continuous review.

This table considers the impact of all the income and revenue assumptions and identifies the Budget 2021/22 for approval.

Budget Heading	Estimate 2020/21	Estimate 2021/22	Estimate 2022/23	Estimate 2023/24	Estimate 2024/25
	£'000	£'000	£'000	£'000	£'000
Employees	108,827	117,185	121,990	127,148	130,862
Premises	4,698	4,721	4,770	5,313	5,263
Transport	2,116	2,150	2,181	2,209	2,244
Supplies and Services	13,417	12,471	11,760	11,876	11,365
Joint & Other Authorities	3,449	2,597	2,608	2,598	2,616
<i>less</i>					
Income					
Customer & Client Receipts	(2,835)	(3,345)	(3,452)	(3,475)	(3,460)
Collaboration income	(745)	(624)	(626)	(630)	(633)
Secondment Income	(800)	(628)	(634)	(649)	(659)
Interest	(40)	(25)	(20)	(15)	(10)
Special Grants	(7,528)	(1,665)	(5,065)	(567)	(569)
<i>plus</i>					
Contribution To/ From (-) Reserve	2,411	0	0	0	0
Capital Financing Costs	6,395	4,092	5,788	1,111	6,235
<i>Police Constabulary Costs</i>	129,365	136,929	139,300	144,919	153,254
Victims Commissioning Grant	(728)	(728)	(728)	(728)	(728)
PCVC commissioning	1,555	1,555	1,555	1,555	1,555
Community Safety Grant	478	478	478	478	478
<i>PCVC Costs</i>	1,014	1,116	1,079	1,097	1,119
Net Expenditure	131,684	139,350	141,684	147,321	155,678
<i>Funded by</i>					
DCLG Grant	(39,805)	(42,061)	(42,061)	(42,061)	(42,061)
Police Grant	(46,406)	(49,584)	(50,684)	(55,184)	(55,184)
Council Tax Support Grant	(6,110)	(6,110)	(6,110)	(6,110)	(6,110)
Pension grant	(1,260)	(1,260)	(1,260)	(1,260)	(1,260)
COVID grant	(359)	(353)	(353)	(353)	0
Council Tax	(37,744)	(39,982)	(41,216)	(42,353)	(43,836)
Total Funding	(131,684)	(139,350)	(141,684)	(147,321)	(148,451)
(Surplus) / Deficit	-	-	-	-	7,227

Comment:

- The latest HMIC Value for Money Profiles has been used to identify areas for potential efficiency savings.
- A detailed workforce plan has been produced which compliments this plan.

Scenario planning

The Home Office still have plans to review the funding formula allocation between Forces in future years. Our understanding, based on previous exemplifications published in 2015, is that Durham could potentially lose up to £10m per annum from the changes. A separate report has been produced which outlines how such a potential funding reduction would be financed.

Capital Expenditure

The enclosed capital summary sets out proposed expenditure for capital projects for 2020/21 to 2024/25 and the associated funding options. The PCVC received £0.133m in 2020/21 and expects to receive the same in future years.

There are a number of options open to the PCVC to funding capital expenditure and these include capital receipts, use of reserves or revenue contributions to capital. The balance of funding would be generated from borrowing which would incur interest charges at prevailing market rates (unless the PCVC enters into specific term borrowing arrangements such as fixed interest rates over a fixed borrowing term).

The impact of capital receipts generated from the sale of land owned by the PCVC for development of commercial or housing purposes has been included in the funding.

Revenue Impact of the Capital Programme

The PCVC can determine to meet part of the capital requirement through applying capital receipts, making revenue contributions, applying reserves, and/or (under the provisions of the Prudential Code) borrowing.

The associated future capital financing charges as a result of this provisional programme have been determined based upon the expected lifespan of the asset, generally as follows: Motor Vehicles (4 years); ICT Systems (5 years); ANPR and other Equipment (10 years); Minor Building Work (20 years); Major New Buildings (40 or 60 years).

Grant is applied to those assets with the shortest lifespan. The capital receipts arising from the sale of the police headquarters' site have been used to partly fund the capital programme from 2016/17 onwards.

The following table contains a summary of capital expenditure by asset category.

	Outturn 2020/21 £'000	Estimate 2021/22 £'000	Estimate 2022/23 £'000	Estimate 2023/24 £'000	Estimate 2024/25 £'000
Expenditure					
Buildings: Major works	1,200	5,775	14,416	0	0
Buildings: Minor Works	760	1,221	500	500	500
Buildings carry forward from prior year		1,530	0	0	0
Vehicles	1,643	1,300	1,300	1,300	1,300
Vehicle carry forward from prior year	0	70	0	0	0
ICT	2,172	1,571	1,620	2,634	4,511
ICT carry forward from prior year	0	1,550	0	0	0
Equipment	154	140	350	50	270
Total	5,929	13,157	18,186	4,484	6,581
Funding					
Capital Grant	0	0	2,209	133	133
Special Grant	116	324	0	0	0
Capital Receipts	0	9,324	7,168	100	100
Revenue Contribution	5,812	3,509	5,205	528	5,907
Strategic Reserve	0	0	3,604	3,723	441
Self-Financed Borrowing	0	0	0	0	0
Total	5,928	13,157	18,186	4,484	6,581
Capital Financing Costs					
Minimum Revenue Provision	325	325	325	325	70
Revenue Contribution	5,812	3,509	5,205	528	5,907
Contribution from Reserves	0	0	3,604	3,723	441
Interest Charges	258	258	258	258	258
Total	6,395	4,092	9,392	4,834	6,676

The most significant capital expenditure is explained over the next few paragraphs and a table showing detailed planned expenditure between 2020/21 and 2024/25 is included at the bottom of this section.

Estates

The primary focus for the Estates programme will be outlined in the new Estates Strategy and will be subject to further consideration by the PCVC.

There will still be a regular buildings improvement and maintenance programme undertaken for the rest of the Estate.

Fleet

The fleet replacement programme is kept under constant review and it is planned to spend a relatively consistent figure each year on vehicles.

ICT

The new ICT Strategy will outline the capital schemes to be delivered over the period covered by the plan. A large proportion of the ICT expenditure in the capital

programme relates to mobile working. Another key scheme is the national requirement for all Forces to upgrade their emergency services communications.

The following table includes details of new capital expenditure by asset category.

Planned Capital Expenditure from 2020/21 to 2024/25

	Outturn 2020/21 £'000	Estimate 2021/22 £'000	Estimate 2022/23 £'000	Estimate 2023/24 £'000	Estimate 2024/25 £'000
Expenditure					
Property capital carry forward from prior year		1,530			
Major Works Projects	1,200	5,775	14,416	-	-
Minor Works Projects	760	1,221	500	500	500
Estates total	1,960	8,526	14,916	500	500
Motor Vehicles	1,643	1,370	1,300	1,300	1,300
ICT Capital carry forward from prior year		1,550			
National Requirements	-	-	-	1,000	3,030
Infrastructure Technology Refresh	432	1,120	1,070	979	341
Digital Evidence	-	120	-	150	775
Mobile Working	749	-	325	325	-
Client devices	570	-	25	150	305
Business Applications	421	331	200	30	60
ICT total	2,172	3,121	1,620	2,634	4,511
Equipment	154	140	350	50	270
Grand Total	5,929	13,157	18,186	4,484	6,581

Key Risks

The following are the key risks contained within the plan

Risk	Mitigating Action	Person Responsible
Loss of funding due to reallocation between Forces	<ul style="list-style-type: none"> Workforce planning to reduce officer/staff numbers Cost reduction plans to be developed and implemented Maximise precept income 	<ul style="list-style-type: none"> PCVC Chief Finance Officer
Income loss and increased expenditure due to COVID 19 pandemic	<ul style="list-style-type: none"> Additional grant allocated from Central government Some reclaim of lost income and PPE expenditure allowed 	<ul style="list-style-type: none"> PCVC/CC Chief Finance Officer

Risk	Mitigating Action	Person Responsible
	<ul style="list-style-type: none"> • Close monitoring of costs 	
An ageing estate portfolio putting increased pressure on facilities management budgets	<ul style="list-style-type: none"> • Agree and deliver capital programme time • Effective project planning 	<ul style="list-style-type: none"> • PCVC Chief Finance Officer / PCVC
Police officer capacity to respond to service demands	<ul style="list-style-type: none"> • Allocating resource to priority activities • Deliver agreed training programme. • Productivity measurement and management • Strategic Assessment agreed and implemented 	<ul style="list-style-type: none"> • Commanders/Exec
Flexibility to move police resources to areas of need	<ul style="list-style-type: none"> • Plan on a page promulgated across the organisation • Regular Force threat and risk meetings • Update workforce plan • Targeted reviews to be carried out 	<ul style="list-style-type: none"> • Force Executive / Tasking & Coordination
Demand continues to rise	<ul style="list-style-type: none"> • Introduction of new Strategic Demand Management Command • On-going crime prevention/detection and problem solving initiatives. • Productivity measurement and management • Deliver agreed training programme • New shift pattern introduced for officers 	<ul style="list-style-type: none"> • Heads of Commands
Collaboration may require up-front costs of change	<ul style="list-style-type: none"> • Identify 'invest to save' budget/reserve 	<ul style="list-style-type: none"> • PCVC Chief Finance Officer/Exec/PCVC
Move to multiyear pay award	<ul style="list-style-type: none"> • Include in planning assumption • Calculate cashflow loss 	<ul style="list-style-type: none"> • PCVC/CC Chief Finance Officer

Risk	Mitigating Action	Person Responsible
Uncertainty in relation to future pension costs	<ul style="list-style-type: none"> • Police officers, request grant funding (national issue) • Staff, identify corresponding savings 	<ul style="list-style-type: none"> • PCVC/CC Chief Finance Officer
Adequate future funding of uplift	<ul style="list-style-type: none"> • Ensure influence, where possible, of national financial position 	<ul style="list-style-type: none"> • PCVC/CC Chief Finance Officer

Monitoring and Review

This financial plan will be subject to continuous review and forms part of the overall planning processes within the PCVC and Constabulary. This will ensure that an accurate future financial forecast is maintained to give an indication as to the affordability of spending plans which in turn will be fed into the corporate planning process.

