



Police and Crime Panel

Date **Thursday 3 March 2016**
Time **1.00 pm**
Venue **Committee Room 1A, County Hall, Durham**

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 1 February 2016 (Pages 1 - 4)
5. Revenue and Capital Budgets 2016/17, Medium Term Financial Plan 2016/17 to 2019/20, Revenue and Capital Budgets 2015/16 - Report of the PCC Chief Finance Officer, Office of the Police and Crime Commissioner (Pages 5 - 34)
6. Community Safety Funding in 2016/17 - Report of Head of Governance and Commissioning, Office of the Police and Crime Commissioner (Pages 35 - 40)
7. Quarter 3 Performance report - Presentation by Chief of Staff, Office of the Police and Crime Commissioner
8. Recent HMIC Inspection Reports - Report of Head of Policy and Communications, Office of the Police and Crime Commissioner (Pages 41 - 46)

9. PCC Decision Records - Report of Chief of Staff, Office of the Police and Crime Commissioner (Pages 47 - 50)
10. New Policing and Crime Bill - Report of the Police and Crime Commissioner (Pages 51 - 60)
11. Such other business, as in the opinion of the Chairman of the meeting, is of sufficient urgency to warrant consideration

Part B

Items during which it is considered the meeting will not be open to the public (consideration of exempt or confidential information)

12. Vysionics Average Speed Cameras - Report of the Police and Crime Commissioner (Pages 61 - 64)
13. Such other business as, in the opinion of the Chairman, is of sufficient urgency to warrant consideration

Colette Longbottom
Monitoring Officer

County Hall
Durham
24 February 2016

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

Durham County Council

Councillors J Allen (Chairman), J Armstrong, D Boyes, P Brookes, S Forster, A Hopgood and P May

Darlington Borough Council

Councillors I Haszeldine, S Harker (Vice-Chairman) and B Jones

Independent Co-opted Members

Mr N J H Cooke and Mr D K G Dodwell

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DURHAM COUNTY COUNCIL

At a Meeting of **Police and Crime Panel** held in Committee Room 1A, County Hall, Durham on **Monday 1 February 2016 at 10.00 am**

Present:

Councillor J Allen (Chairman)

Durham County Council:

Councillors P Brookes, S Forster and P May

Darlington Borough Council:

Councillors S Harker (Vice-Chairman) and B Jones

Independent Co-opted Members:

Mr N Cooke and Mr D Dodwell

1 Apologies for Absence

Apologies for absence were received from Councillors Armstrong, Boyes and Hopgood.

2 Substitute Members

There were no substitute Members in attendance.

3 Declarations of Interest

There were no declarations of interest.

4 Minutes

The Minutes of the meeting held on 8 January 2016 were confirmed as a correct record and signed by the Chairman.

The Panel noted that feedback on all issues raised had been provided.

5 Consultation on Council Tax Police Precept 2016-17

The Panel considered a report of the Police and Crime Commissioner (PCC) which provided an update in relation to consultation on his proposed precept for 2016-17, presented a summary of responses received and the expected outcome based on the responses received. A supplemental report was circulated which provided the final results of the Precept Consultation (for copy of report and supplemental report see file of Minutes).

Councillor Brookes informed the Panel that the responses to the consultation provided a clear endorsement of the proposed precept and asked whether it would be possible to quantify the impact of the proposed rise so that the difference the money raised could be advertised.

The PCC replied that the force would lose nearly £460,000 under the Comprehensive Spending Review and along with other budgetary pressures from pay awards, National Insurance contributions and IT requirements, would need to make savings in the order of £3m. Although the proposed precept would mitigate these cuts, the force would still need to reduce officer numbers in the region of 50 police officers and 40 civilian staff. PCSO levels had reduced from 170 to 155 but it was hoped that 15 PCSOs could be recruited to return this number to 170, to retain public visibility.

Mr Dodwell asked whether any reply had been received to the letter the PCC had sent to the Home Office referred to at the last Panel meeting. The PCC replied that while no reply had been received, he had raised the issue of the low yield any precept raised in County Durham and Darlington generated due to 55% of properties being in Council Tax Band A and hoped that this would be considered in any new funding formula. Work was ongoing around a new funding formula and, as Durham had been ranked as the most efficient and effective force in the Country, the PCC had offered input into any work regarding the new funding formula.

Resolved:

That the report be approved.

6 Report of the Rape Scrutiny Panel

The Panel considered a report of the Police and Crime Commissioner which provided an update on work undertaken by the Durham Rape Scrutiny Panel (RSP) (for copy see file of Minutes).

Councillor May asked whether the recommendations from the Panel applied to male victims as well as female. He also sought clarity on the Criming Process referred to in paragraph 5.1 of the RSP report and what an appropriate rank would be, referred to in Recommendation 8.

The PCC replied that, while all victims in the cases examined by the RSP had all been female, the recommendations of the Panel would apply to all victims of domestic violence, regardless of gender. The Criming Process was part of the National Crime Reporting Standard and it was important that any allegation which was later scaled down was subject to a rigorous audit trail and transparency. An appropriate rank officer would vary by situation.

In reply to a question from Councillor Brookes about the number of cases the Panel had scrutinised the PCC replied that this was four, however, it was hoped that more cases would be scrutinised in the future. Councillor Brookes referred to Recommendation 4 which related to retraction statements, an area of concern to him. He asked whether, if a victim issued a retraction statement, but the police felt there was sufficient evidence for a prosecution, the force would take a proactive

role and seek a prosecution. The PCC replied that if the strength of evidence was such that the police considered a prosecution was necessary, the victim could be declared as a hostile witness. The PCC added that he would raise this issue with the force.

Councillor Harker referred to Recommendation 4 and sought clarity around retraction and misinterpretation. The PCC replied that in the past, the decision to prosecute had been made by the police, Crown Prosecution Service and victim. This recommendation sought to bring closer scrutiny of this process to ensure it was full and transparent.

Resolved:

That the report be noted.

7 Office of the Police and Crime Commissioner Restructure

The Panel considered a report of the Chief of Staff which provided details of a new staffing structure and complement in the Office of the Police and Crime Commissioner (for copy see file Minutes).

The report was presented by the Chief of Staff, following which all staff of the Office of the Police and Crime Commissioner left the meeting during the Member discussion.

Councillor Allen asked how the structure compared to other PCC office structures. The PCC replied that although it was similar, no two PCC offices were the same. There was a need to achieve a balanced structure so the office could continue to deliver, as it had done to date. The office now shared the Finance Officer role with the Constabulary, which was nationally recognised as good practice, had recruited two graduate interns and had employed a modern apprentice, as well as having secondees, and this had resulted in a reduction in employee costs in excess of £200,000, from £704,000 to £494,000. The PCC then provided the Panel with details of the Chief of Staff's level of remuneration.

Councillor Brookes informed the Panel he was disappointed with the level of detail in the report with not all salaries and grades being included and no descriptions of roles and responsibilities. Mr Dodwell asked whether the structure had been approved by the PCC alone. The PCC confirmed that he had approved the structure and informed the Panel he would provide the information referred to by Councillor Brookes.

Councillor Allen sought details of the Police Staff Group (PSG) referred to in the report. The PCC replied that as a matter of courtesy he had taken the new structure to the PSG, which had examined the job roles and pay grades, which ensured the process had rigour.

Councillor May asked whether the sharing of jobs had been considered. The PCC replied that the office was a corporation sole, and as such, couldn't collaborate with other organisations, for example, fire and rescue. However, collaboration with other PCC offices had been considered.

Councillor Jones informed the Panel he had been unaware of the PSG and asked whether the office structure had been approved before being brought to the Panel. The PCC replied that the approval of the office structure was not a role of the Panel, which had the role of scrutiny.

Councillor Allen commented that the changes in process, monitoring and governance since the appointment of the Chief of Staff had all been positive.

Mr Dodwell asked how the structure compared to the staffing structure of the former Police Authority. The PCC replied that as the role of the PCC developed, comparisons with the former Police Authority weakened,

Resolved:

That the report be noted.

The Chief of Staff rejoined the meeting.

8 PCC Decision Records

The Panel considered a report of the Chief of Staff which provided an update on the PCCs decision register from January 2016 and forward plan (for copy see file of Minutes).

Resolved:

That the report be noted.

Police and Crime Panel

3rd March 2016

Revenue & Capital Budgets 2016/17
Medium Term Financial Plan 2016/17 to 2019/20
Revenue & Capital Budgets 2015/16



Report of the PCC Chief Finance Officer

Purpose of report

1. The purpose of the report is to set out the PCC'S decisions in respect of:
 - Approving the revenue budget and policing precept for 2016/17
 - Approving the capital budget for 2016/17
 - Approving the revised revenue & capital budgets for 2015/16
 - Approving the medium term financial plan
 - Considering the robustness of the estimates and adequacy of reserves.

