

Public Document Pack



NOTICE OF MEETING

Date and Time Friday, 29th January, 2021 at 10.00 am
Place Virtual Teams Meeting - Microsoft Teams
Enquiries to hampshire.pcp@hants.gov.uk

FILMING AND BROADCAST NOTIFICATION

This meeting is being held remotely and will be recorded and broadcast live via Hampshire County Council's website.

AGENDA

1. APOLOGIES FOR ABSENCE

2. DECLARATIONS OF INTEREST

To enable Members to declare to the meeting any disclosable pecuniary interest they may have in any matter on the agenda for the meeting, where that interest is not already entered in their appointing authority's register of interests, and any other pecuniary or personal interests in any such matter that Members may wish to consider disclosing.

3. MINUTES OF THE PREVIOUS MEETING (Pages 3 - 12)

To confirm the minutes from the previous meeting.

4. QUESTIONS AND DEPUTATIONS

To receive any questions or deputations in line with Rule 31 and 31A of the Panel's Rules of Procedure.

5. CHAIRMAN'S ANNOUNCEMENTS

To hear any announcements the Chairman may have for this meeting.

6. POLICE AND CRIME COMMISSIONER'S ANNOUNCEMENTS

To hear any announcements the Commissioner may have for the Panel.

7. POLICE AND CRIME COMMISSIONER - 2021/22 PRECEPT (Pages 13 - 120)

To consider a paper outlining the Police and Crime Commissioner's proposed precept for 2021/22, and supporting financial information.

8. POLICE AND CRIME COMMISSIONER - POLICE AND CRIME PLAN DELIVERY (Pages 121 - 134)

To receive a quarterly update from the Police and Crime Commissioner detailing delivery against his Police and Crime Plan.

9. POLICE AND CRIME PANEL - UPDATES FROM WORKING GROUPS

To receive a verbal update from recent meetings of the Panel's working groups.

10. POLICE AND CRIME PANEL - WORK PROGRAMME (Pages 135 - 140)

To consider a report setting out the proposed future work programme for the Panel.

ABOUT THIS AGENDA: On request, this agenda can be provided in alternative versions (such as large print, Braille or audio) and in alternative languages.

ABOUT THIS MEETING: The press and public are welcome to observe the public sessions of the meeting via the webcast

HAMPSHIRE POLICE AND CRIME PANEL

**Friday, 2nd October, 2020 at 10.00 am
Held virtually**

Councillors:

Chairman

p David Stewart
(Isle of Wight Council)

Vice Chairman

p Jan Warwick
(Hampshire County Council)

p Diane Andrews
(New Forest District Council)

p Lee Hunt
(Portsmouth City Council)

p Narinder Bains
(Havant Borough Council)

p Phillip Lashbrook
(Test Valley Borough Council)

p John Beavis MBE
(Gosport Borough Council)

p David McKinney
(East Hampshire District Council)

p Simon Bound
(Basingstoke & Deane Borough Council)

p Ken Muschamp
(Rushmoor Borough Council)

p Trevor Cartwright MBE
(Fareham Borough Council)

p James Radley
(Hart District Council)

p Tonia Craig
(Eastleigh Borough Council)

p Dave Shields
(Southampton City Council)

p Lisa Griffiths
(Winchester County Council)

Co-opted Members:

Independent Members

Local Authority

p Michael Coombes
p Bob Purkiss MBE

p Tony Jones
p Brian Laming
p Lynne Stagg

At the invitation of the Chairman:

Peter Baulf
James Payne

*Legal Advisor to the Panel
Chief Executive, Office of the Police and Crime
Commissioner*

277. APOLOGIES FOR ABSENCE

All Members were noted to be present, with the exception of Cllr Hunt, who had made the Chairman aware he would be joining the meeting later.

The Chairman made Members aware that the Commissioner would not be attending the meeting, however welcomed the Chief Executive of the Office of the Police and Crime Commissioner (OPCC) to talk to the items on the agenda.

278. DECLARATIONS OF INTEREST

Members were able to disclose to the meeting any disclosable pecuniary interest they may have in any matter on the agenda for the meeting, where that interest is not already entered in their appointing authority's register of interests, and any other pecuniary or non-pecuniary interests in any such matter that Members may wish to disclose.

No declarations were made.

279. MINUTES OF THE PREVIOUS MEETING

The Minutes from the 3 July 2020 meeting were confirmed as a correct record.

280. QUESTIONS AND DEPUTATIONS

The Panel received a deputation from James Cook, Claire Lidl and Cllr Matt Renyard in relation to the provision of policing and victim support in Southampton.

Following the deputation being heard the Chief Executive noted that whilst the Chief Constable is responsible for operational deployment, and the PCC for the wider strategic direction, the views shared were welcomed and would be reviewed by the Commissioner and his team for response.

The Chairman of the Plan Working Group further noted that this topical matter was already featured in the programme of the working group, and the matters raised through the deputation would be incorporated within the Panel's work in this area.

281. CHAIRMAN'S ANNOUNCEMENTS

The Chairman welcomed Councillor Narinder Bains, who had been recently appointed to the Panel by Havant Borough Council.

Thanks were offered to the Chief Constable for attending the meeting, and also to her team, along with the OPCC, for providing a briefing to Members earlier that week regarding progress against recruitment of new police officers for Hampshire and the Isle of Wight, funded through the council tax precept and the central government uplift.

Since the last meeting, it was noted that the Panel had made a contribution to a number of national consultations, including the review into the role of Police and Crime Commissioners, being led by the Home Office, and a consultation on the recent Police Complaint Reforms.

The Chairman made Members aware that he, along with the Panel's supporting officer, attended a webinar led by the LGA which had updated Police and Crime Panels from across the county on a number of key matters of current importance. It was noted that a number of Panel Members would be joining the

National Conference for Police and Crime Panels, which was taking place in November.

Members were informed that the Panel's Democratic Support Officer had been invited to lead an online workshop later in the month, for recently appointed PCP Supporting Officers from a number of other Panels nationally. This was noted to be positive recognition of the work of the Panel and the support of its officers.

Finally the Chairman invited all those in attendance to join a minutes silence at 11am to remember and pay tribute to Sergeant Matt Ratana, who had recently been killed whilst on duty for the Metropolitan Police.

282. **POLICE AND CRIME COMMISSIONER'S ANNOUNCEMENTS**

In his absence, the Commissioner had made a video recording giving his announcements to the Panel.

It was heard that:

- Following the cancellation of the 2020 elections the Commissioner had committed to serve in his position for a further year.
- The outbreak of Covid-19 had significantly changed the way in which services to residents and communities were delivered and in order to address the challenges presented by the pandemic the Police and Crime Plan had been updated.
- Within the refreshed plan the Commissioner had made clear the priority for funding for policing, not only from within the local policing budget, of which over 98% was dedicated to operational policing, but also at a national level, with the PCC continuing to lobby for a fairer funding formula.
- The Commissioner's annual report would be presented at item eight of the agenda, outlining not only successes achieved during the previous year but also planning for pressures for the year ahead, which would include the Covid-19 pandemic, Brexit, the changing nature of criminality and demands from communities to keep them safe.
- Focus would continue to be applied to the areas which presented the highest risk of threat and harm, encouraging vibrant, safe and inclusive communities and creating opportunities for improvement and sustainability in the recovery post Covid-19.

283. **DELIVERING POLICING AND COMMUNITY SAFETY DURING A GLOBAL PANDEMIC (COVID-19)**

Members received an update from the Chief Constable regarding policing during the Covid-19 pandemic, along with other matters raised by Panel Members in advance of the meeting, to support preparations for the Panel's scrutiny of the Commissioner's proposed precept in January. It was heard that:

- During the first national lockdown there had been a significant fall in the number of calls received into the Constabulary with a 25% reduction in calls to 999. During the same time a 700% uplift in online reporting of

crimes had been observed. This shift to online reporting had enabled 101 waiting times to reduce and enabled the Constabulary to support more of its staff to work safely from home.

- Neighbourhood Policing Teams had shifted to significant online presence, with reduction of face-to-face policing. The force had seen 2.5 million engagements per week through their Facebook channels, opening up a two-way flow of communication.
- The drop in the night time economy had resulted in a reduction in the number serious violence and sexual offences occurring outside the home. However levels of domestic violence had increased both nationally and locally and there had been a 50% uplift in reports of child at risk referrals across the policing area since children had returned to school. Therefore an enhanced priority had been placed upon addressing home-based crime by the force.
- Other crimes had returned to normally observed levels since the end of the lockdown period. Some road safety measures, such as SpeedWatch had been curtailed during lockdown, for both volunteer safety and because of reduced road use, but Members had heard that this had since been resumed. It was recognised that there would be lost income from the scale back in driver awareness training, however any revenues generated from this were re-invested in enhancing road safety measures and therefore this would not have a detrimental effect on the policing budget.
- The force had received approximately 120-130 health calls per day in relation to health, wellbeing and Covid-19 concerns from local residents and had implemented specialist Covid cars to respond to such reports.
- On the whole residents across Hampshire and the Isle of Wight had acted in compliance with the Covid-19 rules and requirements, which was regarded to be a successful outcome by all involved and had seen infection rates remaining low across the policing area.
- The impact of the pandemic on the CJS was of significant concern. A royal commission had been announced by the government shortly before the outbreak of Covid-19 to look at the performance of the Criminal Justice System (CJS).
- Locally, at the point when the pandemic hit there were 1000 defendants awaiting charging, which was considered to be at normal levels, and volumes had been maintained at these levels despite the challenges presented by Covid-19. It was considered that this was in part due to the well-established and robustly managed out-of-court disposal service, funded by the Commissioner. However pressures were being felt elsewhere and an example was given of the rise from 2,500 to 5,000 defendants who had been charged but were awaiting trial or sentencing since the outbreak of the pandemic. The Constabulary were working closely with all partners including courts, probation, the prison service and victims and witness support services to seek to address the pressures on the system. Additionally it was heard that the force had supported the courts by facilitating remote remand during lockdown, however the impact on trial dates had been significant, increasing from weeks and months to timeframes of over a year in some cases.
- The impact on victims and witnesses, as well as on defendants, of delayed hearing was recognised to be significant and more resource was being moved into the victim and witness care teams within the

Constabulary to support increased workload for officers, who were now managing over 200 cases, rather than the usual levels of approximately 100.