The content of this plan will be kept under review as part of normal medium term financial planning procedures.

Appendix 4

Purpose of Report

1. The purpose of this report is to provide the Police Crime and Victims' Commissioner (PCVC) with reassurance and confidence in the accuracy and quality of the financial estimates for the years 2020/21 to 2024/25, and more importantly the budget for the coming financial year 2021/22.
2. The robustness of the financial estimates considers important factors such as risks facing the PCVC and the adequacy of financial reserves to enable the PCVC to have flexibility in dealing with any unplanned events that may have a significant financial consequence during the course of the budget year 2021/22.

Background

3. Police Crime and Victims' Commissioner and local authorities decide every year how much they are going to raise from council tax. They base their decision on a budget that sets out estimates of what they plan to spend on each of their services.
4. The decision on the level of the council tax must be taken before the coming financial year begins and that level cannot be changed during the year, so allowances for risks and uncertainties that may create an increase in service costs or a loss of income must be made by:
 - a. Making realistic and prudent allowances in the financial estimates for the policing services provided, and also,
 - b. Ensuring that there are adequate reserves in place that can be drawn on to help manage the impact of any incident or eventuality that causes the PCVC to exceed the budget estimates in 2020/21 for the delivery of policing services to the community of County Durham and Darlington.
5. Section 25 of the Local Government Act 2003 requires that the PCVC's Chief Financial Officer reports to the PCVC when considering the budget and council tax on the robustness of the estimates and the adequacy of the reserves allowed for in the budget proposals, so that the PCVC will have authoritative advice available to him prior to making the budget setting decisions.
6. Section 25 also requires the PCVC to consider this report when making decisions about the budget.

Critical Role of Risk Management

7. There is considerable (continuous) attention given to the risks facing the delivery of policing services in County Durham and Darlington. Each of the risks identified by the Force is allocated to and formally assessed by a strategic programme board.
8. When each board meets the risk registers are modified to reflect new risks, or to reflect the best available information and the impact of mitigating actions. The list of risks below have already been identified and considered by the appropriate board.

9. In setting the budget the risks facing the PCVC are influenced by the uncertainties of the economic environment and the level of expenditure reductions in the Policing Service and the wider public sector, all of which present difficulties in delivering a balanced budget. The key risks have been identified in the Budget report.
10. The Annual Governance Statement gives assurance in relation to the organisation's arrangements for the management of risk and ensuring proper arrangements are in place for governing its affairs and looking after the resources at its disposal.

Robustness of Estimates

11. The budget process has involved the senior leadership teams in each Command, who have considered and evaluated a variety of service delivery options that balance the twin needs of maintaining service delivery and balancing the budget.
12. These options, identifying areas where savings can be made to provide the resources to fund the unavoidable service pressures, have been reported to the PCVC and his Executive, which includes the Chief Constable and the PCVC's Chief Financial Officer.
13. The key income and expenditure related planning assumptions are reflected in the attached table

	Estimate 2021/22	Estimate 2022/23	Estimate 2023/24	Estimate 2024/25
Officer Pay Inflation (from September each year)	0%	1.75%	2.0%	2.5%
Officer Pension Contribution Increase	0%	0%	0%	0%
Staff Pay Inflation	0%	1.75%	2.0%	2.5%
Police Staff Pension Contribution Decrease (including lump sum payment)	0%	0%	0%	0%
Police Officer Vacancy Factor	0%	0%	0%	0%
Police Staff Vacancy Factor	4.0%	4.0%	4.0%	4.0%
Energy & Fuel Inflation	1.4%	1.4%	1.4%	1.4%
Other Non-Pay Inflation (except where contractually based)	0%	0%	0%	0%
Council Tax Increase Band D	£15	1.98%	1.98%	1.98%
Tax Base Growth	0%	0.75%	0.75%	1.0%
Other Income Inflation	0%	0%	0%	0%

In relation to Government grant, assumptions for 2022/23 and 2023/24 are based on estimated uplift figures using standard capitation rates.

14. In relation to the robustness of the above table, the following should be noted:
- Pay inflation. No increase has been budgeted for pay in 2021/22 except for those earning under £24,000. All police officer posts are budgeted for, therefore the police office pay budget should not be overspent given that the force

maintains a separate budget to fund medical retirements. In respect of police staff pay, a small vacancy factor is built in to the pay budget to reflect anticipated leavers during the year. In recent years neither the police officer pay budget nor police staff pay budget have been overspent.

- Pension increases. The McCloud/Sargeant claims, relating to the career average pension schemes, will lead to changes in the Police Pension scheme. These are currently being assessed, and so in the face of this uncertainty, the police pension rate has remained at 31% as advised nationally. This will also impact the staff pension and the actuaries have included a provision for this in the revised pension contribution rate.
 - Energy and Fuel. The increases are based on the latest guidance available.
 - Other non-pay Inflation. The 0% increase is a general provision. Whilst some budgets are reducing in price as a result of improved procurement and reduced demand it is equally valid to state that some budgets are under constant cost pressure. In recent years, supplies and services budgets have been underspent within the force.
 - Council Tax. This will be subject to the maximum permitted limit by Central Government.
 - Tax Base Growth. This has been based on recent growth rates.
 - Other Income Inflation. In recent years income budgets have been over-achieved therefore the budget estimates are considered reasonable.
 - Officer numbers are increased based on the uplift projections. Staff roles have also increased to support the additional officers.
15. Given the uncertainty about the future resources available to the PCVC at the time of preparing this report, the estimates beyond 2021/22 are at present set out with the best available information at the time of this report. There have as yet been no indications of future years funding allocation by the Home Office.

Adequacy of Reserves

16. The CIPFA Local Authority Accounting Panel (LAAP) has issued a guidance note on Local Authority Reserves and balances (LAAP Bulletin 77) to assist local authorities in determining the adequacy of reserves. This guidance is not statutory, but compliance is seen as best practice.
17. The guidance however, states that no case has yet been made to set a statutory minimum level of reserves, either as an absolute amount or a percentage of the budget. Each Police and Crime Commissioner and local authority should take advice from its Chief Financial Officer and base its judgement on local circumstances.
18. The current policy statement on the level of reserves includes the following:
- a. *The PCVC will set aside sufficient sums in earmarked reserves as considered prudent to do so. The PCVC Chief Finance Officer will be authorised to establish such reserves as are required, will review them for both adequacy and purpose, and report on a regular basis to the Police Crime and Victims' Commissioner.*
 - b. *The PCVC will aim to maintain, broadly, general reserves of between 4% and 5% of the revenue estimates currently £5.574m and £6.968m*

respectively (based on 2021/22 revenue funding of £139.350m) subject to an annual review by the PCVC Chief Finance Officer as part of the budget process.

19. Earmarked reserves have been established as a means of building up funds to meet known or predicted requirements. The level of earmarked reserves will be in the region of £8.145m at the end of March 2021.
20. The General Reserve has been set just below 5% of the revenue funding for 2020/21 and will be £6.559m at the end of March 2021.
21. The reserves are set at a level to accommodate any significant financial impact on capital or revenue expenditure in 2021/22.
22. The PCVC's approach to the management of risks alongside the PCVC's financial management arrangements suggest that the level of resources identified in the Annual Budget 2021/22 is sufficient to provide reassurance and confidence in the delivery of policing services to County Durham and Darlington.

Recommendation

23. **It is recommended that the PCVC acknowledges that the strength of the risk management processes, the adequacy of reserves and the robustness of the financial estimates give sufficient reassurance and confidence to enable him to approve the Annual Budget and note the level of Council Tax for 2021/22.**

Report to Police & Crime Panel**12 March 2021****Office of the PCVC Restructure****Report of Interim Chief Executive**

Purpose

1. To appraise the Police & Crime Panel of the outcome of the staff restructure and job evaluation process that was undertaken with the Durham Office of Police, Crime & Victims Commissioner (OPCVC).