Background

2. The final financial settlement for 2016/17 (received 3rd February 2016) announced a reduction in core Government funding to Police Forces of 0.53% when compared to 2015/16
3. The Medium Term Financial Plan in Appendix 2 outlines estimated future years' funding levels. Whilst a balanced budget for all 4 financial years can be achieved, this is dependent upon the funding levels from Central Government reducing by only 1.3% in future years.
4. The Home Office have already announced that they are reviewing the police funding formula allocation between Forces for 2017/18 onwards. We believe, based on exemplifications published previously, that Durham could potentially lose up to £10m per annum from the changes. We have established a range of options for managing such a reduction.
5. 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 above, 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.

Budget 2016/17**Provisional Grant Settlement**

6. The final Local Government Finance Settlement, together with the Police Grant Report for 2016/17 has now been received and mirrors the provisional settlement which was issued on 17th December 2015. Central funding for 2016/17 has been set at £85.783m, a decrease of £0.457m (0.53%) compared with the 2015/16 figures. The table shows the Constabulary's assumption of the anticipated fall in central government funding in future years compared to the current year:

	2015/16 £000	2016/17 £000	2017/18 £000	2018/19 £000	2019/20 £000
Police Grant	42,954	42,709	42,154	41,606	41,066
DCLG General Grant	37,176	36,964	36,484	36,010	35,542
Legacy Council Tax Freeze Grants	6,110	6,110	6,031	5,953	5,876
Central Gov't Funding	86,240	85,783	84,669	83,569	82,484
Reduction in Funding	4,314	457	1,114	1,100	1,085

7. The government has announced the 2016/17 Council Tax capping criteria at 2%. The PCC has decided, following public consultation, to increase Council Tax by 1.98%.
8. Every 1% variation in the Band D Council Tax affects the Council Tax Requirement by £0.26m. A 1.98% increase in Council Tax, which is the maximum increase avoid a referendum, would result in an increase to the base budget of £0.52m for every year in the future. This would increase the Band D precept from £162.73 to £165.95 per annum, an increase of £3.22 per annum which is 6p per week. The impact on the majority of households in County Durham and Darlington which are Band A properties, would be an increase of £2.14 from £108.49 to £110.63 per annum, which is equivalent to 4p per week.
9. The Government has created a number of 'top sliced' funding streams as follows:
- Counter terrorism
 - Firearms
 - Efficiency
- The Force is yet to receive details of its allocation for these streams.
10. Police capital grant has reduced by 40%. This will reduce capital grants by £0.39m which can be financed by revenue contributions to capital in order to maintain investment in new assets.

11. The Force has budgeted for £1.7m each year for the introduction of the single tier pension.

Savings 2016/17 to 2019/20

12. The medium term financial plan indicates the projected revenue and capital expenditure positions for the next four years.
13. The Medium Term Financial Plan (Appendix 2) shows a balanced budget for 2016/17 and future years assuming that the funding allocation does not change significantly in 2017/18. Appendix 2 shows the main assumptions used, which are considered reasonable.
14. Over the medium term, officer numbers are expected to fall in 2016/17 by 50 before rising back up to 1200. PCSO numbers are expected to increase by 15 up to 170 which is a similar level to that which existed pre-austerity. The Force expects to lose approximately 30 police staff roles in 2016/17 before stabilising. However, these figures may change depending upon the funding formula review.

2016/17 Council Tax Requirement

15. The ‘*council tax bases*’ of Durham County Council and Darlington Borough Council are used to calculate the proportion of the PCC’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 2016/17, determined by the relevant authorities and notified to the Police and Crime Commissioner, are as follows:

<i>Council</i>	<i>Notified Council Tax Base</i>
Durham County	133,892.40
Darlington	31,739.60
Aggregate Council Tax Base	165,632.00

16. 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.

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

17. A 1.98% increase in Band D Council Tax would result in a budget of £113,988,020.

	£	£
PCC's Budget Requirement (based on an increase in Basic Council Tax of 1.98%)		113,988,020
Less:		
Specific Grant	42,708,582	
Re-distributed Non-Domestic Rates	36,963,684	
Legacy Council Tax Grants	6,110,124	
		85,782,390
		28,205,630
Less:		
Estimated overall net surplus on Collection		
Funds at 31 st March 2016		719,000
Council Tax Requirement		27,486,630

This would mean a council tax of:

$$\frac{\pounds 27,486,630}{165,632} = \pounds 165.95$$

18. The PCC has decided that the Council Tax Requirement be set at a level that results in a 1.98% increase in Band D Council Tax for the year ending 31st March 2017 and
- That in determining the Council Tax Requirement, the PCC notes the PCC Chief Finance Officer's report on the robustness of the estimates and the adequacy of reserves and risks in the budget and is attached as Appendices 3 and 4.
 - The 'council tax base' for the whole of the Force area of County Durham and Darlington will be 165,632.
 - The 'basic amount of council tax' be £165.95 and the amount of council tax for each category of dwelling be as follows:

Valuation Band	(Proportion of Basic Amount)	Council Tax 2015/16
		£
A	(6/9)	110.63

Valuation Band	(Proportion of Basic Amount)	Council Tax 2015/16
B	(7/9)	129.07
C	(8/9)	147.51
D	(<i>'basic amount'</i>)	165.95
E	(11/9)	202.83
F	(13/9)	239.71
G	(15/9)	276.58
H	(18/9)	331.90

- The Budget Requirement be £113,987,954 and that after taking account of Police Specific Grant of £42,708,582 Re-distributed Non-Domestic Rates of £36,963,684 and Legacy Council Tax Grants of £6,110,124, precepts totalling £27,486,564 be issued to Authorities as follows:

Council	Council Tax Base	Precept (£)
Durham County	133,892.40	22,219,443
Darlington	31,739.60	5,267,187
	165,632.00	27,486,630

19. 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**

- 1 April 2016
- 4 May 2016
- 3 June 2016
- 5 July 2016
- 5 August 2016
- 6 September 2016
- 7 October 2016
- 7 November 2016
- 8 December 2016
- 9 January 2017

(b) **Darlington Borough Council**

- 20 April 2016
- 26 May 2016
- 1 July 2016
- 5 August 2016
- 12 September 2016
- 17 October 2016
- 21 November 2016
- 28 December 2016
- 2 February 2017
- 9 March 2017

Level of Financial Reserves

20. To ensure ongoing financial viability it is important that the Police & Crime 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 PCC 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.
21. The current policy statement on the level of reserves includes the following:
- The Police & Crime Commissioner will set aside sufficient sums in earmarked reserves as it considered prudent to do so. The PCC 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 Commissioner.
 - The Police & Crime Commissioner will aim to maintain, broadly, general reserves of between 4% and 5% of the revenue estimates which are currently about £4.560m and £5.699m respectively (based on 2016/17 revenue funding of £113.989m) subject to an annual review by the PCC Chief Finance Officer as part of the budget process.
22. The following tables show the estimated movement in financial reserves over the period to 31st March 2017 assuming a 1.98% Council Tax increase for 2016/17. The Capital Modernisation reserve was used to partly clear the LGPS deficit in 2015/16.

Financial Reserves	Balance at 31/3/15	Variation 2015/16	Estimated Balance 31/3/16	Variation 2016/17	Estimated Balance 31/3/17
	£'000	£'000	£'000	£'000	£'000
General	5,666	-	5,666	-	5,666
Usable Capital Reserve	154	-154	-	-	-
Capital Grants Unapplied	1,096	-1,096	-	-	-
Capital Receipt	-	-	-	75	75
Earmarked	11,165	-5,169	5,996	-	5,996
Total Reserves	18,081	-6,419	11,662	75	11,737

	31st March 2015 £'000	31st March 2016 £'000	31st March 2017 £'000
Capital Modernisation	6,628	1,875	1,875
Staff Pensions & Severance	1,760	1,760	1,760
Police Officer Pensions	676	676	676
PCC	581	581	581
Community Safety Reserve	268	268	268
Tactical Training Centre	121	121	121
NERSOU	84	84	84
Other	1,036	631	631
Usable Capital Reserve	154	0	0
Capital Grants Unapplied	1,096	0	0
Capital Receipt	0	0	75
General Reserve	5,666	5,666	5,666
Total	18,081	11,662	11,737

23. The expected use of reserves is as follows:

- £1.962m to fund capital expenditure in 2016/17
- £1.682m to fund capital expenditure in 2017/18
- £4.799m of reserves to partly fund the LGPS pension deficit payment of £7m in 2015/16

Key Risks

24. The following key risks with associated mitigating action and responsible persons are included within the medium term financial plan (see appendix 2 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,,

Cost Control

25. 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 PCC 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.
26. 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 PCC budgets each quarter.
 - Overtime is reviewed by the Force Executive and each Command monthly.
 - The Financial outturn is circulated at the Force Leadership Group
 - Detailed outturn reports are produced quarterly.
 - Experienced and qualified Finance staff work closely with the Commanders and Executive officers.
 - The Assistant Chief Officer chairs the Strategic Resource Group which controls overall officer and staff numbers to ensure they remain in line with budget.
 - Benchmarking is carried out regularly e.g. use of the VFM profiles and other external data.