- Ensuring the safety and wellbeing of officers and staff during the pandemic was paramount. The force had a dedicated team to support staff wellbeing and had assisted with home working arrangements as well as supporting mental health wellbeing and risk assessments had been undertaken for staff identified to be at increased risk from the virus. As well as mental wellbeing the force had focussed upon physical wellbeing to deliver frontline fitness, and had supported staff with nutrition and healthy food offerings. Guidance and a pandemic toolkit had also been provided to managers. Members heard that levels of sickness and absence within Hampshire Constabulary had been amongst the lowest in the country.
- There were approximately 5,000 paid staff and over 1,000 volunteers within the Constabulary. 10% of the paid staff had been enabled to work from home each day, with some departments able to work fully remotely and others unable to as their work was within the public domain. For those working from home laptops had been provided and those working on the frontline had received uniform bags, handmade by staff at ACRO, to enable them to store and clean uniform safely.
- The force had sufficient levels of good quality personal protective equipment (PPE) and the Chief Constable had recently received confirmation of additional funding from central government for the cost of PPE.
- The force were focussed upon staying safe and maintaining public safety by avoiding spreading the disease when on duty. Other measures to enhance safety had been the use of single crewing (single officers using each card) and a specialist car to respond to reports of sudden Covid deaths. All 82 buildings used by the force had been Risk Assessed and considered as Covid secure. Internal communications had focussed on maintaining Covid-safe practices of work. There was a recognised fear from officers about being attacked or spat on whilst on duty. The Chief Constable had recently written to magistrates, thanking them for robustly and swiftly dealing with any incidents of emergency services workers being spat at whilst out serving communities.
- Work enabling the uplift in officer numbers and digital and estates work programmes had continued and the Chief Constable was confident that these programmes were on track to deliver as forecasted. The uplift programme continue to be funded, as outlined within the budget and included allowance for all associated oncosts.
- The volumes of recruitment had been far more significant than in many previous years, and the Chief Constable had recently welcomed a cohort of over 90 new officers into the force. The recruitment programme had enabled the force to expand its diversity profile, in-line with the ongoing objective to make the force representative of the communities it serves, and it was heard over 12% of new recruits had been from BAME groups.
- It was expected that policing would deliver a balanced budget, with a forecasted £1m underspend against the budget by the end of the year, with Covid costs starting to trend down. It was anticipated that Covid costs

for the Constabulary would amount to approximately £1.2 million by the end of the year.

- It was also anticipated that there would be 99 officers over the budgeted establishment at the end of the year, due to reduced attrition levels in year, but this was expected to be smoothed out against future recruitment and retention plans.
- Even with the additional officers, Hampshire Constabulary was still significantly underfunded through the national funding formula, which meant fewer officers on the ground and an inability to deliver all policing would like to for residents. The anticipated central funding for an uplift in staff numbers had not proceeded, however the force had been able to maintain PSCO levels.
- ACRO (criminal records office), housed by Hampshire Constabulary, saw a significant drop in income as a result of the reduction in international travel. When the pandemic struck ACRO offered to administer all fixed penalty notices for healthcare breaches, including devising a new system which didn't exist and the huge amount of work and effort involved in delivering this was recognised by the Chief Constable. It was heard that ACRO's financial position for the year was being reviewed, however that there would not be an impact on the force's budget as they held their own set of reserves.
- The Constabulary's medium term financial strategy (MTFS) was being developed alongside that of the Commissioner and would include £7m of mandatory costs. The precept position was as yet unknown, but it was expected that council tax revenues would fall as a result of the pandemic.
- The force strategy had remained place, with updates introduced to reflect the Commissioners updated Police and Crime Plan to 2022.

The Chairman thanked the Chief Constable for her time in attending the meeting and for providing an update to Members.

A list of questions raised by Members to be addressed to the PCC was read aloud by the Chairman. It was heard that a response to the questions would be provided in writing, following the meeting, in the Commissioner's absence.

The Chair paused the meeting for a 10 minute comfort break, suspending the meeting from 11:30 to 11:40.

284. POLICE AND CRIME COMMISSIONER - ANNUAL REPORT

Members received a draft copy of the Commissioners Annual report for 2019-20 and were invited to raise comments and recommendations in accordance with Section 28(4) of the Police Reform and Social Responsibility Act.

The Chief Executive gave a brief overview of the content of the draft report and Members heard that:

- The commitment to recruit an additional 94 officers, as outlined within the Commissioner's precept proposal had been met. In total approximately 600 new officers would be recruited before the end of the year to meet the central government uplift target, the additional officers funded through

residents precept contributions and to meet any in-year attrition. This represented a 10-fold increase on normal recruitment levels and the efforts taken by the Constabulary in delivering this level of recruitment, particularly with the outbreak of Covid-19, was acknowledged by the Chief Executive.

- The Commissioner and his team were working alongside Hampshire Constabulary to support them in continuing to deliver effective and efficient policing throughout the pandemic.
- An investigation into misconduct by a small number of officers at the Constabulary at was ongoing, with information on the process being taken and the misconduct hearings expected to be made publicly available by Hampshire Constabulary later that day.
- The report highlighted how the projects outlined at and since the commencement of the Commissioner's had delivered outcomes for local residents and enabled the PCC to reach into the communities he served.

In response to Members questions it was heard that:

- Support was offered by the Victim Care Service to anyone who requested it. Anyone who was identified as a victim of crime was contacted, with detail of what the service could offer, and this was offered cohesively across the criminal justice system. Comments from the Members offered encouragement to continue be clearer about the offer and the benefits it could provide.
- The Commissioner's COMPASS meetings provided a valuable opportunity for the PCC and the Chief Constable to discuss issues raised by the public in a public forum. It was heard that, as well as being derived from direct contact with the PCC, questions were drawn from MP surgeries and from the PCC's wider network. In response to Members challenge to make this opportunity more visible to the public, Members were invited to submit to the PCC any questions from their local residents or communities to be brought forth to a future session.
- £16k was outlined within the report for supporting actions around rural crime and would pay for an analyst. This funding had been lobbied for by the Independent Advisory Group (IAG) and the analyst's focus would be to develop better intelligence for the CountryWatch team to use in their approach to tackling rural crime.
- Significant investment had been made in enabling restorative justice services to continue to operate digitally, since the outbreak of the pandemic.
- Suggestions for best practise were shared nationally with other PCC's via the Association of Police and Crime Commissioners (APCC)
- The annual report would be produced digitally and made available online to enable as many people as possible to access it in the most cost efficient way. The Commissioner's engagement team would seek to reach out to identified groups within the population of the policing area who couldn't or hadn't accessed the document. The report would also be shared with local MP's and Council leaders, to be shared within their communities. It was further heard that the published version would contain a short executive summary and would have features to make it more accessible than the draft version presented to Members.

Members offered their congratulations for the success of the Cyber ambassador scheme in their delivery over the last year in keeping local young people safer online, during a time of increased use resulting from the global pandemic. The software developed in-house through this project had been recognised by global organisations such as Amazon, CISCO and Microsoft as a leading product for keeping children safe on line, with significant interest in supporting its further development.

A number of additional questions raised by Panel Members at the meeting were taken away for response after the meeting.

RESOLVED:

That the Panel receives the draft Annual Report of the Police and Crime Commissioner for Hampshire, reviews the document and makes any report or recommendation to the Commissioner, in line with Section 28(4) of the Police Reform and Social Responsibility Act.

285. POLICE AND CRIME COMMISSIONER - POLICE AND CRIME PLAN DELIVERY

Members received an update on delivery against the Police and Crime Plan 2020-2022. The Panel heard:

- The Commissioner had made funding available, through two small grants rounds, to provide support to communities affected by the Covid-19 outbreak. Local organisations and community groups were able to make applications for funding of up to £500 to deliver immediate support and relief. A third round of this fund had recently been opened and in response to Members questions it was heard that learnings from each round had enabled later rounds to be more targeted towards local crime prevention, with those ineligible for funding signposted to other services.
- Some contracts for domestic abuse and sexual crime services had been extended as part of development work to create a single access point and single referral point for victims of sexual and domestic crime.
- A bid for a safer streets grant of £550,000 had been successful and would be invested in improving safety for residents in the Bargate area of Southampton. In response to Members questions it was heard that the Safer Streets fund was a significant investment opportunity available, and the office had been working in partnership with local authorities and community safety partnerships.
- Bitterne Police Station was to be reopened to provide additional policing capacity in Southampton, in light of the number of new officers joining the force this year. Attention was now to be focussed on the accommodation and deployment of officers within Portsmouth. It was noted that through his role the Commissioner was able to make effective and timely decisions, to support the Constabulary in enhancing the police estate to meet the needs of the force.
- A joint working group looking at support for and working alongside Gypsy, Roma and Travelling communities had recently been established, with

several Panel Members appointed to the working group by their local authorities.

- Despite the impact of Covid-19, officers of the OPCC had been working remotely successfully and had an impactful quarter.
- The Panel's newly appointed Equality and Diversity working group was welcomed and the OPCC looked forward to working alongside the Panel in its development. The Chief Executive thanked the Plan Working Group for their support in monitoring delivery of the plan and noted that he would be working with the Finance Working Group during the next quarter in the preparation for the budget and precept setting.