Background

2. The request to review and restructure the OPCVC was requested by the late PCVC, Ron Hogg, of then Chief Executive, Mr, Steve White, in order to ensure that the Office functions were organised and tasked in such a way as to be able to maximise its efficiency and effectiveness.
3. A primary aim of the restructure was to ensure that the office staff were properly assigned within the delivery functions, and that individuals performing job roles were assured of receiving appropriate support and supervision within the hierarchy of responsibility.
4. An additional aim of the restructure was to develop a job evaluation policy, and an associated pay scheme, that would reflect the requirements of the contemporary Office business delivery needs. The pay scheme was designed with the objective of providing fair and competitive pay for each of the individual Office roles, and the duties and responsibilities that post holders were asked to carry out.
5. The intention to review and restructure the OPCVC was announced to those staff included within its scope, and work on the restructure commenced in August 2019.
6. The budget envelope for the commission was not exceeding £10,000. In line with standing orders requirements, a single quotation procurement exercise was conducted.
7. A company named We Do HR were directly awarded the commission to provide consultancy assist with the restructure process; the agreed cost of the service was £9,988. The remit included the development of the job evaluation scheme, development of an OPCVC specific salary scheme, and revised individual job descriptions that aligned with the functions of the Office.
8. Fifteen posts within the paid service, below the grade of chief/ statutory officer, were scoped into the review process; affected post holders were informed and consulted accordingly. Representative body, Unison, were also informed and formally requested to participate in the job evaluation process.
9. The review resulted in a result and recommendation of:

- a) deletion of one vacant head of function post (Head of Policy & Communications);
 - b) deletion of a vacant senior officer posts (Criminal Justice Policy Officer);
 - c) creation of two administrative posts (Policy & Commissioning Assistant and Administrative Support Assistant)
 - d) mainstreaming of two former intern roles to build office resilience; and,
 - e) role re-profiling of all affected posts.
10. The review did not result in any redundancies, or reduction in pay to any individuals. The review did recommend uplifting the salaries of all posts.
11. In 2020/21, prior to the restructure, the OPCVC basic salaries budget was £679,000. This figure included an unbudgeted administration post. Without that post, the basic salaries budget was £655,000. Following the completion of the job evaluation process, using the new OPCVC pay scales, the equivalent annual basic salary cost would be £672,000.
12. In 2020/21, prior to the restructure, the OPCVC gross employee budget (with employer on costs) was £826,000 less a vacancy factor of (£33,000), giving a net employee budget of £793,000. Following the completion of the job evaluation process, using the new OPCVC pay scales, the annual OPCVC gross employee budget (with employer on costs) would be £855,000 less a vacancy factor of (£34,000), giving a net employee budget of £821,000.
13. Assuming the new OPCVC structure remains constant, the top of scale basic salary cost will be £711,000, the gross employee cost will be £906,000 and the net employee cost after deducting the vacancy factor will be £870,000.
14. Prior to the restructure, there was a post shared with the OPCC Cleveland that was deleted from the structure and incorporated into the new OPCVC team structure. The OPCC Cleveland contributed £25,000 towards the gross cost in 2020/21, which was budgeted for. There will be no recharge for the deleted post included in future year estimates, thus this represents a loss of income.
15. The OPCVC gross employee cost estimates (including employer national insurance and superannuation contributions) for 2021/22 are £877,000; for 2022/23 are £903,000; and for 2023/24 are £934,000.
16. The OPCVC net total employee cost estimates (which include a vacancy factor of 4%) for 2021/22 are £843,000; for 2022/23 are £868,000; and for 2023/24 are £898,000.
17. The restructure is considered to have ensured that the Office paid service is now fit for purpose, with a revised and refreshed structure that provides clarity to all staff members.
18. A diagram of the revised organogram of the Office of the PCVC paid service structure is attached at Appendix 2 for information.

Recommendation

19. The Police & Crime Panel is recommended to note the report.

Sharon Caddell
Chief Executive

Appendix 1: Risks and Implications

Finance

N/A

Staffing

N/A

Equality and Diversity

N/A

Accommodation

N/A

Crime and Disorder

N/A

Children's Act 2004

N/A

Stakeholder/Community Engagement

N/A

Environment

N/A

Collaboration and Partnerships

N/A

Value for Money and Productivity

N/A

Potential Impact on Police and Crime Plan Priorities

N/A

Commissioning

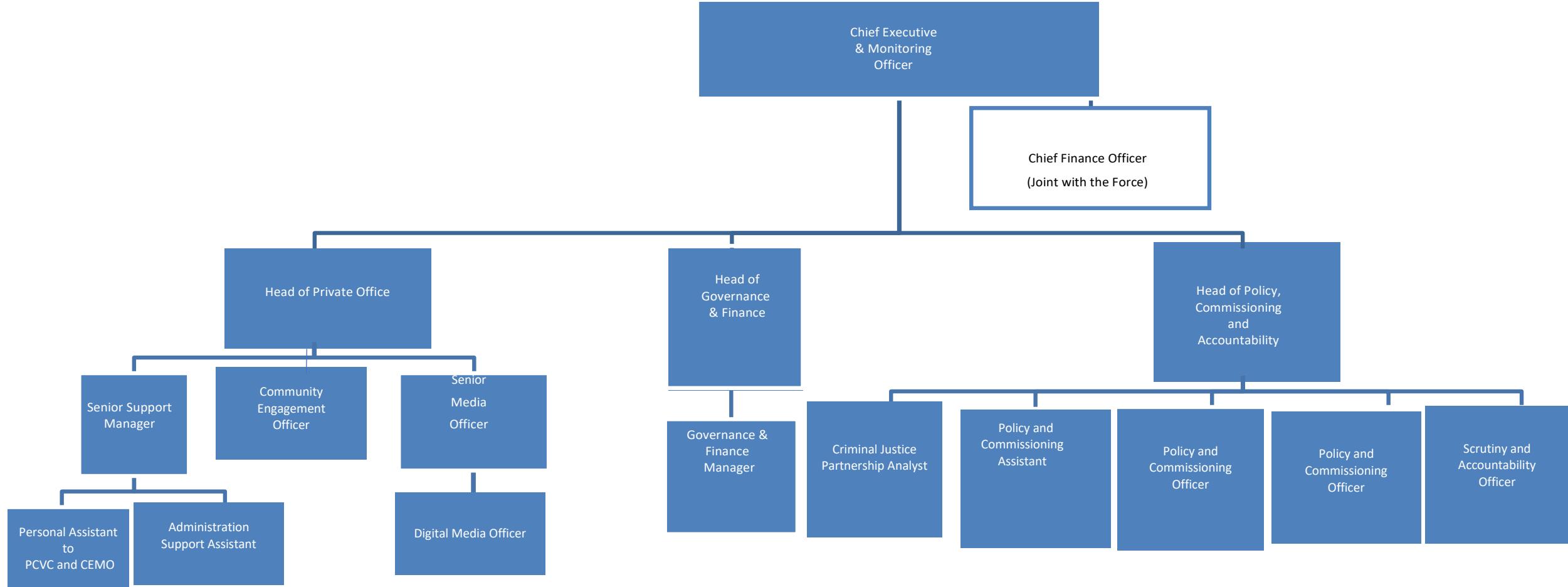
N/A

Other risks

N/A

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Police and Crime Panel**12 March 2021****Delivery of Priorities in the Police, Crime and Victims' Plan 2018-21****Report of the Acting Police, Crime and Victims' Commissioner****Purpose**

1. This report provides an update on the main delivery and achievements of the priorities set out in the Police, Crime and Victims' Plan 2018-21 (produced by the late PCVC Ron Hogg-CBE).

Background

2. This is the vision which PCVC Ron Hogg included in the 2018 Police and Crime Plan, and it remains current:

"County Durham and Darlington are areas where all communities are safe, victims and vulnerable people feel supported, crime and re-offending are low, and people have confidence in policing and the criminal justice system."

3. The Plan also includes four strategic outcomes:

Communities are safe and crime is reduced

Victims and vulnerable feel supported

Reoffending is reduced and rehabilitation is improved

People have confidence in the Police and Criminal Justice System

4. Delivery of the outcomes was supported through the development of the following 12 priorities:

Ensure that victims are supported at all stages of the criminal justice system

Address the root causes of offending and support the rehabilitation of people who have offended

Safeguard vulnerable people

Improve road safety

Reduce the harm caused by alcohol and drugs

Improve community safety in rural areas

Tackle and prevent domestic abuse and sexual violence in all its forms

Tackle and prevent hate crime

Tackle and prevent fraud

Tackle and prevent anti-social behaviour

Tackle and prevent modern slavery

Tackle and prevent cyber-enabled crime

5. In respect of the strategic outcomes and 12 priorities, an update is detailed below:

Communities are Safe and Crime is reduced-(During covid-19 pandemic)

- a) Force has demonstrated its commitment to delivering a Covid-19 effective model to ensure business as usual is achieved with communities and confidence is maintained;
- b) Force have engaged with the public and have consistently applied the 4 'Es' approach in the covid-19 enforcement plan and allowed for a flexible and immediate response to central government guidance;
- c) Force has fully embraced working digitally;
- d) Confidence in the police and criminal justice system remains a priority for the ODPCVC and Force and has continued to be tracked throughout covid-19;
- e) Force and Partners have embraced virtual working to maintain both community engagement and service delivery for the public;
- f) Force have adapted working practices to ensure safe systems of working during the pandemic;
- g) Force continue to monitor changing trends in crime and ASB during pandemic and respond flexibly and effectively;
- h) Force have adopted an appropriate approach to working with vulnerable people whilst the pandemic prevails, including: partnership focus on coercive and controlling behaviour; introduction of Safe Spaces; media campaigns; and, regular monitoring of domestic abuse;
- i) Force have adopted an appropriate response to custody management whilst the pandemic prevails;
- j) Force has planned and responded to fraud effectively over the course of the covid-19 emergency; and,
- k) Force have a plethora of policies in place to maintain the mental and physical health of police officers, police staff and general population during the pandemic.

Priority 1- Ensure that victims are supported at all stages of the Criminal Justice System

- a) Victim contact contracts are routinely monitored for quality and work has been done to ensure compliance with the revised Victim's Code of Practice; and,
- b) Ongoing review to ensure officer compliance with referral pathways to Victim Care and Advice Service (VCAS), Sexual Assault Referral Centre (SARC), Domestic Abuse and other appropriate services.

Priority 2- Address the root causes of offending and support rehabilitation.