Capital Budget 2016/17 and beyond**Prudential Code (including Treasury Management)**

27. Under the Prudential Code for Capital Expenditure, the PCC is free to make borrowing decisions according to what is affordable. The proposed capital programme for new starts and carry forward in 2016/17 totals £5.408m of which part could be met with a contribution from Capital Grants Unapplied. In order to reduce the impact on the 2016/17 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 available upon request.
28. 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 PCC 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.
29. The 2015/16 capital programme is progressing. The revenue consequences of this programme have been taken into account in the 2016/17 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 2016/17.
30. The PCC has agreed the carry forward of underspends on the 2015/16 capital programme. The multi-year capital plan is shown below:

	Outturn 2015/16 £'000	Estimate 2016/17 £'000	Estimate 2017/18 £'000	Estimate 2018/19 £'000	Estimate 2019/20 £'000
Expenditure					
Buildings: Major works	443	0	0	0	0
Buildings: Minor Works	621	150	150	150	150
Buildings carry forward from prior year	0	1,600	0	0	0
Vehicles	990	900	1,000	950	1,100
Vehicles carry forward from prior year	0	150	0	0	0
ICT	2,654	1,118	2,608	857	1,068
ICT carry forward from prior year	0	1,240	0	0	0
Equipment	510	250	250	250	250
Total	5,218	5,408	4,008	2,207	2,568
Funding					
Capital Grant	1,965	580	580	580	580
Special Grant	117	200	0	0	0
Capital Receipts	1,162	1,666	1,746	1,166	1,988

NOT PROTECTIVELY MARKED

Revenue Contribution	1,531	1,962	1,682	461	0
Strategic Reserve	0	0	0	0	0
Self-Financed Borrowing	443	1,000	0	0	0
Total	5,218	5,408	4,008	2,207	2,568
Capital Financing Costs					
Minimum Revenue Provision	655	653	421	668	659
Revenue Contribution	0	0	0	0	0
Contribution from Reserves	0	0	0	0	0
Interest Charges	26	250	280	280	280
Total	681	903	706	948	939

31. The capital budgets for 2017/18 onwards are provisional at this stage. The 2016/17 capital programme is considered to be both realistic and achievable.

Medium Term Financial Plan 2016/17 to 2019/20

32. The updated Medium Term Financial Plan is attached as Appendix 2.
33. Council Tax increases are assumed at 1.98% for 2016/17 and beyond.
34. The Local Government Provisional Finance Settlement provides details of formula grant levels for 2016/17. Settlement figures for 2017/18 onwards assume a 1.3% grant loss each year.

Recommendation

35. The Panel is recommended to consider the report.

G Ridley

PCC Chief Finance Officer

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 2016/17 budget.

Value for Money and Productivity

N/A

Other risks

N/A

NOT PROTECTIVELY MARKED

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**Durham Police & Crime Commissioner
Medium Term Financial Plan
2016/17 to 2019/20**

Introduction

The prevailing national financial climate has transformed the way in which we perceive the delivery of public services. The Policing Service now has an imperative to evidence value for money and deliver a consistently high level of services with shrinking financial resources. The austerity measures are expected to continue until 2020.

This plan demonstrates in financial terms how the Police and Crime Commissioner (PCC) 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 PCC and Constabulary for the four financial years commencing 1st April 2016. 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 PCC and Constabulary. Individual and collective responsibility is exercised over the management of performance and resources. Governance arrangements are in place to ensure that the PCC 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 PCC;
- The impact of additional demands on the level of council tax levied by the Police & Crime Commissioner;

- The main financial risks facing the PCC and Constabulary.

Strategic Planning Principles

In constructing its financial plans the PCC 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 PCC and within the following further conditions:

- *Budgets set will be affordable and not jeopardise the financial stability of the PCC 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 PCC;*
- *The PCC'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 PCC 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.”

There are two key objectives that Durham Constabulary are focussed on delivering for the citizens of County Durham & Darlington:

Inspire Confidence in our Communities

Deliver High Satisfaction

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

- What we need to be good at (Our Core Deliverables),
- What will help us to do it (Enabling Factors),
- How we will align our Resources,
- Use of Resources.

Each key area describes a number of strategic objectives that informs where the PCC 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 good at (Our Core Deliverables):
 - Protecting Neighbourhoods,
 - Tackling Criminals,
 - Solving Problems,
- What will help us to do it (Enabling Factors):

- Provide effective and efficient response,
 - Manage and use our knowledge,
 - Effective Internal Communication,
 - Working together with others,
 - Reinforce an “Aiming for Excellence Culture”,
-
- How we will align our Resources:
 - Our Staff,
 - Our Staff,
 - Strategic Policing Requirement,
-
- Use of Resources:
 - Our Finance,
 - Continuous Improvement,
 - Performance Management Framework.

Revenue Expenditure

Police Service Funding

The final Local Government Finance Settlement, together with the Police Grant Report for 2016/17, will be agreed by the House of Commons in February 2016. It is anticipated that this final settlement will mirror the provisional settlement which was issued on 17th December 2015. Central funding for 2016/17 has been set at £85.783m, a decrease of £.457m (0.53%) compared with the 2015/16 figures. The table shows the anticipated fall in central government funding in future years compared to the current year as follows:

	2015/16 £000	2016/17 £000	2017/18 £000	2018/19 £000	2019/20 £000
Police Grant	42,954	42,709	42,154	41,606	41,066
DCLG General Grant	37,176	36,964	36,484	36,010	35,542
Legacy Council Tax Freeze Grants	6,110	6,110	6,031	5,953	5,876
Central Gov't Funding	86,240	85,783	84,669	83,569	82,484
Reduction in Funding	4,314	457	1,114	1,100	1,085

As well as general grant, there will continue to be other specific grants.

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 2016/17	Estimate 2017/18	Estimate 2018/19	Estimate 2019/20
Officer Pay Inflation (from September each year)	1%	1%	1%	1%
Police Staff Pension Contribution Increase	0%	1.5%	0%	0%
Staff Pay Inflation	1%	1%	1%	1%
Police Officer Vacancy Factor	0%	0%	0%	0%
Police Staff Vacancy Factor	2%	2%	2%	2%
Energy & Fuel Inflation	1%	1%	1%	1%
Other Non-Pay Inflation (except where contractually based)	0%	0%	0%	0%
Council Tax Increase	1.98%	1.98%	1.98%	1.98%
Other Income Inflation	0%	0%	0%	0%

Work Force Planning

The following table shows expected workforce numbers.

	2015/16	2016/17	2017/18	2018/19	2019/20
Officers	1,200	1,150	1,175	1,200	1,200
PCSOs	155	170	170	170	170
Staff	850	820	820	820	820
Total	2,205	2,140	2,165	2,190	2,190

These figures are kept under continuous review.

The reductions in officers and police staff numbers have been identified for 2016/17. Ongoing recruitment will be needed to ensure service delivery is maintained. Further information is contained within the detailed workforce plan.

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This table considers the impact of all the income and revenue assumptions and identifies the Budget 2016/17 for approval.