The Chief Executive finished by acknowledging the positive impact of all of the Panel's working groups, highlighting the benefit added from looking in greater detail at the work being delivered the Commissioner and his office, than the main meeting would allow. The value of the expertise and experience shared by Panel Members at these meetings was also recognised by the Chief Executive.

Cllr Lee Hunt joined the meeting at this point.

The Chairman of the Plan Working Group, Cllr Simon Bound, provided an overview of the most recent meeting of the working group. Members heard that discussions at the meeting had included looking at the uplift of police officer numbers and how those additional officers will make an impact on local communities, as well as looking in detail at the delivery plans of the OPCC for the year ahead.

RESOLVED:

That the update on the delivery of the Police and Crime Plan was noted.

286. POLICE AND CRIME PANEL - WORKING GROUPS

Members received a report from the Democratic Support Officer to the Panel outlining draft Terms of Reference for an Equality and Diversity working group.

RESOLVED:

a) That the appointment of an Equality and Diversity working group is agreed.

b) That the terms of reference, subject to any recommendations made at the meeting, is agreed.

c) That, in accordance with the terms of reference, appointments are sought for membership of the working group.

The Chairman noted that at the previous meeting of the Panel, Councillors Diane Andrews, Simon Bound, Dave Shields and Mr Bob Purkiss expressed an interest in joining the working group and subsequent to her appointment to the Panel had also received interest from Cllr Narinder Bains. Membership was agreed accordingly and it was heard that the Democratic Service Officer would proceed with scheduling meetings of the working group on a quarterly basis.

287. **POLICE AND CRIME PANEL - WORK PROGRAMME**

Members received a report from the Democratic Support Officer to the Panel setting out the proposed work programme for the Panel.

RESOLVED:

That the work programme is agreed.

Chairman,

HAMPSHIRE POLICE AND CRIME PANEL

Report

Date Considered:	29th January 2021	Item:	
Title:	Council tax Precept 2021/22, Budget 2021/22 and Medium Term Financial Strategy 2022/23 to 2024/25		
Contact name:	Andy Lowe, PCC Chief Finance Officer Richard Croucher, Force Chief Finance Officer		
Email:	andrew.lowe@hants.gov.uk richard.croucher@hampshire.pnn.police.uk		

1. Recommendations

- 1.1. **That the Police and Crime Panel (PCP) support the Police and Crime Commissioner's (PCC) proposed precept increase of £15 per annum for Band D properties, which is the equivalent of £1.25 per month, or 29p per week.**
- 1.2. To note the recommendations from the Chief Constable to the PCC on her operational requirements for 2021/22 onwards, and her request that the PCC support a precept increase of £15 to enable the delivery of those requirements, as set out in Appendix A.
- 1.3. To note that 61% of households across Hampshire and the IOW are in properties in council tax bands A-C (see paragraph 7.14), and would therefore see a precept increase of less than £15 per annum if the above recommendation is supported.
- 1.4. To note that the full precept increase will be utilised in support of local policing.
- 1.5. The Panel note the proposals in this report which ensure that for 2021/22 there will be significant investment in policing within Hampshire Constabulary Policing area, including an increase in police officer numbers by 146 above the existing budgeted establishment as part of the second tranche of the Government's commitment to increase police office numbers nationally by 20,000.
- 1.6. The Panel note that the PCC has undertaken a broad range of consultation over the course of the last year to determine the public support for a precept increase, and that the overall collective outcome of the consultation shows that there is majority support for a precept increase.

2. Executive Summary

- 2.1. The proposed budget has been developed to support the priorities of the current Police and Crime Plan (P&CP) which was updated in 2020, to help ensure that Hampshire, the Isle of Wight, Portsmouth and

Southampton are amongst the safest places to live, work and visit, so that people are empowered to realise their life opportunities. In support of this the budget takes full account of the Chief Constable's operational requirements and her recommendations for the necessary investment to ensure that the Constabulary remain in the strongest possible position to best deliver safer communities.

2.2. The current P&CP starts with and has its foundation in our communities. The four priorities of the P&CP contribute to the outcome sought, that of keeping people safer. These priorities are:

- i) Championing Community Needs
- ii) Strengthen Partnerships
- iii) Enabling Operationally Effective Policing
- iv) Criminal Justice

2.3. Within the P&CP, the PCC has highlighted the need to ensure that sufficient funding is in place to deliver operationally effective and added-value outcomes that support people and cover the whole range of responsibilities of a PCC with policing and beyond, working across the whole criminal justice system, with victims and the most vulnerable in our communities.

Chief Constable Operational Recommendation

2.4. The Chief Constable has set out in Appendix A her assessment of the operational case for a £15 increase, which sets out the case for moving the Constabulary:

'from a position of protecting and maintaining (making the best of what we have) to a position where we have the opportunity to take the fight more and more to those criminals who blight our community'.

2.5. The operational case also sets out the Chief Constable's clear request and support for a £15 increase in the precept:

'my operational recommendation to the Police and Crime Commissioner requires a £15 increase in Band D council tax increase.....it is my professional view that supporting anything other than a £15 increase flies in the face of the operational evidence.....that is why I have asked for the first time that my operational support for the Police and Crime Commissioner's position is included in this budget paper and sits as a matter of public record'

2.6. The operational case sets out why additional investment is required locally in Hampshire through the proposed precept increase, and broadly covers three key reasons:

- to increase the number of police officers and staff providing a visible presence, preventing crime and investigating incidents when they occur

- to ensure effective routes for the public to be able to contact policing in both emergency and non-emergency situations, and for policing to be able to ensure that contact from the public is directed to the most effective service or partner to support their enquiry
- to enable the constabulary to invest in the technology, estate, equipment and wellbeing initiatives that make those officers and staff ever more effective and present on the frontline protecting our communities

Low Funded Constabulary

- 2.7. Hampshire Constabulary is a very low cost force for its size and complexity of demand, receiving over £40m less per annum than average. It is well established that policing in Hampshire doesn't get a fair share of national funding and the PCC and Chief Constable have consistently lobbied on this matter.
- 2.8. HMICFRS recognise that the force faces a challenging financial position. Their latest Value for Money profile for Hampshire Constabulary highlights that the force spends £43.5m less than the average force (based on cost per head of population and taking account of the police grant and precept income) due to its underfunding.

Change in the Balance of Funding Between Grant and Council Tax

- 2.9. The balance of funding has changed over the last decade, with council tax now accounting for 41% of overall funding compared to 33% in 2010/11, and government grant accounting for 59% of overall funding compared with 66%.

Investment Opportunity

- 2.10. The funding settlement for 2021/22, which includes specific funding as part of the government's commitment to increase police officer numbers in Hampshire by 153 in 2021/22 (which includes 146 new officers in Hampshire, plus 7 new officers in the Regional Organised Crime Unit) as part of its Uplift programme, combined with the flexibility to increase the council tax precept by £15, provides an opportunity to make a significant investment in Policing across the Hampshire area in 2020/21.

The Council Tax Precept

- 2.11. Local funding through council tax to support local policing continues to be crucial for operational effectiveness, complementing the welcome national funding to increase police officer numbers.
- 2.12. In setting the precept and budget, the PCC's aim is to ensure that:
- i) working closely with Chief Constable, and taking account of her professional assessment of operational requirements and risks, the Constabulary budget will continue to enable the delivery of modern, operationally effective policing, that includes capacity for essential innovation to stay ahead of criminals and those who wish us harm.

- ii) resources are available to the PCC to support 'beyond policing' through commissioning to support victims and the vulnerable, reduce offending and support delivery of the Police and Crime Plan. This key activity also helps to reduce demand on frontline policing.

2.13. The precept decision for 2021/22 therefore needs to take into account both the immediate and medium term resourcing requirements that enable Hampshire, the Isle of Wight, Portsmouth and Southampton to be safer now and in the future.

2.14. This includes taking account of the Government's proposals to nationally increase police officer numbers by 6,000 in 2021/22, as part of an overall commitment to increase police officer numbers by 20,000 over the 3-year period 2020/21 – 2022/23 (further detail on the Government's commitment and the impact on Hampshire is set out in the 'Police Officer Uplift Programme' in section 4).

Police Settlement

2.15. The Police grant settlement was announced on the 17th December 2020, and confirmed for 2021/22 that:

- i) There would be an increase in Hampshire's Police Core Grant of £12.5m (total core grant £210.6m), to support the Uplift in officer numbers. However, the Uplift grant reduces by £1.8m to give a net increase of £10.7m for uplift.
- ii) The pension grant would be £2.99m (which is a continuation of grant at the same level as 2020/21)
- iii) Hampshire has been allocated £2.6m (£4.4m in 2020/21) of specific ringfenced grant to fund and enable a further 'uplift' in Hampshire's police officer numbers by 153 in 2021/22 (which includes 146 new officers in Hampshire, plus 7 new officers in the Regional Organised Crime Unit); this grant can only be accessed quarterly in arrears based on actual officer recruitment achieved. See section 4 which sets out further detail on the governments Uplift commitment.
- iv) Local Council Tax Support Grant would be received in the sum of £2.1m
- v) The cap on the maximum increase in precept would be set at £15 per year for a Band D property (and it is important to note that the Home Secretary and the Minister of State for Crime and Policing assumptions are very much based on PCCs implementing the maximum £15 increase), which would equate to a 7.1% increase (for 2020/21 the maximum precept increase was capped at £10, an increase of 4.96% in Hampshire per Band D property)

2.16. Further detail on the grant settlement is set out in section 6.

2.17. This report presents the projected revenue and capital budgets for the four year period 2021/22 to 2024/25 based upon current guidance and assumptions.