- a) Force has re-emphasised problem solving to address offending-some innovative initiatives include DIVERT in police custody with the aim of reducing arrests for alcohol-related offences, use of nudges, Changing Rooms, alcohol interlocks and sobriety tags;
- b) Force continues to learn from the Checkpoint evaluation;

- c) Integrated Offender Management Unit (IOMU) have shown positive reductions in detected crimes and proportion of offenders in the IOMU cohort who reoffend each quarter; and
- d) Effective partnership working with Durham and Darlington Youth Offending Services (YOS).

Priority 3- Safeguard vulnerable people

- a) Force monitors the number of mental health incidents recorded in comms and robust pathways are in place to ensure early access to appropriate support for vulnerable people with mental ill-health and other complex needs;
- b) The Street Triage function has changed significantly during the last 12 months with the introduction of the familiar faces programme working with the Neighbourhood Policing Team (NPT), Individuals who present as repeat demand are referred to the High Intensity User Group to identify additional support;
- c) Recent integration of Liaison and Diversion specification with local police requirements;
- d) Ongoing partnership work to reduce mental health and suicide related demand on the police;
- e) Force works in partnership with 'IF U CARE SHARE' Foundation to offer family and friends postvention bereavement support;
- f) Continual training to front-line officers to recognise Child Sexual Exploitation as well as other forms of exploitation such as Child Criminal Exploitation, County Lines, Modern Slavery and Human Trafficking (MSHT) and Organised Crime Group (OCG) involvement; and,
- g) Development and monitoring of processes to enable partners to share intelligence and concerns with the Force around Child Sexual Abuse and Exploitation (CSA and E).

Priority 4- Improve Road Safety

- a) All RPU vehicles have ANPR capability and used to support national campaigns and pre-planned operations;
- b) Community concerns about excess speed and high harm routes and hotspots are raised via PACT meetings and social media is routinely used by the Camera Enforcement Unit to publicise deployments and spread road safety messages;
- c) Operation Close Pass- an initiative aimed at raising the profile of the safety of cyclists has been launched;
- d) Road Safety messages are delivered to schools via WiseDrive;
- e) Cleveland and Durham Special Operations Unit (CDSOU) continues to support national and local road safety campaigns; and,
- f) Community Speed Watch (CSW) will continue and promoted across the Force.

Priority 5- Reduce the Harm caused by Alcohol and Drugs

- a) Force utilises a pro-active problem-solving and demand reduction approach to deal with issues of alcohol and drugs;

- b) There are a number of educational, awareness raising programmes delivered in Force-WiseDrive, DeadDrunk, Insight Education Programmes, Safety Carousels, Fresher Events, Best Bar None and PubWatch;
- c) Force continues to promote programmes aimed at preventing violence. For example, One Punch Media Campaign;
- d) A focus of work between the PCVC office, Force and the A&E Hospital is being carried out to support the improvement of the data quality to enable accurate analysis of injury data to reduce violence;
- e) Force have been the first in the country to implement a number of initiatives- City Centre Drug Testing using the Loop, Nalaxone in Custody, Operation Staysafe, DIVERT, Alcohol interlocks and alcohol sobriety tags; and,
- f) The Organised Crime Group (OCG) team work closely with partner agencies to maximise and enhance disruption opportunities encompassing a holistic approach in the tackling of OCGs.

Priority 6-Improve Community Safety in Rural Areas

- a) Force engage with rural communities by use of technology such as What3Words and support the Community's own established engagement methods. i.e WhatsApp Groups; and,
- b) Force work in effective partnership with rural stakeholders on operational rural affairs priorities in accordance with the joint PCVC and Constabulary Rural Statement.

Priority 7- Tackle and Prevent Domestic Abuse and Sexual Violence in all their Forms

- a) Throughout the Covid-19 pandemic, mechanisms have been in place to monitor the situation across the Force area in terms of the number of DA reports to the police and referrals into our local support services to ensure business and service delivery continuity;
- b) The Force has actively supported national awareness raising campaigns such as '#you're not alone', Crimestoppers 'make yourself heard' and the 'silent solution' as well as the local multi-agency campaign led by the PCVC office;
- c) The Force routinely dip sample medium risk cases to ensure early intervention and prevent escalation and all cases, whatever risk level, where children are involved are triaged by specialist officers;
- d) A new MARAC process has been in place since May 2019 and its evaluation is now demonstrating positive outcomes;
- e) MATAc has been evaluated and has provided evidence of positive outcomes;
- f) Domestic Abuse Support Services are now jointly commissioned with partners from Durham County Council and Darlington Borough Council and include IDVA, Outreach, Children and Family and Prevention Support Programmes;
- g) Provision of Independent Sexual Violence Adviser (ISVA) support has been increased and a child ISVA continues to work from the Sexual Assault Referral Centre (SARC) in partnership with a Consultant Child Psychologist;

- h) Multi-Agency Communications Plan is being developed by Domestic Abuse Sexual Violence Executive Group (DASVEG) with this expected to be implemented in April 2021; and,
- i) Support Pathways into ISVA and the SARC have been reviewed and proposals for a revised Pathway is being discussed.

Priority 8-Tackle and Prevent Hate Crime

- a) Force have led on a review of reporting mechanisms, pathways and how organisations share intelligence;
- b) Force contribute to the implementation of the Hate Crime Action Plan under the Community Safety Partnerships;
- c) Force support the 'Hate Hurts' campaign and distribute all key messages to protected communities giving them the information they need to report;
- d) Force work with Teesside and Durham Universities with a view to implement hate crime reporting mechanisms;
- e) Force are substantial participants in 'Hate Crime Awareness Week';
- f) Force have a rolling training programme so that all officers are trained to identify incidents of Hate and Community Cohesion;
- g) Cohesion Officers support victims of Hate Crime and refer victims to the Hate Crime Advocacy Service (HCAS); and,
- h) Force engage in a programme of continuous internal and external scrutiny around hate crime investigations and victim care.

Priority 9- Tackle and Prevent Fraud.

- a) Force has planned and responded to fraud effectively over the course of the Covid-19 emergency;
- b) Force is undertaking activities to prevent people from becoming victims of fraud and cyber-related fraud. For example, recruitment of PROTECT officers and delivery of local, Regional and national campaigns;
- c) 'Friends Against Scams' training initiative is being rolled out to Neighbourhood Policing Teams around protecting people from fraud and dealing with victims and repeat victimisation;
- d) Banking Protocol is fully adopted in Force which provides a mechanism and inspires confidence for the financial sector to make calls for urgent responses when financial crime in action is suspected; and,
- e) Local victims and perpetrators are recorded on the Force's Crime Recording System in the same way as any other crime, ensuring that the Force's Fraud profile is accurate as possible.

Priority 10- Tackle and Prevent Anti- Social Behaviour

- a) There are a number of embedded approaches and referral options used by the Force- Mutual Gain has now been superseded by the Confidence Academy;

- b) Significant police activity continues in traditional meetings and there is currently a corporate community newsletter led by each Inspector in the Neighbourhood Policing Team (NPT);
- c) Style of the Constabulary remains to take a problem-solving approach with enforcement action at the end of an exhaustive and proportionate response;
- d) There are several embedded approaches and referral options used by the Force including Community Peer Mentors and Restorative Justice; and,
- e) Effective participation in Multi-Agency Problem Solving (MAPS) mechanisms and earlier identification of which partner organisation should lead any subsequent problem-solving Time Limited Projects (TLPs).

Priority 11- Tackle and Prevent Modern Slavery

- a) Modern Slavery Statement has now been published in Partnership with six neighbouring police forces and PCCs outlining the commitment and intended actions in terms of addressing Modern Slavery and Human Trafficking (MSHT) through business activities and supply chains.

Priority 12- Tackle and Prevent cyber-enabled crime.

- a) Force delivers on the four 'Ps'-Prepare, Prevent, Protect and Pursue;
- b) Partnership work continues through the Safer Cyber Working Group- a multi-agency group which aims to promote cyber security; and,
- c) Force delivers awareness raising sessions on the risks and threats of cyber-crime targeted both at individuals and organisations (from businesses and the third sector).

Recommendations

- 6. Panel Members are recommended to note the information contained in this report.

**Sweety Sahani
Head of Private Office**

Appendix 1: Risks and Implications

Finance

None

Staffing

None

Equality and Diversity

None

Accommodation

None

Crime and Disorder

None

Children's Act 2004

None

Stakeholder/Community Engagement

None

Environment

None

Collaboration and Partnerships

None

Value for Money and Productivity

None

Potential Impact on Police and Crime Plan Priorities

Positive coverage of activity will help to boost confidence in policing.

Commissioning

None

Other risks

None

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Police and Crime Panel**12 March 2021****Quarterly Performance Report****Office of the Durham Police, Crime and Victims' Commissioner****Purpose**

1. To update the Panel and the public on performance against the Police, Crime and Victims' Plan 2018-2021.

Background

2. The Police & Crime Plan (PCP) sets out the Police Crime & Victim Commissioner's (PCVC) vision for County Durham and Darlington, the outcomes sought, and the Key Performance Questions (KPQs) which will help determine whether those outcomes are being achieved.
3. This report considers KPQs 5-8, looking at questions in relation to reducing reoffending, improving rehabilitation of offenders, and enabling communities to have confidence in the police and criminal justice system.

Communities are safe and crime is reduced	Victims and the vulnerable feel supported	Reoffending is reduced and rehabilitation is improved	People have confidence in the police and the criminal justice system
KPQ1: How safe are our communities?	KPQ3: How well are victims supported to cope and recover, and engage in criminal justice processes?	KPQ5: How well are we reducing reoffending?	KPQ7: How confident are people in the Criminal Justice System?
KPQ2: How well are we preventing and reducing crime?	KPQ4: How well are vulnerable people supported?	KPQ6: How well are we rehabilitating people who have offended?	KPQ8: How confident are people in the police?