Budget Heading	Outturn 2015/16	Estimate 2016/17	Estimate 2017/18	Estimate 2018/19	Estimate 2019/20
	£'000	£'000	£'000	£'000	£'000
Employees					
Police Officer Pay	60,953	61,508	61,317	61,769	62,029
Police Overtime	2,021	1,906	1,986	1,826	1,906
Police Staff Pay	35,692	30,549	31,132	31,482	31,803
Police Pensions	2,730	2,147	2,167	1,787	1,787
Other Employee Expenses	1,736	1,764	962	761	758
Total Employees	103,132	97,874	97,564	97,625	98,283
Premises	4,305	4,206	4,236	4,281	4,327
Transport Expenses	2,175	2,206	2,102	2,102	2,117
Supplies & Services					
Equipment	632	731	683	682	685
Stationery	405	213	213	213	213
Uniform	195	191	191	191	191
Doctors	1,458	1,507	1,475	1,499	1,523
Communications	1,890	2,077	1,890	2,149	1,597
Computing	2,747	2,405	2,376	2,423	2,298
Other Supplies	1,403	952	969	969	969
Total Supplies & Services	8,730	8,076	7,797	8,126	7,476
Air Support	529	529	459	459	459
Joint & Other Authorities	676	586	586	586	586
Forensic Science Services	900	926	826	826	826
<u>less</u>					
Income					
Customer & Client Receipts	(3,798)	(1,571)	(1,642)	(1,642)	(1,642)
Collaboration income	(1,345)	(1,438)	(1,438)	(1,438)	(1,438)
Secondment Income	(764)	(970)	(892)	(844)	(848)
Interest	(12)	(15)	(15)	(15)	(15)
Special Grants	(1,010)	(944)	(832)	(776)	(776)
<u>plus</u>					
Contribution To/ From (-) Reserve	(4,799)	0	0	0	0
Revenue contribution to capital	1,531	1,962	1,682	461	0
Capital Financing Costs	681	903	701	947	939
Police Constabulary Costs	110,931	112,330	111,134	110,698	110,286
Victims Commissioning Grant	(551)	(551)	(551)	(551)	(551)
Restorative Justice Grant	(140)	(140)	(140)	(140)	(140)

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Budget Heading	Outturn 2015/16	Estimate 2016/17	Estimate 2017/18	Estimate 2018/19	Estimate 2019/20
	£'000	£'000	£'000	£'000	£'000
PCC commissioning	692	692	692	692	692
Community Safety Grant	735	700	665	630	595
PCC Costs	963	958	958	958	958
Net Expenditure	112,630	113,989	112,758	112,287	111,840
Funded by					
DCLG Grant	<i>(37,176)</i>	<i>(36,964)</i>	<i>(36,484)</i>	<i>(36,010)</i>	<i>(35,542)</i>
Police Grant	<i>(42,954)</i>	<i>(42,709)</i>	<i>(42,154)</i>	<i>(41,606)</i>	<i>(41,066)</i>
Council Tax Support Grant	<i>(6,110)</i>	<i>(6,110)</i>	<i>(6,031)</i>	<i>(5,953)</i>	<i>(5,876)</i>
Council Tax	<i>(26,390)</i>	<i>(28,206)</i>	<i>(28,089)</i>	<i>(28,718)</i>	<i>(29,356)</i>
	<i>(112,630)</i>	<i>(113,989)</i>	<i>(112,758)</i>	<i>(112,287)</i>	<i>(111,840)</i>
(Surplus) / Deficit	0	0	0	0	0

Comment:

- The medium term financial plan figures are a best estimate at present due to uncertainties relating to allocation of funding amongst the Forces from 2017/18 onwards.
- 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 medium term financial plan assumes a 1.3 % grant loss going forward beyond 2016/17. It is important the Constabulary has a contingency plan in place should grant loss be greater than this amount.

A separate report has been produced which outlines how a potential £10m funding reduction would be financed.

Capital Expenditure

The enclosed capital summary sets out proposed expenditure for capital projects for 2015/16 to 2019/20 and the associated funding options. The PCC received £968,108 in 2015/16 and expects to receive £0.581m in 2016/17. In future years it is estimated that £0.581m per annum will be received.

There are a number of options open to the PCC 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

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interest charges at prevailing market rates (unless the PCC enters into specific term borrowing arrangements such as fixed interest rates over a fixed borrowing term).

The impact of any capital receipts generated from the sale of land owned by the PCC for development of commercial or housing purposes has been included in the funding at this stage. The first capital receipts from the sale of the old HQ site are expected in 2016/17 and will continue over a number of years.

Revenue Impact of the Capital Programme

The PCC 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); IT Systems (5 years); ANPR Equipment (10 years); Minor Building Work (20 years); Major New Buildings (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. The capital financing charge from 2015/16 to 2019/20 has been affected by the application of the strategic capital reserve in 2014/15 to shorter life assets over those years.

	Outturn 2015/16 £'000	Estimate 2016/17 £'000	Estimate 2017/18 £'000	Estimate 2018/19 £'000	Estimate 2019/20 £'000
Expenditure					
Buildings: Major works	443	0	0	0	0
Buildings: Minor Works	621	150	150	150	150
Buildings carry forward from prior year	0	1,600	0	0	0
Vehicles	990	900	1,000	950	1,100
Vehicles carry forward from prior year	0	150	0	0	0
ICT	2,654	1,118	2,608	857	1,068
ICT carry forward from prior year	0	1,240	0	0	0
Equipment	510	250	250	250	250
Total	5,218	5,408	4,008	2,207	2,568
Funding					
Capital Grant	1,965	580	580	580	580
Special Grant	117	200	0	0	0
Capital Receipts	1,162	1,666	1,746	1,166	1,988
Revenue Contribution	1,531	1,962	1,682	461	0
Strategic Reserve	0	0	0	0	0
Self-Financed Borrowing	443	1,000	0	0	0
Total	5,218	5,408	4,008	2,207	2,568

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Capital Financing Costs					
Minimum Revenue Provision	655	653	422	668	659
Revenue Contribution	0	0	0	0	0
Contribution from Reserves	0	0	0	0	0
Interest Charges	272	293	284	280	280
Total	927	946	706	948	939

The most significant capital expenditure is explained over the next few paragraphs and a table showing detailed planned expenditure between 2015/16 and 2019/20 is included at the bottom of this section.

Estates

The primary focus for the Estates programme will be the sale of the old HQ site and the resiting of the radio mast.

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 ICT Strategy outlines 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 the facilitation of Mobile data. Other key schemes are as follows:

- National requirement: All Forces must upgrade their emergency services communications.
- Business Applications: The primary costs over the next three years will be the continued consolidation of our business applications through the Red Sigma programme and implementation of a new Case & Custody system.

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

Planned Capital Expenditure from 2015/16 to 2019/20					
	Outturn 2015/16	Estimate 2016/17	Estimate 2017/18	Estimate 2018/19	Estimate 2019/20
Property capital carry forward from prior year		1,600			
Major Works Projects					
New HQ	316				
Peterlee Warehouse	127				
	443	0	0	0	0
Minor Works Projects					
Newton Aycliffe Demolition	21				

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Planned Capital Expenditure from 2015/16 to 2019/20					
Darlington Backlog Maintenance	70				
Old HQ; sale of site	50				
Mast relocation	50				
Accommodation Improvements	308				
Custody Improvements	47	50	50	50	50
Legislative Compliance	75	100	100	100	100
Sub total	621	150	150	150	150
Motor Vehicles	990	900	1,000	950	1,100
Motor Vehicles carry forward from prior year		150			
ICT Capital carry forward from prior year		1,240			
National Requirements					
ESMCP			1,000		
Holmes V3		5			
National ANPR NAS		20			
Pegasus Replacement					100
Infrastructure Technology Refresh					
Desktop security	30			100	
Server & Storage Replacement	75	75	50		75
Airwave Radios	140				
Web E-mail Security Improvements				100	
ANPR infrastructure		101	58	82	18
ANPR BOF			175		
LAN Core Switch Refresh					150
WAN Hardware	120				
Review Storage Solution	175				
Review Fibre Switch Infrastructure	65				
Review Fibre Tape Libraries	61				
Projector Review/Replace	40				50
Public service network	210				
CAID	15				
Special branch network		20			
Remote access infrastructure					200
Switchboard Replacement				75	
SIP telephone delivery					75
Identity Management	13			200	
Digital Evidence					
Central 999 Recorders					100
Digital Interview Recorders			250		
Digital Witness Statements			75		
External CCTV Replacement			75		
Custody CCTV replacement		50			
Custody DVR Replacement	75				
Mobile Working					

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Planned Capital Expenditure from 2015/16 to 2019/20					
Mobile Data (Grant Funded)	250	300			
Expand Video Conferencing Lync - External Conference - Virtual Courts	15				
Client devices					
Body camera replacement			175		
Buildings ICT Infrastructure					
New HQ ICT Infrastructure	124				
Telephone System	36				
Business Applications					
Red Sigma	25	50	50		
Microsoft Licence Arrangements			300	300	300
Police Works	681	50	50		
GIS Replacement	50	120			
IT Service Management System		120			
Foreign National system	36				
Sundry	249				
Pegasus Upgrade/replacement	38				
Agresso	40				
TecSos	24				
Storm		200			
Website upgrade		7			
Origin / DMS	67		350		
Sub total	2,654	1,118	2,608	857	1,068
Equipment	510	250	250	250	250
Grand Total	5,218	5,408	4,008	2,207	2,568

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"> PCC Chief Finance Officer
An ageing estate portfolio putting increased pressure on facilities management budgets	<ul style="list-style-type: none"> Agree and deliver capital programme time 	<ul style="list-style-type: none"> PCC Chief Finance Officer / PCC

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Risk	Mitigating Action	Person Responsible
	<ul style="list-style-type: none"> • Effective project planning 	
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 	<ul style="list-style-type: none"> • Force Executive / Tasking & Coordination
Demand continues to rise	<ul style="list-style-type: none"> • Introduction of new Demand Management Command • On-going crime prevention/detection and problem solving initiatives. • Productivity measurement and management • Deliver agreed training programme 	<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"> • PCC Chief Finance Officer/Exec/PCC

Monitoring and Review

This financial plan will be subject to continuous review and forms part of the overall planning processes within the OPCC 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 and Crime Commissioner (PCC) with reassurance and confidence in the accuracy and quality of the financial estimates for the years 2015/16 to 2019/20, and more importantly the budget for the coming financial year 2016/17.
2. The robustness of the financial estimates considers important factors such as risks facing the PCC and the adequacy of financial reserves to enable the PCC to have flexibility in dealing with any unplanned events that may have a significant financial consequence during the course of the budget year 2016/17.