Precept Proposal

2.18. The PCC has fully reviewed and scrutinised the detail of the Chief Constable's operational case and request for a precept increase of £15, and is in no doubt that the operational case is compelling; the PCC proposal is therefore for a £15 increase in his council tax precept for 2021/22 (for a Band D property), as set out in section 7.

2.19. The PCC's view is that increasing council tax precept by the maximum permitted amount is the responsible thing to do to because it keeps communities safer at a time when crime is changing and demand on policing continues to increase, and enables the Chief Constable to have the necessary resources to deliver her operational requirements.

2.20. The Chief Constable is clear that:

'it is my professional view that supporting anything other than a £15 increase flies in the face of the operational evidence'

2.21. In the context of the proposed £15 precept increase, it should be noted that 61% of households across Hampshire and the IOW are in Bands A – C, and so will see an increase of less than £15 per annum (see paragraph 7.14).

What will the Budget Deliver

2.22. On the assumption of a £15 precept increase (Band D), this report sets out that the PCC can:

- i) Set a balanced budget for 2021/22
- ii) Fund the significant costs to deliver the Chief Constable's operational requirements and recommendations, making the necessary investment to enable the Constabulary to continue to be a modern, operationally effective Police Service (see section 5 and Appendix E), including setting aside funding to meet the significant infrastructure investment required both now and in future years to invest in the Police estate and to support the incremental police officer uplift programme.
- iii) Provide the investment to support the additional 153 officers in Hampshire delivered through Uplift, and allow the Chief Constable to properly train and equip all of them, and once again fast track additional officers that would otherwise arrive in the following year so that they can serve our communities far earlier.
- iv) Support the Chief Constable to deliver her aspiration to:
'move Hampshire Constabulary from a position of protecting and maintaining (making the best of what we have) to a position where we have the opportunity to take

the fight to the criminals and those who blight our local communities'

- v) Increase the funding available in support of policing through an increase in targeted resources for Crime Prevention and Rural Crime
- vi) Ensure that reserves remain adequate to meet the significant number of know cost pressures and risks which arise over the timeline of the medium term financial strategy

2.23. Based on previous performance, the Chief Constable's assessment is that the package of proposed investment provides the opportunity to:

- Investigate 26,000 more crimes
- Arrest 300 of the most dangerous drug related harm criminals
- Reduce offending by 1000 crimes
- Safeguard an additional 12,000 vulnerable people
- Provide targeted support for rural initiatives
- Provide infrastructure and support to deliver on a sustainable basis

2.24. The budget will therefore deliver:

i) **More Frontline**

More frontline police officers and staff to provide a visible presence, prevent crime and investigate incidents when they occur, and sustain PCSO numbers.

ii) **Right Place, Right Time**

More personnel in the contact centres so that calls to police for emergency and non-emergency reasons can be answered and given an appropriate assessment and deployment, including the deployment of officers immediately when needed.

Investment in new technology to:

- allow personnel to spend more time in the communities they serve
- provide personnel with the information they need to deal with incidents well
- ensure that the police can fight the continued challenge and increased emergence of cyber crime
- improve security to reduce the risk of cyber attack or failures of police IT

iii) **Better Equipped**

Investment in police personnel to give them the equipment, skills and support to ensure that they are ready and able to perform.

iv) **Investment in the Police Estate**

- Investment to support the Uplift in police officer numbers (including the refurbishment of Bitterne Police Station in 2021/22)
- Funding to support investment including in the IOW estate and options for the Netley Site

v) **Increased Crime Prevention Initiatives**

This will include an expansion of the Safer Streets initiative to Basingstoke and Portsmouth, building on the work already undertaken in Southampton

vi) **Further Investment in Preventing and Tackling Crime in Rural Communities**

Specific funding has been set aside to increase the resources to prevent and tackle rural crime, including funding for a geo tagging scheme for quad bikes and high value farm vehicles/machinery, and additional 4x4 vehicles in support of rural policing

Medium Term Position

2.25. This report also sets out that on the assumption of a £15 precept increase (Band D) for 2021/22, followed by precept increases of 1.99% in each of the following 3 years (2022/23 – 2024/25), it is likely that savings will be required in later years to balance the budget, as set out in section 3:

	Forecast Budget Deficit
	£m
2022/23	4.4
2023/24	16.8
2024/25	22.0

2.26. There is significant uncertainty around both government funding (including Uplift funding) and the permissible level of precept increases for 2022/23 and beyond, which have made it difficult to estimate the future years position with any level of certainty.

2.27. The MTFs therefore includes a number of assumptions that will need to be updated and refined as information becomes available for 2022/23 and beyond.

Consultation

- 2.28. In considering whether or not to use his flexibility to increase the precept, the PCC has given due consideration to the views of the public and also to the consequences of setting a precept lower than £15.
- 2.29. As a result of the restrictions for face to face engagement throughout the year due to the pandemic restrictions, the PCC has undertaken extensive online consultation on the police precept, reaching the highest number of local residents than in the previous eight years.
- 2.30. During 2020/21 8,348 members of the public have taken part in a number of online consultation exercises. The public consultation exercise on the police precept increase has had three distinct elements:
- i) Online surveys, which saw 7,848 people submit responses across multiple platforms. These included:
 - 2,294 responses to budget question in Policing the Pandemic Survey
 - 5,427 responses to PCC's online survey
 - 127 responses to the PCC's online survey from the OPCC Consultation and Focus Group Panel members
 - ii) A YouGov survey of 500 demographically weighted respondents across Hampshire and the Isle of Wight.
 - iii) Two focus groups conducted by the OPCC with members of the Consultation and Research Group on Friday 15 January 2021, observed by Deputy Chair of the Panel Councillor Jan Warwick, and, Saturday 16 January 2021 observed by Michael Coombes of the Panel's Finance Working Group.
- 2.31. The outcome from each individual element of the consultation, and the overall collective outcome shows that there is significant support for a precept increase of £15 to enable Hampshire Constabulary to take its fight to criminals and reduce crime.
- 2.32. A summary of the results is set out in section 12, and the full details are set out in appendix J.

Summary

- 2.33. The PCC is clear, having taken advice from the Chief Constable, that to set a precept increase lower than £15 would limit both the ambition of the Constabulary, and not provide the necessary investment required to ensure that the Constabulary remains fit for purpose, operationally effective, and able to invest to meet the challenge of the changing the nature and complexity of crime.
- 2.34. The PCC's assessment is that not taking the permitted increase in Council Tax would result in communities, families and individuals being less safe.

- 2.35. In summary, implementing the £15 increase for 2021/22 in line with the expectations of Government, in line with the Chief Constable's recommendations in terms of her operational requirements, and consistent with support from our communities, will provide significant investment to sustain and continue to transform Policing in Hampshire, alongside enabling a significant increase in police officer numbers (146 above current establishment) as part of the Government's Uplift commitment
- 2.36. In terms of longer term risk - it is right to acknowledge that without any funding certainly beyond 2021/22, and until a new fairer funding formula is in place which recognises the pressures faced within Hampshire, it remains the case that Hampshire Constabulary is constrained by a lack of appropriate funding, and the funding uncertainty reduces the PCC's and Chief Constable's ability to forward plan with confidence.

3. Medium Term Financial Strategy (MTFS) Summary

- 3.1. As set out in section 6 (Grant Settlement) and section 7 (Council Tax Precept), the PCC has no information on future Police grant for 2022/23 and beyond, no information as to the level of Police Officer Uplift funding, nor any indication of the permissible level of precept increase.
- 3.2. Given this uncertainty, the MTFS is necessarily prudent on the future funding position beyond 2021/22.
- 3.3. The key funding assumptions which have therefore been used to underpin the MTFS are as follows:
- a precept increase of £15 in 2021/22, followed by precept increases of 1.99% in the following years 2022/23 – 2024/25
 - flat Police grant for the period 2022/23 – 2024/25
 - no assumption that additional funding will be available to support the forecast increase in the Employer costs of the Police Officer Pension scheme (see paragraph 3.19)
- 3.4. Based on these assumptions, the MTFS currently shows that for 2021/22 the PCC is able to set a balanced budget, but for the years 2022/23, 2023/24 and 2024/25 the budget currently shows a shortfall/budget in excess of forecast income of:

	Forecast Budget Deficit
	£m
2022/23	4.4
2023/24	16.8
2024/25	22.0

- 3.5. As currently presented, it is likely that further savings will be necessary in future years to balance the budget in 2022/23 and beyond, but this will

be firmed up in later iterations of the MTFS as the funding position for later years becomes clearer.

- 3.6. In the event that the MTFS were to remain unbalanced in future years post confirmation of funding for the years 2021/22 onwards, the Chief Constable would need to review planned expenditure and propose mitigating reductions to balance the budget position.

Investment

- 3.7. The MTFS includes significant cost pressures and growth items included in the 2021/22 budget and later years. The budget pressures are operationally unavoidable costs if the PCC and Constabulary are to continue to deliver the additional capacity and productivity required to meet the demand and expectations of the public.
- 3.8. The budget pressures and growth for 2021/22 total £31.958m as shown in the table below, with the detail set out in section 5. They include the rolling forward of the three-year plans for investment that were set out in the Budget report in the last two years. The table below summarises the budget pressures with further detail given for each of those headings in the following paragraphs:

	2021/22 £m	2022/23 £m	2023/24 £m	2024/25 £m
More Frontline	16.443	14.848	14.192	14.117
Right Place Right Time	5.004	3.499	2.361	2.361
Better Equipped	3.622	4.820	2.074	1.815
Capital Financing	1.000	1.000	1.000	1.000
Estate	4.711	4.711	0.711	0.711
Commissioning	1.178	1.178	1.178	1.178
Gross investments	31.958	30.056	21.516	21.182
Funded by reserves	(2.900)			
Uplift related grants	(10.700)	(18.950)	(18.950)	(18.950)
Total	18.358	11.106	2.566	2.232

- 3.9. A key factor which impacts the MTFS and delivery of operational Policing is the governments Police Officer Uplift programme, and further details are set out below in section 4 below.