Outcome 3 – Reoffending is reduced and Rehabilitation is improved

KPQ5: How well are we reducing reoffending?

4. Offending and reoffending rates both nationally and locally have remained stubbornly high although there has been a slight decrease recently as the figures below evidence. In Durham and Darlington around a third of offenders reoffend within 12 months, and there is evidence that the highest risk period is within the first three months of sentence or release. Work is ongoing to address the increase in the frequency of reoffending, including the refocusing of integrated offender management for the most prolific individuals and improving the confidence of sentencers around community sentence provision. There are also many examples of inter-generational reoffending, where members of the same families are locked into a pattern of criminal activity. Working alongside partners to strengthen the ‘prevent and diversionary’ approach the PCVC is committed to reducing and preventing inter-generational offending.

Prevention

5. The Early Help and Stronger Families Programmes approach includes a new way in which partners can request early intervention support for children, young people and families they feel would benefit from additional help and support to ensure children and young people achieve positive outcomes. The work around children and families of people who have offended is seen as a priority and there is ongoing discussion to ensure that the group receives assurances around the offender specific agenda, in order to increase and sustain effective collaborative working with criminal justice agencies to support whole family working, and in particular, Checkpoint and IOM schemes, CRC and NPS caseloads. Funding for this Troubled Families programme has recently been extended. The work is overseen by County Durham’s Early Help and Think Family Partnership.
6. The PCVC’s office, together with Durham Constabulary and the 2 Local Authorities, was successful in obtaining £784,278 as part of the Home Office Safer Streets Fund, as well as an additional £75,000 of additional funding. This funding is being used to support situational crime prevention (i.e. target hardening security equipment to addresses which have been a victim of burglary, repeat burglary and properties in close proximity to the burgled property) in Horden, County Durham with the aim of preventing residential burglaries. The Home Office has committed another £21 million nationally for 2021-22.
7. Recent published data in the Ministry of Justice’s reoffending rates suggest that the percentage of offenders who reoffend is on an upward trend. Although, they remain lower than they have been historically. Whilst the actual number of offences committed per re-offender appears to be increasing, it is worth noting that the successful use of early interventions via out of court disposals results in the cohort entering the criminal justice process being more likely to be those harder to reach individuals. Thus, being those most

likely to reoffend. The highest levels of re-offending relate to theft offences in our area but there has also been an increase in less serious violent offences.

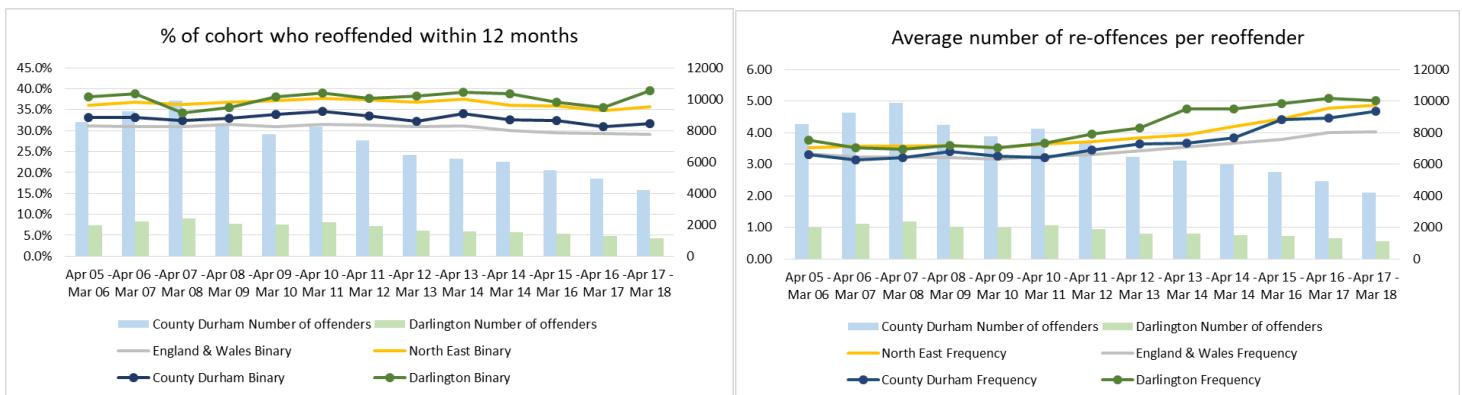


Figure 2: Percentage of offenders who reoffend in twelve months & Average number of re-offences per reoffender. Source: County Durham and Darlington Reducing Reoffending Group – Local Criminal Justice Partnership (LCJP)

KPQ6: How well are we rehabilitating people who have offended?

Early intervention

8. Regarding Youth Justice, the Enhanced Intervention Programme for the Persistent Reoffending Cohort continues to operate. Both Youth Justice/Offending Services were successful in the Early Intervention Fund to pilot a programme (named VISIT) across Durham and Darlington. This pilot supports young people with a violence history who come into contact with the police but are no further actioned, into enhanced, holistic support from the youth justice services with the aim of diverting them away from future offending.
9. Durham Constabulary has, over the years, maximised its use of adult out of court disposals (OOCDs) for eligible offences and remains in the top quartile compared to other force areas. Durham Constabulary is currently reviewing its out of court disposal framework (as per NPCC Out of Court Disposal and Charging Strategy and guidance), to ensure that interventions are as effective as they can be and this is likely to result in a reduction in the number of out of court disposal options available.
10. Durham Constabulary's Checkpoint Deferred Prosecution randomised control trial concluded in March 2018, with the analysis of the evaluation from the 2 year follow up concluded in April 2020. The results from the trial indicate that the prevalence of reoffending for Checkpoint cohort was 36.6% compared to 46.9% for the control (non-Checkpoint) cohort, indicating a 10.3% reduction in reoffending amongst a moderate risk cohort.

11. An audit/ inspection of the local Integrated Offender Management (IOM) was undertaken in 2020 to identify key strategic and operational risks to the current IOM provision. This enabled a local review of the integrated approach to the supervision of prolific offenders and the partnership support for activities that involve the rehabilitation of offenders to reduce reoffending, resulting in an action plan, a refresh of the operating model and an information sharing agreement. Additionally, Hub meetings have now been extended to include service providers such as; housing, drug, and alcohol. Local work is also ongoing to refine partnerships with prisons as well as substance misuse providers for the IOM cohort, however COVID-19 has hindered this work as partners operate under exceptional delivery models. The IOM continues to operate despite COVID-19 restrictions.
12. The Government published its refreshed IOM Strategy at the end of 2020. Whilst it refocuses IOM on neighbourhood crime (robbery, burglary, theft from the person, and vehicle theft), the Durham IOM strategic group's assessment indicates that this doesn't deviate much from the approach already taken in Durham as it always included this cohort of offenders. The group awaits operational guidance which is due in April 2021 prior to any reassessment. In addition, a further £5 million of national funding has been allocated to support the probation service to deliver the IOM strategy this financial year.
13. Although a significant decline has occurred over recent years the proportion of the IOM cohort who reoffended in Q1 2020-21 has increased in both areas which is of concern and something which will be monitored going forward.

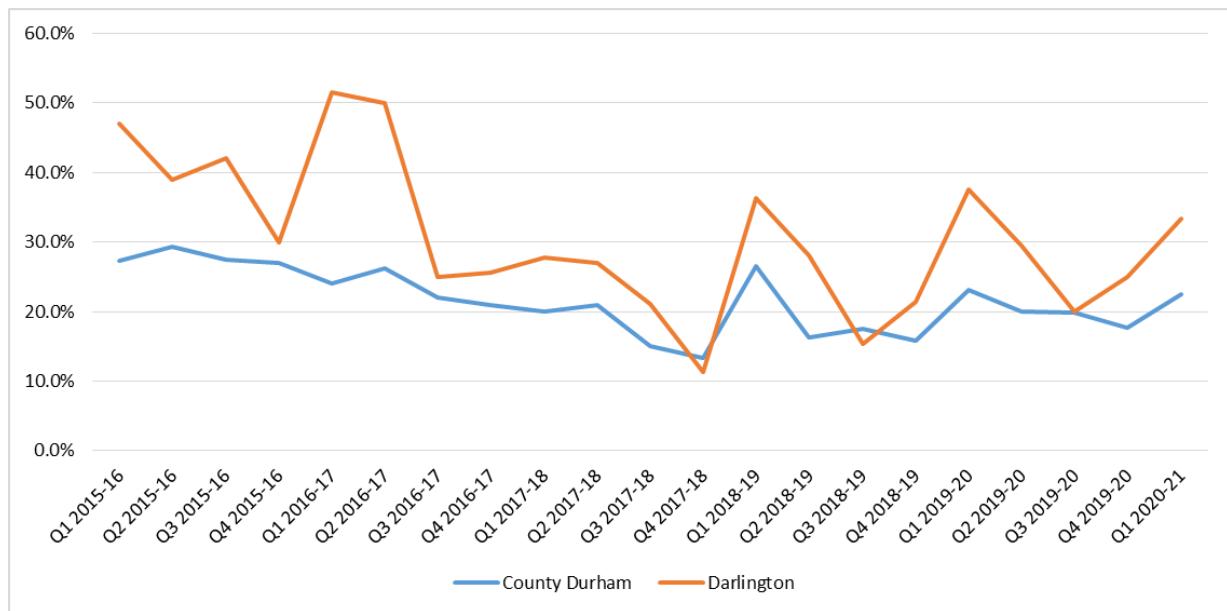


Figure 3: % of offenders in the IOM cohort reoffending in a quarter.