Background

3. Police and Crime Commissioners 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 PCC to exceed the budget estimates in 2016/17 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 PCC's Chief Financial Officer reports to the PCC 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 PCC will have authoritative advice available to him prior to making the budget setting decisions.
6. Section 25 also requires the PCC 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 PCC 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 PCC and his Executive, which includes the Chief Constable and the PCC's Chief Financial Officer.
13. The key income and expenditure related planning assumptions are reflected in the attached table

	Estimate 2016/17	Estimate 2017/18	Estimate 2018/19	Estimate 2019/20
Officer Pay Inflation (from September each year)	1%	1%	1%	1%
Police Staff Pension Contribution Increase	0%	1.5%	0%	0%
Staff Pay Inflation	1%	1%	1%	1%
Police Officer Vacancy Factor	0%	0%	0%	0%
Police Staff Vacancy Factor	2%	2%	2%	2%
Energy & Fuel Inflation	1%	1%	1%	1%
Other Non-Pay Inflation (except where contractually based)	0%	0%	0%	0%
Council Tax Increase	1.98%	1.98%	1.98%	1.98%
Other Income Inflation	0%	0%	0%	0%

14. In relation to the robustness of the above table, the following should be noted:
 - Pay inflation. The government has previously indicated that public sector pay rises should be limited to 1% pa. Therefore the assumption within the budget is reasonable. 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.

- Energy and Fuel. Work is ongoing to reduce the number of vehicles within the force which will help to reduce the overall fuel budget. Therefore the 1% inflationary increase expected for fuel is reasonable. In relation to energy, the force maintains a £20,000 energy efficiency budget with which to reduce energy costs. Again, this budget is considered reasonable.
- 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.
- Other Income Inflation. Where possible, the force is moving toward full cost recovery in terms of the supplies and services that it charges for. This will be subject to a discreet piece of work in the coming year. In recent years income budgets have been over-achieved therefore the budget estimates are considered reasonable.
- Officer numbers are based on actual salary levels and expected leavers. Police staff and PCSO numbers are also based on actual salary. This ensures that budgets are reasonable.

15. Given the uncertainty about the future resources available to the PCC at the time of preparing this report, the estimates beyond 2016/17 are at present set out with the best available information at the time of this report. There have as yet been no indications of 2017/18 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 Police & Crime Commissioner will set aside sufficient sums in earmarked reserves as considered prudent to do so. The PCC 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 Commissioner.*

b. The Police & Crime Commissioner will aim to maintain, broadly, general reserves of between 4% and 5% of the revenue estimates currently £4.560m and £5.699m respectively (based on 2016/17 revenue funding of £113.989m) subject to an annual review by the PCC 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 £5.996m at the end of March 2016.
20. The General Reserve has been set just below 5% of the revenue funding for 2016/17 and will be £5.666m at the end of March 2016.
21. The reserves are set at a level to accommodate any significant financial impact on capital or revenue expenditure in 2016/17.
22. The PCC's approach to the management of risks alongside the PCC's financial management arrangements suggest that the level of resources identified in the Annual Budget 2016/17 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 PCC 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 the level of Council Tax for 2016/17.**

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Police and Crime Panel

3rd March 2016

Community Safety Funding in 2016/17

Report of Head of Governance & Commissioning



Purpose

1. To update the Panel on the Police & Crime Commissioner’s planned community safety funding activities for the financial year 2016/17.

Background

2. Each year the Police & Crime Commissioner considers, with advice from the Chief of Staff and Chief Finance Officer, the budget for community safety activities.
3. The PCC is keen to continue to support the Community Safety Partnerships financially by providing funding that can support activity in pursuit of our shared objectives, and to make additional funding available so that smaller community groups have opportunities to access monies too. With that in mind the Community Safety budget for 2016/17 will be as follows:
 - a. Community safety activities in County Durham will be funded at broadly the same levels as in 2015/16. The Safe Durham Partnership has considered and agreed the application of that funding (see later section in report);
 - b. Community safety activities in Darlington will be funded at broadly the same levels as in 2015/16, pending decisions (see later section in report);
 - c. The PCC Community Safety Fund contribution will be maintained at £100,000, with that fund to be administered by County Durham Community Foundation (see later section in report).
4. The overall community safety funding contribution is shown below:

Organisation	Amount
Safe Durham Partnership Allocation	£461,290
Darlington Partnership Allocation	£133,155
County Durham Community Foundation CC Community Safety Fund Contribution and Administration Charge	£111,111
Sub total	£706,556

Community Safety Partnerships

5. The community safety monies for Durham were allocated following a bidding round hosted by the Partnership Funding Sub Group. The Sub Group considered a range of submissions and recommended that the first four projects below continue to be funded at 2015/16 levels. The group also recommended funding the Victim Liaison Officer, which also includes funding for the “With Youth in Mind” group, a group of young victims and mentors. It will enable young people to become accredited as mentors. Finally, the CSP agreed to make a substantial contribution to Checkpoint.
6. Those recommendations were agreed at the Safe Durham Partnership meeting on 16th November 2015.

Project	Amount
Anti-Social Behaviour Officers	£131,883
Adult Offender Mentor	£30,000
CDYOS Pre-Court and Positive Futures	£160,872
Integrated Drug and Alcohol Service	£5,000
Victim Liaison Officer (Young People)	£48,200
Checkpoint (Navigators and Contingency Fund)	£85,335
Total	£461,290

7. The monies to be allocated for community safety activities in Darlington are detailed in the next table; the Community Safety Partnership has yet to agree detailed allocations:

Projects	Amount
Darlington Community Safety Partnership	Up to £66,653
YOS Restorative Justice Programme	£27,389
Check Point Project (Navigator)	£39,113
Total	£133,155

8. There are formal arrangements in place for performance management of the Community Safety Grant to ensure they provide outcomes and value for money.

County Durham Community Foundation

9. The County Durham Community Foundation (CDCF) were appointed to administer the PCC Community Safety Fund for a period of three years with

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an option to extend that arrangement for a further two years. This is the second year that they will administer the distribution of this fund.

10. For the first year (2015/16) of the PCC Community Safety Fund, CDCF match funded the PCC contribution with an additional £50,000, increasing the overall pot to £150,000. Local voluntary and community sector organisations were invited to submit applications for a funding contribution towards proposed activities.
11. The distribution of the PCC Community Safety Fund for 2015/16 is summarised in the table below. The value of applications received was over £450,000, exceeding the fund available by a factor of three.

Applicant Name	Grant Award	Geographical Area
Dawdon Youth and Community Centre	£2,480	Dawdon, County Durham
Domestic And Sexual Abuse Network (DASAN)	£1,840	Darlington
Ferryhill LADDER Centre Ltd.	£2,350	Ferryhill, County Durham
Junction 42	£2,500	County Durham
Northumbria Coalition Against Crime	£2,000	Darlington
Seaham Have Your Say	£500	Seaham, County Durham
Wear & Tees Rural Watch (Farm Watch)	£2,500	Wear Valley, County Durham
City of Sunderland YMCA Ltd	£5,000	Chester le Street, County Durham
Cornforth Partnership	£10,000	County Durham
Deric Youth Bus Project	£12,000	Durham City & Chester le Street
Durham Alcohol Self Support	£5,000	County Durham
Durham Christian Partnership	£4,000	Durham City
East Durham Community Development Trust Ltd	£11,265	East Durham, County Durham
Handcrafted Projects	£10,000	Durham City
Horden Youth & Community Centre	£18,300	Horden, County Durham
Just for Women Centre	£8,000	Stanley, County Durham
Open Gate	£10,209	County Durham
Pelton Community Association	£3,583	Pelton, County Durham
SHAID (Single Homeless: Action Initiative Derwentside)	£10,000	Stanley, County Durham
Wheatley Hill Community Association	£9,490	Wheatley Hill, County Durham
WM Morrison Darlington Enterprise Trust	£18,966	Darlington
Total	£149,983	