MTFS 2021/22– 2024/25: Other Assumptions

- 3.10. The MTFS for 2021/22 to 2024/25 is shown at Appendix D of this report. It provides a forecast of the financial position over the next four years, including a firm position for the 2021/22 budget.

Police Officer Uplift Programme

- 3.11. As set out in paragraph 4.4, no details of the allocation of the remaining 8,000 police officers nor the associated funding has been announced, so at this stage a prudent estimate has been made that Hampshire could receive a further uplift in police officer numbers of 150 as its share of the 8,000.

Inflation and Pay

- 3.12. The budget includes provision for inflation for contract spend and other areas where inflationary increases are unavoidable.
- 3.13. The inflation assumptions applied are shown in Appendix B. In some cases, such as cleaning, inflation factors will be known as they are included within multi-year contracts. In most cases inflation is unknown. A default rate of 1.5% has been used where inflation is unknown.
- 3.14. The most significant inflation value is the pay award; no new pay award is assumed for 2021/22 in line with government guidance, and for 2022/23 onwards the pay award is included at an estimate of 1% per annum.
- 3.15. If there is any variation to that pay award assumption then, for example, an extra 1% would equate to an extra £2.8m of cost per annum.
- 3.16. The value of sterling does have the potential to increase inflation for items procured from foreign countries, most notably technology solutions from the USA and building supplies. Therefore, additional budgetary pressure could be caused by exchange rate movement, although the £pound has strengthened in recent months against the dollar.
- 3.17. As inflation and pay awards are included as best estimates, they are of course a risk within the MTFS as the actual position could differ from the assumptions made.

Future Cost Pressures and Growth Items

Growth

- 3.18. The MTFS at Appendix D allows within the budget for £5m to fund recurrent revenue pressures and growth per annum (incremental each year from 2022/23, so an additional £15m by 2024/25). This ensures that the MTFS provides an allowance to fund future growth and pressures, and based on recent years £5m is the minimum realistic sum which should be set aside. As this is an estimate, there is a risk to the MTFS that the actual level of recurrent revenue pressures /growth is greater than £5m per annum.

Police Officer Pension Valuation

- 3.19. The next revaluation of the Police Officer pension scheme will impact from the 2023/24 financial year. The national intelligence suggests that there will be a significant increase in the cost of the scheme, which will impact the Employer rate of contribution. The MTFS assumption is that the rate will increase by 7% (reflective of the scale of increase at the previous valuation), which would have an annual cost of £8m.

- 3.20. At the last revaluation, the government did provide funding for the increase in the Employer pension rate through a combination of an increase in the police grant plus a specific grant; this funding increase was only secured following extensive lobbying from the sector.
- 3.21. The current MTFS does not include an assumption that the pension cost will be funded by government. If specific additional funding was made available, it would offset the increase in cost.

Savings

- 3.22. As set out in the MTFS summary the forecast position is that whilst the budget is balanced in 2021/22 there are forecast budget deficits in 2022/23, 2023/24 and 2024/25.
- 3.23. In the event that after updating for spending settlements post 2021/22 the budget remains in deficit for those years, the Chief Constable would need to review planned expenditure and propose mitigating reductions to the budget.
- 3.24. There is one significant saving which is already built in to the MTFS forecast, in relation to the LGPS pension deficit contribution saving, and further details are set out below.

LGPS Pension Deficit Contribution Saving

- 3.25. There is one significant saving which impacted the budget from 2020/21, which arises as a result of the 2019 LGPS Actuarial Valuation of the Hampshire Pension Fund.
- 3.26. An outcome from the 2019 valuation was that the Fund was deemed to be 100% funded, compared to an 82% funding level at the 2016 valuation date; at the 2016 valuation the Fund was therefore in deficit.
- 3.27. Since 2016, the Constabulary and OPCC have been required to pay a fixed cash sum per annum of £5.5m as a contribution to fund the deficit over a 16-year recovery period.
- 3.28. As the most recent valuation has determined that the Hampshire LGPS is fully funded, the requirement to pay deficit contributions falls away for the period 2020/21 – 2022/23.
- 3.29. The advice from the CFO to the Hampshire Pension Fund is that as the valuation is a 3 year cycle, and as the valuation includes a whole range of assumptions which will be re-visited at the next valuation (for example the return on investments), the most prudent treatment of this saving is as a one off saving over the period of this valuation cycle, as it is possible that at the next valuation in 2022 that the Fund could be in deficit and the requirement for a deficit payment re-emerge.
- 3.30. On that basis, the deficit saving is being utilised across the next 2 years to fund one-off pressures, so that if required it could be re-instated as a recurrent budget in 2023/24. The one-off items to be funded from this saving are included within the growth items set out in section 5.

Capital Programme

3.31. The capital programme has been updated, and from a financing perspective provision has been made to support capital expenditure and borrowing to take into account the following key issues:

- the Uplift programme, including the refurbishment of Bitterne Police station in Southampton during 2021/22
- review of and investment in the Isle of Wight estate and the Netley site.

3.32. Further detail is set out in section 9, and the Capital Strategy is attached as appendix G.

Reserves

3.33. The PCC CFO's assessment is that:

- i) the level of the General Fund reserve is reflective of the overall risk environment in which the PCC operates
- ii) the level of Earmarked reserves and their purpose are necessary and appropriate
- iii) the Transformation Reserve is prudent and necessary to meet the ongoing requirement for one off expenditure to meet the transformation required to ensure that in the years ahead the Constabulary remains a modern operationally effective police force.

3.34. Further detail on reserves is set in section 10, and the Reserves Strategy is attached as appendix H.

Risk

3.35. There are a number of risks which could impact on the MTFs, and these are detailed in section 13.

3.36. As set out above the level of reserves held is appropriate and takes account of the identified risks.

CFO Section 25 report

3.37. The PCC CFO is required under section 25 of the Local Government Act 2003 to report to the PCC when setting his precept on:

- the robustness of the estimates included in the budget, and
- the adequacy of the financial reserves in the budget.

3.38. The CFO's section 25 report, which provides a positive opinion on both of the above, is attached to this report as appendix I.

4. Police Officer Uplift Programme

4.1. The Government announced in July 2019 their intention to invest in policing to provide funding to support the appointment of an additional 20,000 police officers over the next 3 years.

- 4.2. The initial uplift in police officer numbers for 2020/21 was 6,000, of which Hampshire Constabulary's share was an additional 156 officers, although the Constabulary is on track to recruit an additional 250 officers in total this year as set out in last year's budget report.
- 4.3. As part of the Police Funding Settlement Announcement on 17th December, it was confirmed that as part of the year 2 total uplift of a further 6,000 officers, Hampshire's additional allocation for 2021/22 is £2.6m to fund an additional 153 officers (which includes 146 new officers in Hampshire, plus 7 new officers in the Regional Organised Crime Unit).
- 4.4. The allocation of the remaining 8,000 officers in 2022/23 and the funding to support it has not been announced at an individual Constabulary level
- 4.5. The funding of £2.6m equates to funding per officer of circa £17,000 (which is less than the full whole time equivalent cost of a constable; the assumption is that for 2021/22 this sum takes into account that recruitment will be phased throughout the year). This funding is claimable on a quarterly basis in arrears, and can only be claimed for the additional officers recruited above the agreed establishment baseline.
- 4.6. Funding for infrastructure and non-pay costs (including police staff pay costs) associated with the uplift in police officer numbers for both this year and later year allocations of additional officers (e.g. uniform, laptops, phone, additional vehicles, training, additional accommodation, additional police staff etc) must be met from the overall increase in recurrent general police grant received for 2021/22 (so from within the additional net police grant of £10.7m).
- 4.7. In the absence of any clear methodology to determine Hampshire's share of the remaining 8,000 uplift beyond 2021/22, a prudent estimate has been that Hampshire will receive a further increase of 150 officers to the establishment in 2022/23
- 4.8. To manage the available Uplift funding over the 3 year period, the funding is managed through an Uplift reserve against which the Constabulary can draw down funds to meet the infrastructure and non-pay costs over the next 2 year period.
- 4.9. To ensure that funding as required can be relatively easily accessed, in line with the scheme of delegation the drawdown of funds from this reserve is delegated to the PCC's Chief Finance Officer, and will be based on funding requests from the Constabulary's Assistant Chief Constable responsible for the Uplift programme supported by the Constabulary CFO (except for Estates where the request will come from the PCC's Head of Estates).

5. Investment in Policing

- 5.1. In any given financial year, the PCC's overall budget will be faced with demand/cost led spending pressures and also with a range of growth initiatives; growth items are usually a choice whereas a demand/cost pressure is usually unavoidable.

- 5.2. The Chief Constable has set out her operational case for a £15 increase in the precept (Band D) to fund not only unavoidable cost increases but also a number of growth items for investment to ensure that the Constabulary moves:

‘from a position of protecting and maintaining (making the best of what we have) to a position where we have the opportunity to take the fight more and more to those criminals who blight our community.....

The financial position creates a current reality that, although the Constabulary is able to deploy officers and staff to all higher harm and/or risk incidents, the Constabulary currently has to prioritise the response to some other lower harm and/ or risk incidents. Were the Constabulary not to do this then the Constabulary would have by far the highest caseload per officer in the country. An increase in resources - in line with the Government’s assessment of need - would allow the Constabulary to investigate more crimes and take action that will reduce the number of crimes that would otherwise occur.’