14. There are several ongoing projects which work towards the overall outcome of reducing reoffending via rehabilitation.

15. The Unplanned Prison Releases project which has identified a gap in the potential support for a small number of men held within HMP Durham who are released, often at short notice, with no formal arrangements in place to support their safe return back to their community. There is considerable research evidencing the increased risk of harm to both individuals and communities, re-offending, and disruption of engagement with support services following release from prison. These risks can be further increased by being released on a Friday and/or individuals having no safe, appropriate accommodation to go to. Stakeholder consultation has confirmed a strong commitment to working in partnership and an ambition to find new ways of working together to better support those leaving custody.
16. The Restorative Justice (RJ) hub is committed to offering restorative approaches at all stages, whether that is pre-charge (OOCDs), pre-sentence or post-sentence. The current work of the RJ hub is to maintain links with the Youth Offending Service and improve links with offender managers within HMPPS, prisons and the CRC. Prior to covid-19, there was a Restorative Justice post embedded into the Integrated Offender Management Unit, which will be looked at again in the future.
17. The Women's Recovery Hub is a joint Durham and Cleveland project providing a whole system approach to female offender groups, which exists to ensure the provision and coordination of gender-informed services. Recommendations from a recent Health Needs Assessment (HNA) for Long Term Opiate Clients bolstered the evidence for the requirement of bespoke female-only substance misuse services in County Durham. A task and finish group led by Durham County Council's Public Health team is being established to develop a women's recovery programme of provision. All Criminal Justice Agencies have been consulted in this new approach and will be providing an advisory role in terms of its development, given the potential added benefits of ensuring that all female offender needs are met. The project provides future potential for co-commissioning opportunities amongst criminal justice agencies and public health, to enhance the offer of women-only services in a holistic approach.

Effective Pathways

18. Appropriate accommodation is evidenced as a central factor in reducing reoffending. A Strategic and Commissioning Group is now in existence to oversee the development of the various projects linked to housing and offenders:
 - a) Project Beta;
 - b) MAPPA;
 - c) Rapid rehousing Bid;
 - d) Rough Sleeper Initiative Bid; and,
 - e) Allocation of Accommodation.

19. It was also identified there was a need for an Accommodation Manager to pull together the strands of the Accommodation pathway under the umbrella of the Accommodation Strategic and Commissioning Group. This post has been co-commissioned by the local authority, national probation Service and the PCVC. Due to COVID-19 this was put on hold but is now in post and accommodation meetings have recommenced. It is anticipated that there will be areas highlighted where there are gaps in provision and also where resources cross over.

Outcome 4: People have confidence in the Police and the Criminal Justice System

KPQ7: How confident are people in the Criminal Justice System?

20. The PCVC also wants people to have confidence in the criminal justice system which serves their community. Over the next couple of years, we will be building on progress achieved so far with partners to improve outcomes for victims, communities, and people who have offended. People need to know that, if they are a victim of crime, not only will the police treat them with respect and dignity – and support them to recover – but the system as a whole will support them.

Public Confidence in the Criminal Justice System (CJS)

21. Analysis by the Ministry of Justice suggests that a broad range of factors impact on public confidence in the Criminal Justice System. These include whether or not people have experienced crime or anti-social behaviour (ASB); the extent to which people feel informed about – and that they have an influence on – issues associated with criminal justice in their local area; and positive engagement with local police.
22. One of the key objectives of the local criminal justice partnership is to increase confidence in the Criminal Justice System. Much of this is being developed through the victim and witness group which will be reported on at a future meeting. The group aims to improve outcomes for victims through partnership working and effective commissioning of services. However, the partnership also looks at performance in relation to the management of cases through the system from arrest to sentence. This includes monitoring of the victims' code, reviewing case file quality, identifying reasons for the number of ineffective or cracked trials, particularly due to victim or witness nonattendance, the appropriate use of pre-sentence reports and how those attending court as a victim or witness are kept informed of their case progression.
23. The PCVC's office are supported by an analyst and we have access to data across the local criminal justice agencies, as well as being able to make a comparison with national performance. This has been particularly helpful during the COVID-19 operating model and the impact this has had on court closures.

24. The use of Virtual Remand Hearings (VRHs) by the force over the COVID-19 period have proven to be successful. VRHs were quickly identified as the means by which court business could be progressed during COVID19 lockdown and we know that Durham were one of the first forces in the country to enable this, despite the additional demands this placed upon force capacity. Whilst court backlogs remain a concern in the local Crown Courts the swift action by the force and partnership cooperation has assisted Durham to remain above the national average in terms of expectations for recovery. The effectiveness of VRHs has been recognised by colleagues in HMCTS (her Majesty' Court and Tribunal Service) and CPS (Crown Prosecution Service).

25. The PCVC now has responsibility for reporting criminal justice agency compliance with the Victims Code to the Ministry of Justice. In addition to this, targets set around domestic abuse best practice and national expectations in relation to case progression will also be progressed through the performance group.

KPQ8: How confident are people in the Police?

26. Communities who feel confident in their local Police are also more likely to feel safe, report crimes, and provide information and intelligence about offenders or crimes. That's why the PCVC has maintained a commitment to having neighbourhood police teams in place, across the area, despite the heavy cuts to the Police budgets since 2010.

Crime Survey for England and Wales (CSEW) – June 2019

27. The Crime Survey is a large, representative, survey of households in England and Wales. People surveyed are asked how much they agree or disagree with statements about their local police. Respondents do not have to have had any contact with the police to answer questions.

28. The table below shows Durham's result and the position in the national tables.

Indicator	Indicator Text	Score	Change since last quarter	Quartile (national)
Local concerns – police only	People who agree that 'the police are dealing with the crime and ASB issues that matter in this area'	61.6%	No significant change	1
Local concerns – police and council	People who agree that 'the police and local council are dealing with the crime and ASB issues that matter in this area'	53.9%	Dropped four places	2

Confidence	People who agree that 'overall I have confidence in the police in this area'	76.2%	Dropped five places	2
Good/excellent	People who state 'Good' or 'Excellent' when asked 'How good a job do you think the Police in this area are doing?'	64.4%	Risen eight places (quartile change 2 to 1)	1

Figure 4- Durham's position in the CSEW indicators.¹

29. The discrepancy between indicators 1 and 2, above, is worth noting. A Police/Council working group has been established to assess and deal with the differences between the two, and put in place measures to address them.
30. It is notable that over the past two quarters Durham have occupied the second quartile nationally. This shows a marked improvement since the working group has been in place.

Independent Custody Visitors (ICVs)

31. Independent Custody Visiting is a well-established system whereby trained volunteers attend police stations to check on the welfare and treatment of detainees and to ensure that their rights and entitlements are being correctly observed. It offers protection to both detainees and the police, and reassurance to the community.
32. Due to the COVID-19 pandemic, custody visits were suspended in March. However, since then we have been continuing to monitor the situation through regular updates from Custody Management and the Independent Custody Visiting Association. ICV visits recommenced with special measures in place for our Custody Visitors and staff to ensure that we can continue to monitor custody effectively, these measures include the ability to provide telephone ICV visits.
33. There are currently 25 Independent Custody Visitors appointed to the Durham scheme. Visitors can only make a custody visit when accompanied by another accredited Independent Custody Visitor. They are expected to make a minimum of six visits per year and no more than on average 4 per month. The Independent Custody Visiting Panel meets four times a year to discuss visits made. These are also attended by an Inspector from Custody Management.

¹ CSEW confidence indicators are reflective of force performance around nine months prior to their publication; thus, any action taken now to address the fall in confidence will not be seen in improved performance for a number of quarters.

NB CSEW moved to a telephone only service which combined with the impact of COVID-19 has been unable to produce respondent numbers required for a force-by-force breakdown in the next tranche of data.

PCVC External Scrutiny

34. The PCVC's office resumed its traditional external scrutiny cycle in January 2021. Overall scrutiny activities have increased with two new panels established in 2021; the Independent Complaints Scrutiny Panel and the BAME Arrest, Use of Force, Stop (BUS) and Search Panel. These panels will aim to facilitate scrutinisation of public complaints and expressions of dissatisfaction and correct process of application of police powers, respectively.
35. The Cleveland and Durham OOCD scrutiny panel continues to meet on a quarterly basis. At the last meeting, the panel looked at 15 dip sampled cases all of which were scored either *Consistent with Police policies and the CPS Code for Crown Prosecutors* (14) or *Appropriate, but with observations* (1). Cases scrutinised included youth caution cases, Checkpoint deferred prosecution cases, and some adult community resolution cases. The panel were reassured regarding the multi-agency decision making process around the youth cases and the support provided for cases which were dealt with by means of Checkpoint. A number of the cases included domestic abuse, harassment, drug offences, and racially aggravated public fear or distress.
36. The External Strategic Scrutiny Governance Group² has also been set up and held its inaugural meeting in January 2021. Membership of this group will consist of subsidiary group chairs and will provide oversight of external scrutiny. The group aims to identify shared scrutiny themes and best practice, problem-solve, and funnel issues into the appropriate forums for resolution.