NOT PROTECTIVELY MARKED

12. The 2016/17 PCC Community Safety Fund was launched on the County Durham Community Foundation website on 22nd February 2016. The key points are:
 - a. The Police and Crime Commissioner, in partnership with County Durham Community Foundation, is making available £150,000 for a grants fund to support the community and voluntary sector of County Durham and Darlington;
 - b. The grants will range from £1,000 to £10,000;
 - c. Agreement to reduce the number of evaluation criteria to three, in order to manage the volumes of potential applications. The three criteria are to:
 - i. enhance and build safer communities;
 - ii. tackle anti-social behaviour; and
 - iii. tackle harm caused by alcohol, drugs and violence;
 - d. The fund will support projects and initiatives across County Durham & Darlington that help keep communities safe and contribute towards inspiring public confidence;
 - e. The fund is not aimed at organisations that are already funded directly from core commissioned, statutory policing and community safety activities, but will support projects and initiatives that are additional and work at a local community level;
 - f. The closing dates for applications is 15th April 2016;
 - g. The grant award date will be during week commencing 13th June 2016.
13. Information about the grant application process can be found on the County Durham Community Foundation and Durham Police and Crime Commissioner websites.
14. Further reports will be presented to the Panel as this round of grant funding progresses.

Recommendation

15. To consider the report and provide any questions.

Charles Oakley
Head of Governance & Commissioning

Appendix 1: Risks and Implications

Finance

All funding is within the 2016/17 budget estimates.

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

Information about the PCC's funding streams is set out in the Police and Crime Plan.

Environment

n/a

Collaboration and Partnerships

n/a

Value for Money and Productivity

Value for Money is a key consideration in the allocation of all budgets.

Potential Impact on Police and Crime Plan Priorities

All funding to have a positive impact on priorities

Commissioning

As per the report.

Other risks

n/a

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Police and Crime Panel

3 March 2016

Recent HMIC inspection reports

Report of Office of Police and Crime Commissioner



1. Purpose of report

To brief the Police and Crime Panel on the findings of the recent assessments by HM Inspectorate of Constabulary into Police legitimacy and Police effectiveness.

2. Background

HMIC undertakes a programme of three inspections with each Force, each year, covering

- Effectiveness
- Efficiency
- Legitimacy

The results of inspections are categorised as follows:

- Outstanding
- Good
- requires improvement
- inadequate

The results of the *efficiency* inspection were released in autumn 2015, and Durham Constabulary was rated as 'outstanding'.

On 11 February the results of the *legitimacy* inspection were released and Durham was rated as 'good'.

On 18 February the results of the *effectiveness* inspection were released and Durham was rated as 'outstanding'.

At the time of writing an overall assessment of the efficiency, legitimacy and effectiveness reports is due to be published on Thursday 25 February. The overall assessment will not be graded, but we understand that it will be closely derived from the results of the other three assessments. A verbal update on the overall assessment will be provided at the Police and Crime Panel meeting.

3. Findings of the Legitimacy Inspection

The overall assessment for Durham in this inspection is 'Good'

There are three components to the assessment, each with a rating (shown underlined):

1. To what extent does practice and behaviour reinforce the wellbeing of staff and an ethical culture? Good

The assessment highlights:

- Strong leadership within the Force
- An ethical culture where unprofessional behaviour and misconduct are challenged
- The views of staff are sought, including around their wellbeing
- The code of ethics is taken seriously

2. How well does the force understand, engage with and treat fairly the people it serves to maintain and improve its legitimacy? Outstanding

The assessment highlights:

- Engagement is at the heart of policing and staff understand its importance to legitimacy
- Staff are innovative and employ a wide range of methods to engage, in person and on-line including PACT, other local meetings, and *local* Facebook and Twitter discussions
- The Chief Constable is considered to be a role model

3. To what extent are decisions taken on the use of stop and search and Taser fair and appropriate? Requires improvement

The assessment highlights:

- The use of Taser is fair and appropriate
- A large proportion of stop and search records did not contain reasonable grounds for carrying out the search; the majority had been endorsed by a supervisor (Sergeant), suggesting a lack of understanding of what constitutes legal use of the power; also suggesting that the practice of recording is inadequate
- However, Durham is complying with most requirements of the Best Use of Stop and Search scheme
- There is still more to do in recording and publishing outcomes on-line, and explaining how the powers are being used following a community complaint

- Durham carried out 8377 stops and searches in the year to March 2015. Per 1000 population, this is nearly double the average of Durham's 'most similar group' of Police Forces.

4. Comment on legitimacy inspection

The inspection report is very positive about the ethical culture of the Force, and to community engagement. However, the findings relating to Stop and Search clearly need to be addressed. The PCC's role is to hold the Chief Constable to account and discussions have already taken place. The Police are putting in place the following actions:

- a Chief Superintendent has been identified to drive forward the changes required relating to Stop and Search
- a new IT system will go live imminently which will relieve officers of some of the burden of paperwork relating to Stop and Search.

5. Findings of the Effectiveness Inspection

The overall assessment for Durham in this inspection is 'Outstanding'. This is the only 'Outstanding' in the country.

There are four components to the assessment:

1. How effective is the force at preventing crime and anti-social behaviour, and keeping people safe? Outstanding

The assessment highlights:

- The Constabulary places a clear emphasis on crime prevention and delivering long-term solutions through effective analysis of issues and problem-solving
- Frontline resources have been maintained to ensure neighbourhood teams can solve local crime and anti-social behaviour
- Excellent links have been established with partner agencies to address crime and anti-social behaviour at an early stage
- Good arrangements are in place through neighbourhood teams and community cohesion officers to communicate with the public

2. How effective is the force at investigating crime and managing offenders? Outstanding

The assessment highlights:

- The Constabulary has an excellent record of solving crime and bringing offenders to justice. It has a policy to attend all crime incidents to carry out an initial investigation
 - Digital evidence is gathered and assessed appropriately
 - Good relationships exist with partner agencies to deal with persistent offenders in a holistic way to break their cycle of offending, with a strong element of victim reparation and offender rehabilitation
 - There is scope for the Constabulary to involve frontline policing teams more in the routine monitoring of registered sex offenders
3. How effective is the force at protecting from harm those who are vulnerable, and supporting victims? Good

The assessment highlights:

- The PCC and the Chief Constable are committed to improving services to protect and support vulnerable people and victims
 - The Constabulary has clear and consistent processes in place to identify repeat and vulnerable victims
 - A significant investment in training staff to improve services to vulnerable people has been made
 - Good arrangements are in place with partner agencies to keep vulnerable people safe and the Constabulary is working hard to enhance these arrangements further
 - The Constabulary provides a good response to missing children and safeguards them, and is making good progress in its preparedness to tackle CSE
 - The Constabulary is doing effective work to tackle domestic abuse
4. How effective is the force at tackling serious and organised crime, including its arrangements for fulfilling its national policing responsibilities? Outstanding

The assessment highlights:

- Durham Constabulary has a comprehensive understanding of serious and organised crime through a thorough assessment of intelligence from its own resources, and from excellent partnership arrangements
- Responsibility for leading the response to organised crime groups is clearly set out and there are good arrangements in place to ensure that all staff understand and challenge organised crime groups
- The Constabulary has appropriate arrangements in place to meet its national policing responsibilities and is developing a capacity to tackle cyber-enabled crime

5. **Comment** on effectiveness inspection

This 'outstanding' assessment, the only one in the country, is another positive endorsement of the performance of the Force.

Specifically, there are a number of positive comments relating to the priorities in the Police and Crime Plan:

- Inspiring confidence:
 - o The report indicates that Neighbourhood policing is a central priority for the force;

- Supporting victims:
 - o The report confirms that every reported crime is attended
 - o Also, the report finds that effective work is being done to tackle domestic abuse
 - o HMIC also state that there is good progress on working with partners to address safeguarding

- Keeping all our communities safe
 - o The report indicates a strong commitment to tackling crime and anti-social behaviour
 - o There is also strong endorsement of Durham Constabulary's approach to serious and organised crime

- Delivering an effective Police Force
 - o The Force was rated 'outstanding' for efficiency a few months ago

6. **Recommendation**

That the Panel notes the content of the inspection report

Report author:

Jon Carling

Head of Policy and Communications (OPCC)

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Police and Crime Panel**3rd March 2016****PCC Decision Records****Report of Chief of Staff**

**Purpose**

1. To update Panel Members on the Police and Crime Commissioner's decision register since the last meeting, and forward plan.