- 5.3. The package of investment proposed provides for additional frontline officers and staff to provide a greater visible presence, to investigate more crimes, to reduce crime and reduce risk for the more vulnerable people in society. The package includes the support required to deliver that performance, such as greater forensic capacity, the investment in technology to make processes more efficient and other measures such as wellbeing to ensure that the additional personnel are available to work and productive.
- 5.4. Based on previous performance, the Chief Constable’s assessment is that the package of proposed investment provides the opportunity to:
- Investigate 26,000 more crimes
 - Arrest 300 of the most dangerous drug related harm criminals
 - Reduce offending by 1000 crimes
 - Safeguard an additional 12,000 vulnerable people
 - Provide targeted support for rural initiatives
 - Provide infrastructure and support to deliver on a sustainable basis
 - Protection of PCSO numbers
- 5.5. For our communities the investment package will improve the quality of life, improve life chances and make us all safer.
- 5.6. There are significant cost pressures and growth items included in the 2021/22 budget and later years. The budget pressures are predominantly unavoidable or operationally unavoidable costs if the PCC and Constabulary want to continue to deliver the additional capacity and productivity required to meet the demand and expectations of the public.

5.7. The budget pressures and growth for 2021/22 total £31.96m as shown in the table below. They include the rolling forward of the three-year plans for investment that were set out in the Budget report in the last two years. The table below summarises the budget pressures with further detail given in appendix E for each of those headings.

	2021/22 £m	2022/23 £m	2023/24 £m	2024/25 £m
More Frontline	16.443	14.848	14.192	14.117
Right Place Right Time	5.004	3.499	2.361	2.361
Better Equipped	3.622	4.820	2.074	1.815
Capital Financing	1.000	1.000	1.000	1.000
Estate	4.711	4.711	0.711	0.711
Commissioning	1.178	1.178	1.178	1.178
Gross investments	31.958	30.056	21.516	21.182
Funded by reserves	(2.900)			
Uplift related grants	(10.700)	(18.950)	(18.950)	(18.950)
Total	18.358	11.106	2.566	2.232

6. Grant Settlement 2021/22

6.1. The Police grant settlement was announced on the 17th December 2020, which has not allowed much time for extensive public consultation on the PCC's proposed precept increase of £15, nor for the usual level of engagement with the PCP's Finance working group prior to publication of this report.

6.2. The settlement announcement confirmed that for 2021/22:

- i) There would be an increase in Hampshire's Police Core Grant of £12.5m (total core grant £210.6m), to support the Uplift in officer numbers. However, the Uplift grant reduces by £1.8m to give a net increase of £10.7m for uplift.
- ii) The pension grant would be £2.99m (which is a continuation of grant at the same level as 2020/21)
- iii) Hampshire has been allocated £2.6m (£4.4m in 2020/21) of specific ringfenced grant to fund and enable a further 'uplift' in Hampshire's police officer numbers by 153 in 2021/22 (which includes 146 new officers in Hampshire, plus 7 new officers in the Regional Organised Crime Unit); this grant can only be accessed quarterly in arrears based on actual officer recruitment achieved. See section 4 which sets out further detail on the governments Uplift commitment.

- iv) Local Council Tax Support Grant would be received in the sum of £2.1m
- v) The cap on the maximum increase in precept would be set at £15 per year for a Band D property (and it is important to note that the Home Secretary and the Minister of State for Crime and Policing assumptions are very much based on PCCs implementing the maximum £15 increase), which would equate to a 7.1% increase (for 2020/21 the maximum precept increase was capped at £10, an increase of 4.96% in Hampshire) per Band D property)

6.3. In a joint letter to the PCC and Chief Constable, the Home Secretary, Rt Hon Priti Patel MP, and the Minister of State for Crime and Policing, Kit Malthouse MP, set out that:

'This year has once again emphasised the police's outstanding bravery and commitment to public service and we would again like to express our sincere gratitude for all your work. Sector leaders, frontline officers and staff have responded with speed and flexibility to the unprecedented challenges brought about by the COVID-19 pandemic.

We are also extremely pleased with the progress forces have made in the first year of the recruitment programme, with 5,824 additional officers already recruited as a result of the Uplift Programme by the end of September. We are firmly on track to meet the first-year target and we expect this momentum to continue into year two of the programme.

*This settlement provides a total of up to £15.8 billion for policing in 2021/22, an increase of £636 million on the 2020/21 funding settlement. Available funding to Police and Crime Commissioners (PCCs) will increase by **up to an additional £703 million in 2021/22, including local flexibility to increase council tax precept.....***

***Up to £288 million additional funding from council tax precept, if all PCCs maximise their precept flexibility.** We are enabling PCCs to increase precept by up to £15 for a Band D equivalent property'*

6.4. The PCC positively welcomes both the increase in Police Grant for 2020/21, and the specific ring fenced grant to support an increase of 153 police officers.

6.5. The precept flexibility offered, enables a precept increase of up to £15 for a Band D property, but the PCC notes the presumption by the Home and Secretary and the Minister that the overall funding available to Hampshire is predicated on maximalising the precept at £15; whilst the PCC has consistently lobbied government over the past 4 years for recognition that Hampshire is underfunded in comparison to other Forces across England, he remains concerned that raising local tax increasingly is seen by government as a way to increase funding at the local Force level, representing a shift away from government grant funding to an increasing reliance on council tax income.

- 6.6. It is a concern that using the precept as a mechanism to increase funding does nothing to address the historical underfunding which Hampshire has faced, which can only be addressed by a review of the Police Grant funding formula.
- 6.7. Nevertheless, in the absence of a fairer funding formula, and recognising the continued underfunding of Hampshire through the continued receipt of a proportionate share of Police Grant based on an outdated funding formula, the only mechanism available to the PCC to secure additional funding for the Hampshire Force area to deliver the operational requirements of the Chief Constable is to utilise the flexibility to increase the precept.
- 6.8. With regard to the grant settlement, the PCC is conscious that the settlement is silent on:
- i) the level of Police Grant in future years beyond 2021/22;
 - ii) the level of future grant to support an ongoing increase in officer numbers as part of the remaining 8,000 officer uplift post 2021/22;
 - iii) the maximum precept increase for 2022/23 onwards;
- 6.9. Therefore, whilst welcoming the settlement for 2021/22, there remains an inability to properly plan ahead in the light of no information on the PCC's funding levels beyond 2021/22.
- 6.10. As set out above and in previous budget reports, the PCC remains concerned that whilst additional grant and precept flexibility has been very welcome over the last few years, there remains an historical underfunding position in Hampshire compared to other Constabulary areas, which if addressed would deliver substantial further improvements to efficiency, productivity and effectiveness that would keep people SAFER; The independent inspectorate, HMICFRS continues to report that Hampshire is one of the lowest funded forces (5th lowest cost per head of population out of 43 forces in England and Wales).
- 6.11. The reality of this low funding position is that Hampshire has a very low ratio of officer numbers per 1,000 of population, and as a consequence has a very high investigative caseload per officer compared to other forces.
- 6.12. This is partly because the Band D rate of council tax precept paid by local residents continues to be below the national average, but predominantly because the current distribution of general grant from Government is not fit for purpose, which according to HMICFRS results in the PCC for Hampshire receiving £43.5m pa less to spend than the national average. That has a direct impact on the service that can be delivered to make the Hampshire Policing Area safer.
- 6.13. Whilst the preference remains for a new national fairer funding formula to be implemented as a priority, the increase in the grant settlement for 2021/22 is welcome, and is recognition of the extensive lobbying by the PCC and his colleagues as to the serious risks facing the delivery of policing as a result of continuous grant settlement reductions, and

previous restrictions on the level of precept which could be raised without recourse to a referendum.

Police Grant Beyond 2021/22

- 6.14. Beyond 2021/22, there is no indication on the level of future police grant (nor Uplift grant).

For the purpose of planning ahead, an assumption has been made that Police Grant will remain static for the period 2022/23 – 2024/25. This is clearly very prudent, but ensures that the MTFS is not developed based on an over estimate of potential future grant increases, and is not an unrealistic scenario given previous grant reductions and also that there has been a significant increase in Police grant for 2021/22 which is felt unlikely to be repeated in future years.

Pension Grant

- 6.15. As part of the settlement, Hampshire will receive a specific grant of £2.99m to contribute towards the additional pension costs which the Constabulary has had to meet since 2019/20 year for Police Officer pensions. This grant is the same sum received in the current year.

Capital Grant

- 6.16. Capital grant of £0.3m has been included within this budget report, which is the same as in the current year.
- 6.17. For a Force the size of Hampshire, with a large geography, increasing officer numbers, a significant built infrastructure, and significant soft infrastructure requirements (vehicles, large scale IT estate, tasers, body armour, equipment need etc) this level of capital grant is clearly insufficient to fund need.
- 6.18. The revenue budget therefore must be increased so that the PCC can ensure that all the supporting infrastructure needs of the Chief Constable can be funded on a sustainable basis over the medium term. The revenue budget includes both contributions to support capital expenditure plus an increase to support future borrowing.

Ministry of Justice Grant

- 6.19. Grant from the Ministry of Justice has been included as an estimate pending confirmation.

Local Council Tax Support Grant

- 6.20. Subsequent to the Police Grant Settlement, as part of additional funding to recognise the pressures on Preceptors arising from both depressed council tax receipts and a depressed council tax base as a result of the COVID-19 pandemic, the government announced the PCC would receive one off Local Council Tax Support grant of £2.1m.
- 6.21. At the time of writing this report the final Local Government Finance settlement (through which this grant funding has been announced) has not been confirmed, so final confirmation that this grant will be payable to PCCs is awaited.