PCVC internal accountability

37. The OPCVC has undergone a transition into a revised accountability framework. This gives greater clarity around existing governance structures and also provides a more strenuous and directed approach to holding the Chief Constable to account.
38. The OPCVC are reviewing scrutiny panels under their remit. This will look at membership, governance, and their role in assisting with internal accountability. There is also an onus upon developing a COVID-19 operating model, to ensure we can carry out scrutiny duties safely and effectively.
39. The revised framework also holds an emphasis on greater transparency when delivering accountability on behalf of the public. In turn, this should increase public confidence in Durham Constabulary.

² Membership of this group consists of chairs from the following groups/panels: Rape; Domestic Abuse; Hate Crime; Independent Custody Visitor Scheme; Ethics Committee; Complaints; Magistrates Court and Out of court disposals; BUS panel – BAME arrests, Use of Force and Stop and Search.

Recommendation

40. That the Panel note the contents of the report and seek any relevant points of clarification.

Steve White

Acting Police, Crime and Victims' Commissioner

Appendix: Risks and Implications

Finance

N/A

Staffing

N/A

Equality and Diversity

N/A

Accommodation

N/A

Crime and Disorder

N/A

Children's Act 2004

N/A

Stakeholder/Community Engagement

N/A

Environment

N/A

Collaboration and Partnerships

N/A

Value for Money and Productivity

N/A

Potential Impact on Police, Crime and Victims' Plan Priorities

Highlights performance in relation to the Police, Crime and Victims' Plan.

Commissioning

N/A

Other Risks

N/A

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Police and Crime Panel**12 March 2021****PCVC Decision Records****Report of the Acting Police, Crime and Victims' Commissioner****Purpose**

1. To update Panel Members on the Police, Crime and Victims' Commissioner's decision register for 2020-2021, and address the forward plan.

Background

2. Key decisions are made at an Executive Board comprising the PCVC, the PCVC's Chief Executive, the Chief Constable and the Joint Chief Finance Officer. Other officers of the PCVC or the Chief Constable will attend as and when required. On occasion it is necessary to take decisions outside of this process for reasons of expediency, but all relevant parties are consulted and informed.

Decision Making Process

3. All key decisions are supported by a report setting out the decision required, all relevant factors to be considered, the outcome of any consultation undertaken and the risks and implications of the course of action being recommended.
4. An online record is maintained of all key decisions taken by the OPCVC. This includes a link to any documents which are disclosable under FOI. This record includes decisions taken by the PCC or any person to whom delegated powers have been granted.
5. The PCVC will consider holding public meetings when this will provide a means of consultation on decisions (i.e. precept consultation) where there is a clear interest in actively seeking views of the community.
6. The PCVC may choose to delegate powers to any deputy appointed, his statutory officers or a senior member of police staff.
7. A record is kept of all decisions made under delegated powers detailing the factors taken into consideration, including any consultation carried out.
8. Decisions to be made by the PCVC will relate in the main to his statutory functions and financial responsibilities. A Forward Plan for key decisions to be taken over a 3 month period will be published on the PCVC's website.
9. Generally Key decisions are likely to include:

- The preparation, drafting and issuing of the Police and Crime Plan
 - Issuing the precept
 - Adopting a Medium-Term Financial Plan
 - Commissioning of Services
 - Preparation and issue of the Annual Report
 - Any decision which is of significant public interest or impact either generally or on a particular locality
 - Any decision which will incur revenue expenditure in excess of £100,000
 - Any decision which will incur capital expenditure in excess of £100,000
 - The approval of or adoption of strategies/policies
 - Key procurement decisions
 - Significant changes to the police estate
 - Allocation of grants
10. Details of the Police Crime and Victims' Commissioner's Decision Register 2021 can be found in Appendix 2.

Recommendation

11. That Panel Members note the contents of the report and ask any questions.

Sharon Caddell
Interim Chief Executive & Monitoring Officer

Appendix 1: Risks and Implications

Finance

All decisions with financial implications are made with value for money as a key consideration and are affordable within budgets.

Staffing

n/a

Equality and Diversity

n/a

Accommodation

n/a

Crime and Disorder

n/a

Children's Act 2004

n/a

Stakeholder/Community Engagement

Consultation with key stakeholders is carried out as appropriate to each decision.

Environment

n/a

Collaboration and Partnerships

Consultation with key partners is carried out as appropriate to each decision.

Value for Money and Productivity

n/a

Potential Impact on Police and Crime Plan Priorities

Decisions will impact directly or indirectly on the pursuit of Police and Crime Plan priorities.

Commissioning

Several decisions relate to commissioning of services.

Other risks

n/a

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Key Decisions

(Links to more detailed reports are available on the website)

Decision Number	Decision Taker	Details
2021-001	Acting PCVC	A review was undertaken in 2020 of the North East Transformation, Innovation and Collaboration (NETIC) unit. A decision was made to disband the NETIC team with effect from 31 st March 2021. The Cyber and other existing collaborations that PCCs and Chief Constables deem appropriate will be retained.
2021-002	Acting PCVC	The Acting PCVC approved contributions presented at the Commissioning Board held on 13 th January 2021. £22,000 contribution toward the Rural Communities Speedwatch Vehicle. £3,050 contribution toward the provision of a male Independent Sexual Violence Advisor. £2,000 contribution toward the Sliding Door Project (national initiative for Modern Slavery and Human Trafficking).
2021-003	Acting PCVC	The Office of the Durham Police, Crime and Victims' Commissioner noted and approved the procurement methods investigated for the provision of a National Driver Offending Re-Training Scheme (NDORS).
2021-004	Acting PCVC	The Acting PCVC is asked to give approval, based on the financial needs of the organisation and the public consultation to propose to the Police and Crime Panel, the increase of the Police Precept for 2021/22 by 7% , equivalent to £15 per year or 29p a week for a Band D property. However, as most properties in County Durham and Darlington are within a Council Tax Bands A-C, these households would see an increase in their bill of between 19p-26p per week. The Panel agreed to this at their meeting on 4 th February 2021.
2021-005	Acting PCVC	The Acting PCVC and the Executive Board have agreed to fulfil the pledge made to the Police Arboretum Memorial Trust and will contribute of £20,000 to the Trust decision made at the Executive Board meeting on 18 th February 2021.
2021-006	Acting PCVC	As the result of a Section 22 Agreement the Acting PCVC reviewed this agreement and agreed to further fund the Modern Slavery and Organised Immigration Crime programme in 2021/22.
2021-007	Acting PCVC	The Acting PCVC agreed to the proposal that the finalised terms for land acquisition in relation to the proposed new custody facility are approved and that solicitors are instructed to develop contracts. Also, that contract exchange is expedited, subject to receipt of planning permission, to enable progression of RIBA Stage 4.
2021-008	Acting PCVC	The Acting PCVC agreed to the recommendations in the report and has approved the Medium-Term Financial Plan for 2021/22 to

		<p>2024/25 which sets out the key financial issues facing the PCVC over this period.</p> <p>Options were provided for delivering a balanced budget and capital programme over the medium term.</p> <p>Decision made at an Extraordinary Executive Board on 25th February 2021.</p>
2021-009	Acting PCVC	<p>As a result of work carried out by the Transforming Forensics Programme, police forces and PCC officers now wish to enter into a collaboration agreement pursuant to section 22A of the Police Act 1996 (as amended by the PRSRA) to establish a Forensic Capability Network (FCN). A revised Section 22 Agreement in relation to the FCN was approved and signed by both the Acting PCVC and the Chief Constable of Durham Constabulary.</p>

Forward Plan

- Covid-19 Reaction
- Commissioning and Grant Funding for 2021/22

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Police and Crime Panel

12th March 2021

HMICFRS Inspections



Report of the Acting Police, Crime and Victims' Commissioner

Purpose

1. To brief the Police and Crime Panel on the findings of the recent inspections by HM Inspectorate of Constabulary and Fire and Rescue Services (HMICFRS) that have required a PCC comment, as listed below:
 - *Disproportionate use of police powers – A spotlight on stop and search and the use of force- 26 February 2021;*
 - *An inspection of the effectiveness of the Regional Organised Crime Units- 10 February 2021;*
 - *Safe to share? Liberty and Southall Black Sisters' super-complaint on policing and immigration status- 17 December 2020; and,*
 - *Pre-charge bail and released under investigation (RUI): striking a balance- 8 December 2020.*

Individual Inspections and Findings

Disproportionate use of police powers – A spotlight on stop and search and the use of force - 26 February 2021.

2. The inspection's overarching findings are as follows:
 - a) despite having more data on the use of force and stop and search, police forces are still unable to explain why these powers are used disproportionately based on ethnicity;
 - b) over 35 years since the introduction of stop and search, the police still cannot explain why these powers are used disproportionately. HMICFRS found that the most common reason given for the use of these powers is due to suspected drug possession. This unfairness risks further reducing public trust in the police and could lead to more Black, Asian, and Minority Ethnic people being drawn into the criminal justice system;
 - c) the inspectorate is calling on police leaders to consider whether focusing stop and search on tackling drug possession is an effective use of these powers; and,

- d) HMICFRS also called for police forces to analyse their data and either explain, with evidence, the reasons for disproportionality in stop and search and use of force, or take clear action to address it.
- 3. The inspection report details national themes. In Durham, there are a plethora of strands which seek to address the issue of disproportionality and appropriateness surrounding use of force and stop and search. These include; the BAME Arrest, Use of Force, and Stop and Search External Scrutiny Panel, the Independent Complaints Scrutiny Panel, external scrutiny findings' internal feedback loops, internal Durham Constabulary meetings (relating to custody and police legitimacy). It is acknowledged that more work is to be done to continue addressing the concerns highlighted within the inspection.

An inspection of the effectiveness of the Regional Organised Crime Units - 10 February 2021.