Background**Decision Making Process**

2. Key decisions are made at an Executive Board comprising of the PCC, the PCC's Chief of Staff, the Chief Constable and the Joint Chief Finance Officer. Other officers of the PCC 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.
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 OPCC. 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 PCC 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 PCC 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 PCC 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 PCC's website.

NOT PROTECTIVELY MARKED

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 considered to be 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

Details of the Police and Crime Commissioner's Decision Register 2016 and Forward Plan can be found in Appendix 2.

Recommendation

That Panel Members note the contents of the report.

Alan Reiss

Chief of Staff

Appendix 1: Risks and Implications

Finance

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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Key Decisions

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

Decision number	Decision taker	Subject
20160125 006/2016	PCC	Approval of Police Interceptors Agreement
20160202 007/2016	PCC	Proposal to increase precept by 1.98%
20160212 008/2016	PCC	Decision to contribute funding of £60,000 to the Police ICT company
20160215 009/2016	PCC	Process for the allocation of the PCC Community Safety Fund through the County Durham Community Foundation

Forward look:

The major upcoming decisions, prior to the pre-election period, include

- the revision of the medium term financial plan following the settlement (due 24th February)
- how to continue to offer project and policy support to the Local Criminal Justice Board.

The Panel should note that, urgent and necessary business notwithstanding, as far as possible decisions will be limited during the pre-election period.

Police and Crime Panel

**3rd March 2016
(Produced 19th February 2016)**



New Policing and Crime Bill

Report of the Police and Crime Commissioner

Purpose of report

1. The purpose of this report is to inform members of the Police and Crime Panel of the proposals within the Policing and Crime Bill which has been recently introduced into the House of Commons.
2. This report provides a summary of the Policing and Crime bill, outlining the key policies and what they entail.

Background

3. The Bill was announced in outline in the Queen's Speech in May 2015, and introduced to the House of Commons and given its First Reading on Wednesday 10 February 2016.
4. The Bill has a number of proposals affecting PCCs, the police and partners.

Policing and Crime Bill: Summary

5. The proposed legislation includes:
 - a. Placing a duty on the police, fire and ambulance services to work together and enable police and crime commissioners to take on responsibility for fire and rescue services where a local case is made.
 - b. Reforming the police complaints and disciplinary systems to ensure that the public have confidence in their ability to hold the police to account, and that police officers will uphold the highest standards of integrity
 - c. Increasing support for the independence of HM Inspectorate of Constabulary (HMIC) and ensure that it is able to undertake the end-to-end inspections of the police.
 - d. Enabling Chief Officers to make the most of efficient and effective use of their workforce by giving them the flexibility to confer a wider range of powers on police staff and volunteers (while for the first time specifying a core list of powers that may only be exercised by warranted police officers).

- e. Increasing the accountability and transparency of the Police Federation for England and Wales by extending its core purpose to cover the public interest and making it subject to the Freedom of Information Act 2000.
- f. Reforming pre-charge bail to stop people remaining on bail for lengthy periods without independent judicial scrutiny of its continued necessity.
- g. Stopping the detention of children and young people under 18 in police cells who are experiencing a mental health crisis (and restrict the circumstances when adults can be taken to police stations) by reforming police powers under sections 135 and 136 of the Mental Health Act 1983.
- h. Amending the Police and Criminal Evidence Act 1984, including ensuring that 17-year-olds who are detained in police custody are treated as children for all purposes, and to increase the use of video link technology.
- i. Amending the Firearms Acts, including to better protect the public by closing loopholes that can be exploited by criminals and terrorists.
- j. Better protecting children and young people from sexual exploitation by ensuring that relevant offences in the Sexual Offences Act 2003 cover the live streaming of images of child sex abuse.

6. A more detailed factsheet, published by the Home Office, is attached at Appendix 1.

Recommendations

- 7. The panel members are asked to note the contents of the report and provide any comments and/or questions for the PCC

Ron Hogg
Police and Crime Commissioner

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Policing and Crime Bill

Factsheet: Overview of the Bill

Overview

1. In the last Parliament, the previous Government brought about major changes to policing to introduce greater accountability and transparency (through directly elected Police and Crime Commissioners (PCCs), an enhanced Independent Police Complaints Commission (IPCC) and strengthened inspectorate); increased capabilities (through the creation of the National Crime Agency (NCA)) and professionalism (through the establishment of the College of Policing); and a relentless focus on efficiency and cutting crime (which is down by more than a quarter since 2010).
2. The Government was elected with a manifesto commitment to “finish the job of police reform”. The Policing and Crime Bill will support the transformation of policing and the fire service by:
 - Enhancing local accountability of the fire and rescue service by enabling directly elected PCCs to take over the governance from Fire and Rescue Authorities where a local case is made.
 - Driving efficiency and better value for money by facilitating closer collaboration between all three emergency services and maximising the ability of chief officers to make best use of the police officers, police staff and volunteers in their workforce.
 - Strengthening public confidence and trust in the police by radically reforming and simplifying the police complaints and disciplinary systems, including by providing for an enhanced role for PCCs and the IPCC and greater protection for police whistle-blowers.
 - Ensuring the police and other law enforcement agencies have the powers they need to prevent and detect crime and protect children and young people from sexual exploitation.
 - Strengthening the protections for those under investigation by the police by ensuring that there is a proper balance between the rights of individuals and the need to protect the wider public.
 - Ensuring that those experiencing a mental health crisis receive the help they need, and that police cells are only used as places of safety in exceptional circumstances.
 - Reforming firearms and alcohol licensing laws to better protect the public by preventing criminals and terrorists from exploiting loopholes in the Firearms Acts and strengthening the ability of licensing authorities to take action against alcohol driven crime and disorder.
3. The key provisions in the Bill are set out below.

Part 1: Emergency Services Collaboration

4. Part 1 of the Bill supports the implementation of the Government's manifesto commitment to "enable fire and police services to work more closely together and develop the role of our elected and accountable Police and Crime Commissioners". The provisions:
 - a) Introduce a duty to collaborate on all three emergency services, to improve efficiency or effectiveness.
 - b) Enable PCCs to take on the functions and duties of Fire and Rescue Authorities (FRAs), where a local case is made.
 - c) Further enable PCCs to create a single employer for police and fire staff where they take on the responsibilities of their FRA, where a local case is made.
 - d) In areas where a Police and Crime Commissioner has not become responsible for fire and rescue, enabling them to have representation on their local fire and rescue authority with voting rights, where the fire and rescue authority agrees; and
 - e) Abolish the London Fire and Emergency Planning Authority and give the Mayor of London direct responsibility for the fire and rescue service in London.
5. These provisions will apply to England only.

Part 2: Police discipline, complaints and inspection

Chapters 1 to 4: Police complaints, police super-complaints, whistle-blowing and discipline

6. Chapters 1 to 4 of Part 2 of the Bill give effect to the Government's commitment to "overhaul the police complaints system". The key provisions:
 - a) Strengthening PCCs' oversight role of the local complaints system, giving them an explicit responsibility for ensuring the effective and efficient delivery of the local police complaints system, and making PCCs the appellate body for those appeals currently heard by chief constables.
 - b) Enabling PCCs to take on other functions within the complaints system, giving them the option of taking on responsibility for the front-end of the complaints system and responsibility for all duties regarding contact with the complainant.
 - c) Clarifying the definition of a complaint – currently defined in section 12 of the Police Reform Act 2002 as 'any complaint about the conduct of a person serving with the police' – to one that defines a police complaint broadly as 'an expression of dissatisfaction with a force'.

- d) Retaining and clarifying the focus on immediate resolution of customer-service issues where appropriate, before such issues become complaints.
- e) Removing the non-recording categories (such as vexatious and out of time complaints) so that any issue that is not possible to resolve immediately or that the complainant wants recording, is recorded.
- f) Removing the opaque categorisation for handling complaints – local resolution, local investigation, disapplication, discontinuance – and replacing this with statutory duties based on taking “reasonable and proportionate” action to resolve a complaint.
- g) Streamlining the complex appeal process so that there is one appeal point at the outcome of the complaint.
- h) Extending the disciplinary regime to former officers where an allegation arose before they resigned or retired, or arose within a period of time following their resignation or retirement;
- i) Creating a statutory framework for the College of Policing to receive, hold, make available and, in some circumstances, publish details from a “police barred list” of former members of police forces, former special constables and former members of the civilian staff of police forces who have been dismissed or who would have been dismissed had they not resigned or retired.
- j) Allowing for regulations to be made to require the IPCC to investigate all chief officer misconduct allegations (including gross misconduct).
- k) Protecting the identity of a whistle-blower by allowing the IPCC to control who in a police force is notified of an independent investigation and obtain information and evidence confidentially from those individuals (to enable covert investigations).
- l) Introduce a system of super-complaints to capture national or cross-force issues that are not otherwise captured by the existing complaints system, IPCC investigations or HMIC inspections.