6.22. Given the above, the grant will be set aside in a Council Tax reserve; this reserve will be utilised to manage any ongoing impact from COVID-19 of a Council Tax deficit arising from 2020/21 and any ongoing impact on council tax collection in 2021/22, and to manage and any ongoing impact (slow recovery/reduced growth) on the Council Tax Base.

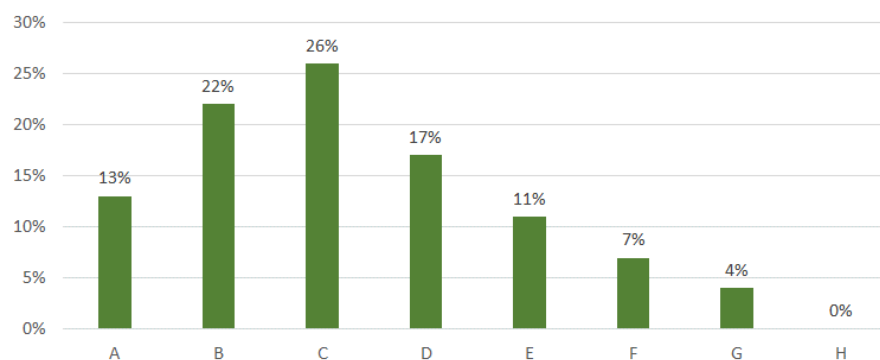
7. Council Tax Precept

- 7.1. The settlement announcement has confirmed that for 2021/22, PCC's can increase their precept by £15 (which for Hampshire represents a 7.1% increase to the Band D precept) without the need to hold a referendum.
- 7.2. Any precept increase above the referendum limit of £15 will be deemed by the Government to be excessive and therefore a public referendum vote, within the area covered by the proposed increase, would be required to take place to gain approval for an increase in excess of this amount.
- 7.3. The precept decision for 2021/22 needs to take into account both the immediate and medium term resourcing requirements that enable Hampshire, the Isle of Wight, Southampton and Portsmouth to be safer now and in the future.
- 7.4. The PCC's proposal is to increase the precept (for a Band D property) by the maximum £15 permissible for 2021/22 without recourse to a referendum.
- 7.5. In setting the precept and budget, the PCC is seeking to ensure that:
 - i) working closely with Chief Constable, and taking account of her professional assessment of operational requirements and risks, the Constabulary budget will continue to enable the delivery of modern, operationally effective policing, that includes capacity for innovation.
 - ii) resources are available to the PCC to support 'beyond policing' through commissioning to support victims and the vulnerable, reduce offending and support delivery of the Police and Crime Plan, which also help to reduce demand on frontline policing.
- 7.6. As set out in Appendix A, the Chief Constable has set out her operational requirements, and made a clear recommendation to the PCC that her recommendation is that he increases the precept by £15.
- 7.7. In her assessment of the operational requirements, the Chief Constable *has made clear that:*
'an extra £15 per year can move Hampshire Constabulary from a position of protecting and maintaining (making the best of what we have) to a position where we have the opportunity to take the fight more and more those criminals who blight our local communities'
- 7.8. Whilst the PCC welcomes the flexibility provided through the settlement to allow a precept increase of up to £15 per annum for a Band D

property, and recognises the positive impact the additional revenue raised will have in the delivery of policing in Hampshire and in supporting the Chief Constable, the fundamental issue of the PCC being underfunded through the national funding formula remains, with no remedy via a fairer national funding formula anticipated in the near future.

- 7.9. As the referendum limit is an increase of £15, this means that PCCs with precepts that are already high will be able to put their precept up by the same cash increase as PCCs with a lower precept. This is not equitable and serves to maintain the funding inequality gap between PCCs.
- 7.10. The evidence available suggests that a significant number of PCC's across England will increase their precept by £15; whilst that is not itself a reason to increase the precept by the same amount in Hampshire, if the precept increase in Hampshire is less than that of other PCCs the current funding gap in comparison to other PCCs will continue to widen.
- 7.11. Since 2013/14, precept increases in Hampshire have been approved at the maximum amount permitted within the referendum limit, which is in line with Government policy. This has partially mitigated the impact of the grant reductions, although significant savings have still been required.
- 7.12. The current Band D council tax precept for Hampshire Constabulary is £211.46, which is the 12th lowest of the 37 English forces.
- 7.13. The proposed precept increase would make the Band D council tax precept £226.46 in 2021/22. As set out above, the current intelligence is that the majority of PCCs across England will increase their Band D precept by £15, so it is unlikely that Hampshire's position of 12th lowest precept will alter much if at all.
- 7.14. It is also important to note that a significant number (61%) of households across Hampshire and the IOW are in properties in Bands A – C, and so the increase for those households will be less than £15 per annum, as shown below:

Percentage of Households by Council Tax Band



Impact of a £15 Council Tax Increase By Council Tax Band 2021/22

Band	Monthly Increase £	Annual Increase £
A	0.83	10.00
B	0.97	11.67
C	1.11	13.33
D	1.25	15.00
E	1.53	18.33
F	1.81	21.67
G	2.08	25.00
H	2.50	30.00

7.15. The breakdown of the Hampshire precept by council tax band is shown in further detail in Appendix C, including how the precept in the current year compares with those of other PCC areas.

7.16. Whilst the government expectation is that PCCs will take up the opportunity to raise the council tax precept by £15, the PCC still has the option to not raise the precept at all, or to raise the precept by any amount up to £15.

7.17. The table below shows for a range of precept increases (up to the maximum of £15) the level of precept income which can be raised:

Comparison of Band D precept increase options

Precept increase	21/22 Band D precept (£)	Total precept (£m)	Additional precept income* (£m)
Band D zero%	211.46	147.9	0
Band D 1.99%	215.67	150.9	3
Band D £15 (7.1%)	226.46	158.4	10.5

*Excluding any impact of changes to the Council Tax Base.

7.18. In considering his available precept options, the PCC has given consideration to the extent to which the final proposed precept increase enables the delivery of the priorities in his PCP to keep people safer, and also enables the four priorities of the plan which include ensuring that

the Chief Constable is able to deliver modern operationally effective policing, alongside delivering the overall Uplift programme.

- 7.19. The PCC has taken account of the specific professional and operational advice of the Chief Constable and her leadership team as to the operational policing requirements to adequately meet the increasing demand across Hampshire, and the detrimental impact on operational policing within Hampshire which would occur if a precept increase of less than £15 was implemented.
- 7.20. The Chief Constable is clear in her assessment (as set out in Appendix A) that the public of Hampshire would be less safe if a lower than £15 precept increase was implemented, and she has recommended to the PCC that he implement the maximum increase of £15.
- 7.21. The Chief Constable is therefore fully supportive of the PCC's proposal to increase the precept by the full amount permissible and welcomes the PCC's commitment that the additional funding raised through the precept will be directed in full to support local policing.
- 7.22. The PCC has concluded, following consultation with the Chief Constable, and having due regard to her operational case for a £15 precept increase, and her recommendations on options for the delivery of modern, operationally effective policing, that increasing the Band D precept by £15 per annum provides the best opportunity to ensure that the residents of Hampshire and the IOW are kept as safe as possible.
Council Tax Precept increase beyond 2021/22
- 7.23. There is no announcement on the maximum level of precept increase beyond 2021/22.
- 7.24. For the purposes of preparing the MTFs, a precept increase of 1.99% has been assumed per annum from 2022/23 – 2024/25. This is therefore an identified risk within the proposed MTFs, as the actual allowable increase could be lower.

8. Council Tax Deficit

- 8.1. The impact of the COVID-19 pandemic has impacted the in-year collection of Council Tax across Hampshire and the IOW.
- 8.2. The estimated deficit forecast by the billing authorities for 2020/21 is £1.686m.
- 8.3. In recognition of the impact COVID-19 has had on collection, the government confirmed as part of the settlement announcement that they will put in place a Local Tax Income guarantee which will:
 - i) allow the repayment of collection fund deficits arising in 2020-21 to be spread over the next 3 years rather than the usual period of a year.
 - ii) also fund 75% of the irrecoverable losses in this deficit. The government will pay a Section 31 grant to the PCC during the

2021-22 financial year to fund this. However, as noted below, there are significant exclusions from what is funded.

Three year phasing of 2020-21 collection fund deficits

- 8.4. As a result of COVID-19, there has also been an impact on the both the level of council tax being collected, and also on the council tax base (more claimants for Council Tax support, and a depressed development limiting the increase in new dwellings).
- 8.5. The impact of the Billing Authorities collecting less council tax in year than expected, is that the share of any resultant unplanned deficit on the council tax collection fund in 2020/21 is passed back to Preceptors in 2021/22.
- 8.6. In recognition of the pressure on council tax collection, the government has put in place a process that will allow repayments to meet collection fund deficits accrued in 2020-21 to be phased over a three-year period (2021-22 to 2023-24) to ease immediate pressures on budgets.
- 8.7. This is helpful as the impact of the estimated council tax deficit on the 2021/22 budget will be reduced.

Section 31 Grant to cover 75% of the Council Tax Deficit

- 8.8. In addition to allowing the 2020/21 Council Tax deficit to be accounted for over 3 years, the government will also fund 75% of the resultant 1/3rd irrecoverable losses in this deficit each year.
- 8.9. The government will pay this via a Section 31 grant.
- 8.10. However, a significant amount of COVID-19 losses, such as those caused by bad debts are not eligible for this funding. Therefore, until more detailed estimates are available from billing authorities, there is some uncertainty as to the level of grant we will receive. Updated figures will be included once they become available and included in the final budget.

Impact on the Deficit Included in the 2021/22 Budget

- 8.11. The net deficit which is included within the 2021/22 budget is £0.408m, which takes account of the 3 year phasing.