- 4. The inspection's overarching findings are as follows:
 - a) the Home Office should look to legislative possibilities which would allow the National Crime Agency (NCA) to formally task Regional Organised Crime Units (ROCUs);
 - b) the National Police Chiefs Council (NPCC) and Home Office should develop technical arrangements to make exchanging sensitive intelligence between organisations more efficient which should then be adopted by forces and the NCA;
 - c) forces should streamline communication processes between ROCU's and the relevant force's in their respective catchment areas;
 - d) a counter-corruption strategy should be published for ROCU's and adopted by all relevant forces; and,
 - e) the NPCC should design a national function that can ensure ROCUs operate in a coordinated and consistent manner.
- 5. The inspection report details national themes. The improvements laid out regarding improved communications and tasking for ROCUs and national bodies is welcomed. It should be bore in mind the importance that regional and local requirements and integrated into ROCU operation and national systems which are implemented.

Safe to share? Liberty and Southall Black Sisters' super-complaint on policing and immigration status - 17 December 2020

- 6. This super-complaint concerns migrant victims in vulnerable circumstances. They usually arise from crimes of domestic abuse or modern slavery and human trafficking. The super-complaint put forward by Liberty and Southall Black Sisters is about the treatment of victims of crime and witnesses with insecure immigration status. It focuses on how information about them is passed to the Home Office for immigration enforcement. It concerns two features of policing:

- a) the passing of victim and witness data to the Home Office by the police for immigration enforcement purposes; and,
 - b) the operation of and/or perception of a culture of police prioritising immigration enforcement over safeguarding and the investigation of crime.
7. Liberty and Southall Black Sisters say that these features deter victims and witnesses engaging with the police because of their unsettled immigration status. As a consequence, victims are denied justice, while offenders go unpunished and remain a threat to the public.
8. The inspection's overarching findings are as follows:
- a) where officers only have concerns or doubts about a domestic abuse victim's immigration status, they should immediately stop sharing with Immigration Enforcement information on those victims;
 - b) the Home Office should review the relevant legal framework and policy to establish sound and fair priorities regarding migrant victims of crime and migrant witnesses to crime, with insecure or uncertain immigration status;
 - c) the Home Office and the National Police Chiefs' Council should develop a safeguarding protocol about the police approach to migrant victims and witnesses of crime; and
 - d) the police should establish safe reporting pathways for all migrant victims and witnesses to crime.
9. Durham Constabulary currently adhere to all national guidance regarding the issues raised in the report. Additionally, the Force also continue to apply principles in line with THRIVE¹ when assessing each case, which aims to consider 'by making the decision to share what additional risks are generated?'. The Force are currently awaiting the most up to date guidance from national policing bodies and will act accordingly.

Pre-charge bail and released under investigation: striking a balance- 8 December 2020.

10. The inspection's overarching findings are as follows:
- a) that suspects are still faced with lengthy delays and that the changes also had unintended consequences for victims, who view them as overwhelmingly negative;
 - b) that not enough thought was given as to how the legislative changes would affect victims;
 - c) that RUI leaves too many victims without the reassurance and protection that bail conditions can provide;
 - d) there was an inconsistent implementation of the changes by forces due to a lack of clear guidance;
 - e) that investigations involving suspects released under investigation tend to take longer and are subject to less scrutiny than ones involving formal bail; and,

¹ Threat, Harm, Risk, Investigation, Vulnerability, Engagement (THRIVE).

- f) that victims and suspects do not understand the legislation and are not being updated about the progress of their case.
11. Durham Constabulary is addressing the recommendations held within the report effectively. The sharp decline in the use of police bail due to legislative changes is of concern, this resulted in suspects of high harm crimes being RUI with no constraints. Inevitably, this has had a negative impact upon victim care. With no limits placed upon a suspect who is RUI, there are no restrictions on who they can contact, nor is there a requirement to report to a police station. In contrast, the new reforms are encouraging and should provide the protection that victims require in the future, officers with the tools they need to make sure suspects are properly monitored, and the delivery of justice.

General comment on inspection reports

- 12. We take all Recommendations and areas for improvement seriously. I am confident that these are being dealt with appropriately, with the aim to improve methods of working and the effectiveness and efficiency of Durham Constabulary. Where the Force may operate differently to some recommendations, I am satisfied that there is a strong rationale behind doing so.
- 13. The OPCVC is currently in the process of preparing a response to HMICFRS on the above inspections.
- 14. Please find below the following link which will direct you to the Section 55 responses presented to HMICFRS by the Acting Police, Crime and Victims' Commissioner for Darlington and Durham:

<https://www.durhampcc.gov.uk/YourPCC/Accountability/HMICFRS-Inspections.aspx>

These will provide members of the Panel with all of the associated Durham Constabulary updates in relation to HMICFRS reports.

Known inspection schedule 2020

- 15. Some elements of planned thematic inspections for 2019/20 may be integrated into the PEEL all-force inspection programme; some may also be included in the Criminal Justice Joint Inspection Plan. It is important to note that thematic inspections are still an essential part of the programme of work and will continue to take place alongside the PEEL inspections.
- 16. The 2020/21 inspection programme includes:
 - The policing response to COVID-19 (Durham Constabulary are currently awaiting formal feedback and publication of the report is pending);

- Joint inspection of the investigation and prosecution of rape cases; and,
 - Initial scoping for potential thematic inspections for 2021/22 which will potentially include issues of race and disproportionality (issues surrounding these areas will inevitably be touched upon throughout the current inspection programme).
17. HMICFRS will also continue their rolling programmes on child protection, Youth Offending Teams, and crime data integrity. Crime data integrity inspections assess whether police forces record and categorise crimes correctly. This current programme of inspection is due to finish this financial year.

Recommendations

18. That the Panel notes the content of the inspection report.
19. The Panel notes that all HMICFRS inspections were postponed due to the initial Covid-19 emergency but they were later resumed in October 2020.

**James Atkinson
Scrutiny & Accountability Officer**

Appendix 1: Risks and Implications

Finance

N/A

Staffing

N/A

Equality and Diversity

Many issues of the issues raised within HMICFRS inspections promote whole system work to address equality and diversity disparities.

Accommodation

N/A

Crime and Disorder

N/A

Children's Act 2004

N/A

Stakeholder/Community Engagement

N/A

Environment

N/A

Collaboration and Partnerships

N/A

Value for Money and Productivity

N/A

Potential Impact on Police and Crime Plan Priorities

N/A.

Commissioning

N/A

Other risks

N/A

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Durham Police and Crime Panel

12 March 2021

Complaints Update

Report of Helen Lynch, Monitoring Officer and Clerk to the Police and Crime Panel

1 Purpose of the Report

- 1.1 To update members on the number of formal complaints received since the last meeting.

2 Executive Summary

- 2.1 On 16 October 2020 the Police and Crime Panel approved an update to the procedure for handling complaints relating to the PCVC or the Deputy PCVC. In addition to this the Police and Crime Panel agreed to receive at each regular meeting an update on the number of formal complaints received including those which may have been rejected without consideration by the Panel in accordance with the procedure.

3 Recommendation

- 3.1 The Panel are asked to note the report.

4 Complaints Procedure

- 4.1 The Police and Reform and Social Responsibility Act 2011 sets out the role and responsibility of Panels, this includes handling complaints relating to the Police and Crime Commissioner and their Deputy where appointed.
- 4.2 The Police and Crime Panel on 16 October 2020 reviewed and agreed an update to the procedure for dealing with complaints and conduct matters about the PCVC and their Deputy. The updates to the procedure were made following recommendations of the Local Government Association (LGA) on the best practice for complaints handling.
- 4.3 Following the approval by the Panel to adopt the updated procedure, the procedure took effect for all complaints received after 16 October 2020. A copy of the updated procedure is available on the Durham County Council website and is also available on request.
- 4.4 The formatting of the procedure has been altered for presentation on the Durham County Council website to ensure that this complies with current accessibility laws. This has been altered to ensure that the procedure is accessible to those who use assistive technology such as screen readers.

5 Complaints Update

- 5.1 The Panel have delegated responsibility to the Monitoring Officer to the Police and Crime Victims Commissioners Office for the initial receipt of complaints, and referral to the Panel, if there appears to be any substance in it. There may be instances where a complaint is not presented to the Panel such as withdrawn complaints or those which are outside of the policy to be considered.
- 5.2 In order to promote transparency and ensure effective scrutiny it was agreed on 16 October 2020 that the Panel would receive a report at each regular meeting on formal complaints received relating to the PCVC, including those which have not been presented to the Panel.
- 5.3 Between 28 January 2021 and 3 March 2021, one complaint was received in February 2021 and related to an operational policing matter rather than a substantive complaint against the Acting PCVC. It is therefore not appropriate for the complaint to be considered under the Panel's complaints arrangements. It has however been forwarded to the relevant department for consideration under the correct procedures.

Background Papers

None

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Appendix 1

Legal Implications

The Elected Local Policing Bodies (Complaints and Misconduct) Regulations 2012 set out the functions of police and crime panels in relation to the handling of complaints concerning the conduct of police and crime commissioners, and provide for local arrangements to be made in order to resolve complaints.

Finance

None specific for this report.

Consultation

None specific for this report. .

Equality and Diversity / Public Sector Equality Duty

None specific for this report.

Climate Change

None specific for this report.

Human Rights

None specific for this report.

Crime and Disorder

None specific for this report.

Staffing

None specific for this report.

Accommodation

None specific for this report.

Risk

None specific for this report.

Procurement

None specific for this report.

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