Chapter 5: Inspection

- 7. Chapter 5 strengthens the role and independence of Her Majesty’s Inspectorate of Constabulary (HMIC), by:
 - a) Extending HMIC’s remit to enable it to inspect private contractors and PCCs’ staff who are engaged to support the police force and are delivering policing functions.

- b) Conferring on HMIC powers to acquire information from third parties and access to relevant people and premises.
- c) Enabling HM Chief Inspector of Constabulary (HMCIC) to initiate inspections that have not been included in the published inspection programme.
- d) Transferring the power to appoint Assistant Inspectors of Constabulary from the Home Secretary to HMCIC.
- e) Introducing a requirement on PCCs to respond to HMIC reports within 56 days, address each recommendation in a report, and copy the Inspectorate into their response..

8. The provisions in Part 2 largely apply to England and Wales only.

Part 3: Police workforce and representative institutions

Chapter 1: Police workforce

9. This Chapter introduces a number of reforms relating to the police workforce. These provisions:

- a) Enable chief officers to designate a wider range of power on police staff and volunteers.
- b) Create a list of 'core' police powers, such as the power of arrest, that would remain exclusive to police officers.
- c) Abolish the office of traffic warden under the Road Traffic Acts.
- d) Allow the Home Secretary, in conjunction with the College of Policing, to amend the police rank structure by regulations.

Chapter 2: Representative institutions

10. Chapter 2 implements reforms of Police Federation for England and Wales recommended by the Normington Review. The provisions:

- a) Enshrine in statute the Police Federation's new core purpose which reflects the organisation's commitment to act in the public interest alongside its accountability to its members.
- b) Make the Police Federation subject to the Freedom of Information Act 2000.

11. In addition, this Chapter removes references in statute to the now-defunct Association of Chief Police Officers and replaces them with references to the National Police Chiefs' Council (for example, in respect of provisions requiring the Home Secretary to consult specified persons before making regulations about certain policing matters).

12. The provisions in Part 2 apply to England and Wales only.

Part 4: Police powers

Chapter 1: Pre-charge bail

13. Chapter 1 reforms pre-charge bail including by:

- a) Providing for a presumption in favour of releasing a suspect without bail, with bail only being imposed when it is both necessary and proportionate.
- b) Setting a clear expectation that pre-charge bail should not last longer than 28 days, extendable to three months on the authority of a senior police officer in complex cases. In exceptional circumstances, the police will have to apply to a magistrates' court for an extension beyond three months.
- c) Providing that, in exceptionally complex cases, such as those dealt with by the Serious Fraud Office or the Central Casework Units of the Crown Prosecution Service, it will be possible to extend bail administratively to a total of six months before seeking the approval of the courts.

Chapter 2: Powers under the Police and Criminal Evidence Act 1984 (PACE)

14. Chapter 2 makes a number of amendments to PACE, including to:

- a) Ensure that 17-year-olds are treated as children for all purpose whilst in police custody.
- b) Allow the police to make greater use of video-link technology, including when interviewing suspects and authorising the continued detention of a suspect for up to 36 hours.
- c) Enable more timely revisions to PACE codes of practice to better equip the police in their daily operational duties.

Chapter 3: Powers under the Mental Health Act 1983 (the 1983 Act)

15. This Chapter amends the police powers under sections 135 and 136 of the 1983 Act in respect of persons who are experiencing mental health problems, but have committed no crime; it will:

- a) Further reduce the use of police stations as a place of safety by providing that they can never be used in the case of under 18s, and making provision for their use to be restricted to exceptional circumstances in the case of adults.
- b) Provide a wider definition of "places of safety" to help increase local capacity and flexibility to respond to local needs.
- c) Enable the police to act promptly under the 1983 Act to protect individuals or the public from harm on private property (such as railway lines, work

places and the rooftops of buildings), without the need to seek a warrant (a warrant will still be required for private dwellings).

- d) Reduce the maximum time period for which a person can be detained under section 135 or 136 from 72 hours to 24 hours (with the possibility of an extension to 36 hours in certain specified circumstances).
- e) Require the police to consult a health professional (where practicable) before detaining a person under section 136.
- f) Ensure that assessments can be conducted in private dwellings where these are designated as places of safety.

Chapter 4: Maritime enforcement

16. This Chapter builds on the maritime enforcement powers available to the police and others in respect of drug trafficking and modern slavery offences committed at sea, by providing the police, National Crime Agency and Border Force with the necessary powers to investigate all crimes that take place on vessels where the courts in England and Wales have jurisdiction. This will include powers to stop, board, divert, detain and search vessels, and powers of arrest and seizure.

17. The provisions in Part 4 largely apply to England and Wales only.

Part 5: Police and Crime Commissioners and police areas

18. Part 5 extends the term of office of Deputy PCCs so that, in the event of a PCC vacancy occurring (through death or resignation), their term automatically ends upon a new PCC taking office rather than, as now, upon the former PCC ceasing to hold office. This will enable a Deputy PCC to be appointed, by the Police and Crime Panel, as the Acting PCC pending the outcome of a by-election.

19. This Part also enables the Home Secretary to change the name of a police force area outside London by regulations.

20. These provisions apply to England and Wales only.

Part 6: Firearms

21. Part 6 amends the Firearms Acts, including to implement recommendations made by the Law Commission; the amendments:

- a) Define what constitutes a “lethal barrelled weapon”, an “antique firearm” and the “component parts” of a firearm.
- b) Create a new offence of possession of tools and equipment with intent to use them to unlawfully convert an imitation firearm into a live firing weapon.
- c) Make provision for the charging of fees for an authorisation to possess prohibited weapons.

- d) Confer power on the Home Secretary to issue statutory guidance to chief officers of police on the exercise of their licensing functions under the Firearms Acts.

22. These provisions apply to England and Wales, and Scotland.

Part 7: Alcohol: licensing

23. Part 7 makes various amendments to the Licensing Act 2003 to:

- a) Clarify the definition of “alcohol” to ensure that it includes powdered and vaporised alcohol.
- b) Clarify the summary review process following serious crime or serious disorder at licensed premises.
- c) Give licensing authorities the power to revoke or suspend personal licences if the licensee is convicted of a relevant offence.
- d) Update the list of offences, a conviction for which may be grounds to refuse or revoke a personal licence, including additional sexual, violent and terrorism-related offences.

24. These provisions apply to England and Wales only.

Part 8: Financial sanctions

25. Part 8 strengthens the arrangements for implementing and enforcing EU, UN and other financial sanctions. The provisions:

- a) Increase the maximum penalty for breaches of financial sanctions from two to seven years’ imprisonment.
- b) Introduce a framework for administrative monetary penalties for breaches of financial sanctions where action short of prosecution is appropriate.
- c) Include breaches of financial sanctions in the list of offences to which Deferred Prosecution Agreements and Serious Crime Prevention Orders apply.
- d) Ensures that the UK meets its UN obligations by implementing UN-mandated sanctions without delay.

26. These provisions generally apply to the whole of the UK.

Part 9: Miscellaneous and general

National Crime Agency

27. Part 9 makes two changes to the legislation governing the NCA to reflect experience of the first two years of operation. First, it enables the NCA to enter into a collaboration agreement with one or more police forces, rather than, as now, two or more such forces. Second, it enables the Director General of the NCA and NCA officers to be designated with the powers of a general customs official as well as, as now, the powers of a constable, immigration officer and an officer of Revenue and Customs. This will ensure that NCA officers can be designated with any new powers relating to customs matters necessary to fulfil their crime reduction function, including combating drug trafficking and the smuggling of firearms or other prohibited goods. The NCA operates on a UK-wide basis.

Child sexual exploitation

28. Part 9 also amends the Sexual Offences Act 2003 to ensure that the live streaming, or transmission of images of child sexual abuse by any other means (as well as recorded images) is caught by the offences of causing or inciting child sexual exploitation, controlling a child in relation to his or her sexual exploitation, and arranging or facilitating the sexual exploitation of a child. This provision applies to England and Wales only.

Powers to require arrestees/defendants to state their nationality

29. In addition, Part 9 facilitates the early identification of foreign nationals by conferring on the police and immigration officers the power to require a person to provide their nationality following arrest and to require suspected foreign nationals to produce their nationality document(s). The courts will also have a statutory power to require defendants in criminal proceedings to provide to the court their name, date of birth and nationality. A failure to comply with these requirements, without reasonable excuse, will be an offence. Identifying foreign national offenders early, including by obtaining relevant documents such as passports, is crucial to speeding up removal at a later stage. These provisions apply to England and Wales only.

Home Office

February 2016

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