8.12. The position is as follows:

	<u>£m</u>	<u>£m</u>
Gross Forecast Council Tax Deficit for 2020/21	1.686	
Allocate 1/3 rd of the deficit to 2021/22		0.562
Balance of 2019/20 surplus		(0.154)
Net Council Tax Deficit included in the budget		0.408

8.13. The current estimate is that the PCC will receive section 31 grant for 75% of the 2021/22 deficit included in the budget of £0.562m, which would be a grant of £0.421m, but as above this is likely to change once final estimates are received from billing authorities.

8.14. The estimated overall net impact on the budget is a small surplus of £13k, as set out below:

	<u>£k</u>
Net Council Tax Deficit included in the budget	0.408
Section 31 grant	(0.421)
Net impact	(0.13)

9. Capital Programme including Estate Development Programme

9.1. The Capital Programme for the period 2021/22 to 2024/25) is set out in Appendix F, and the Capital Strategy is set out in Appendix G.

9.2. The Capital Strategy provides a 'high-level' overview of how capital expenditure, capital financing and treasury management activity contribute to the provision of the services within the PCC's remit including policing, and provide an overview of how associated risk is managed and the implications for future financial sustainability.

9.3. The cost of financing the approved capital expenditure is included within the revenue budget calculations for capital financing for approved items.

9.4. The Estates Change Programme (ECP) is subject to regular review to ensure that the estate is fit for purpose. Savings have been included in future year forecasts based on the current Estates Strategy. They fluctuate across years as some buildings are decommissioned and new accommodation is built or leased.

- 9.5. The PCC and Chief Constable are seeking to ensure that officers, staff and the public are served by modern technology that maximises effectiveness and efficiency. The capital programme includes a number of technology projects as part of the ICT and Digital Transformation Programme.
- 9.6. In addition, as set out section 5 the capital programme will evolve further over the course of the next year or so to take account of the evolving requirements to support the officer uplift, the implementation of a new estates strategy for the Isle of Wight and to take account of the review of the Netley site.

Additional funding of £1m to has been added to the Capital Financing budget in recognition of this future capital spending, to be used to support borrowing.

10. Reserves and Financial Stability

- 10.1. Reserves are necessarily and appropriately held as part of good strategic financial management and are a key element in supporting the PCC's medium term planning and Medium Term Financial Strategy, and further detail is set out in the Reserves Strategy at Appendix H.
- 10.2. The level of reserves continues to be reviewed by the PCC, Chief Finance Officers and auditors to ensure that suitable reserves are in place to mitigate and manage the risk of the financial challenges faced, and to ensure that reserves are not unnecessarily held to the extent that is detrimental to current service delivery. The level of reserves required and the intended use of those reserves is reviewed on a regular basis.
- 10.3. It is now recognised by the Home Office that it is prudent to hold appropriate reserves to both manage risk and to avoid cliff edges caused by reductions in funding, and to also be able to continue to deliver efficient and effective operational policing.
- 10.4. For the 2021/22 budget, a number of new earmarked reserves have been created:
- i) **Grant Equalisation Reserve** - this reserve in the sum of £6m will be used to offset and manage future uncertainty in the level of Police grant (and is funded by a transfer from the Transformation reserve)
 - ii) **Council Tax reserve** – this reserve will be utilised to manage any ongoing impact from COVID-19 of a Council Tax deficit arising from 2020/21 and any ongoing impact on council tax collection in 2021/22, and to manage and any ongoing impact (slow recovery/reduced growth) on the Council Tax Base
 - iii) **Operation Magenta Reserve** – The reinvestigation of the historic events at Gosport War Memorial Hospital is an investigation of national importance. The PCC is currently able to apply for Special Grant from the Home Office to support 85% of expenditure annually, although it is anticipated that the available special grant could reduce to 75% in future

years. The costs of the investigation on an annual basis are now significant, and at a 25% contribution rate would equate to a cost to be funded by the PCC of over £2m per annum over the next 2 years and possibly beyond (50% annual spend currently assumed for year 3). This new reserve has been set up to ensure that funding is set aside to meet these costs. The reserve, in the sum of £5.9m, has been funded via transfers from the General Fund Reserve and the Uplift Reserve

- iv) **Pension Remedy Reserve** – this reserve, in the sum of £3m, has been funded via a transfer from the General Fund reserve. It sets aside specific funding in recognition of the one off costs which will arise from implementation of the McCloud/Sargeant pension remedy judgment impacting Police Pensions

10.5. The PCC continues to use reserves to pay for the cost of change and the transformation that is required to meet both the financial challenge and the necessary investment to ensure that the Constabulary remains a modern, operationally effective Police Service.

10.6. Reserves are a one off resource, which unless replenished, can rapidly diminish.

10.7. In the medium term there is likely to remain significant financial stress in the system to be managed, including:

- i) managing the overall financial position against a backdrop of increasing demand
- ii) the investment required to ensure that the Constabulary remains modern and fit for purpose, ahead of those who wish us harm and are engaged in criminal activities using technology as the vehicle
- iii) funding the necessary investment to deliver a new PCC's ambition in relation to delivery of their Police and Crime Plan and commissioning of services
- iv) meeting the Chief Constables operational requirements, which includes 'taking the fight more and more to those criminals who blight our communities'
- v) the still to be determined consequences of national programmes (e.g. ESMCP) which require a local funding stream for delivery of its outcomes as well as being subject to growing needs for top sliced contributions to deliver the national infrastructure
- vi) the significant investment required to embrace an ever evolving technology and digital landscape
- vii) the requirement to continue to fund 15% (potentially rising to 25%) of the annual ongoing costs of Operation

Magenta, which is the investigation regarding the historical deaths at Gosport War Memorial Hospital

- 10.8. In view of the cost pressures faced by the PCC and the Constabulary, in the medium term there is likely to be a significant call on reserves to fund one off pressures, initiatives and investment.
- 10.9. The two main reserves available to the PCC to fund these cost pressures are the General Reserve and the Transformation Reserve.
- 10.10. **General Reserve** – this is the main reserve held to manage unidentified and unforeseen risk. The PCC CFO is required to set a minimum level for the General Reserve, and this is currently set on a risk basis at £5.5m.
- 10.11. **Transformation Reserve** – this reserve was specifically set up to recognise the significant investment required to deliver transformational change, support the significant investment requirements linked to technology development and digital initiatives, and to provide a buffer to help manage the budget in the medium term given the uncertainty around the future level of Police grant and the precept referendum cap.
- 10.12. Transformational change investment and programmes generally impact over more than one financial year and ensuring funds are allocated to enable delivery of the key change programmes and their outcomes makes prudent sense at a time when budgets continue to be based on annual settlements.
- 10.13. The Transformation Reserve has a current unallocated balance of £6m against which it is anticipated there will be a regular draw down to fund specific initiatives, averaging out at £1.5m per annum, leaving a forecast balance of £0.5m by 2024/25. This is illustrated below:

Transformation Reserve

	£m
Current unallocated balance	6.5
Forecast draw	(6.0)
Remaining Balance	0.5

- 10.14. There is already a significant pipeline of projects, which due to funding constraints have not been prioritised for inclusion in the current budget/MTFS, but will need to be continually reassessed and prioritised for future investment.
- 10.15. There therefore remains a significant number of potential calls for one off investment for consideration by the PCC, and we know that change and transformation will be continual.
- 10.16. It is clear that to ensure that the Constabulary continues to be a modern, operationally effective Police service, that ongoing investment to support transformation and keeping up to date with technology will be required.

CFO Assessment of Reserves

10.17. The PCC CFO's assessment is that:

- i) the level of the General Fund reserve is reflective of the overall risk environment in which the PCC operates
- ii) the level of Earmarked reserves and their purpose are necessary and appropriate
- iii) the Transformation Reserve is prudent and necessary to meet the ongoing requirement for one off expenditure to meet the transformation required to ensure that in the years ahead the Constabulary remains a modern operationally effective police force.
- iv) the overall level of reserves is appropriate given the known financial pressures and risks faced by the PCC.

10.18. A number of new and necessary earmarked reserves have been created against known risks, and these will be continually reassessed to ensure that the reserves held are commensurate with the risk.

10.19. The PCC CFO, in consultation with the Constabulary CFO, has also assessed the potential future costs associated with the Uplift in police officer numbers, and is content that in light of current available information, the Uplift reserve provides a prudent level of reserves funding to help support the ongoing Uplift in officer numbers for next year. Should the Uplift reserve not be sufficient –this risk can be managed/mitigated through a call on the General Fund Reserve.

11. Partnerships

11.1. Hampshire continues to play its part supporting national policing.

11.2. A number of partnerships are supported across the Force. These include the ACPO Criminal Records Office (ACRO) which is funded by the Home Office, NPCC, as a levy charged to all constabularies fees for services provided to the public and European funding. Staff at ACRO are officially employed by the Chief Constable. The costs of supporting ACRO are recharged. In addition, a surety is held in reserves to guard against any liabilities. These reserves are not available to the PCC to support policing in Hampshire.

12. Consultation

12.1. As set out in section 96 of the Police Act 1996, as amended by section 14 of the Police Reform and Social Responsibility Act 2011, the PCC must obtain the views of the local community on the proposed expenditure (including capital expenditure) in the financial year ahead of the financial year to which the proposed expenditure relates.

12.2. As a result of the restrictions for face to face engagement throughout the year due to the pandemic restrictions, the PCC has undertaken

extensive online consultation on police precept, reaching the highest number of local residents than in the previous eight years.

- 12.3. During 2020/21 8,348 members of the public have taken part in a number of online consultation exercises. The public consultation exercise on the police precept increase has had three distinct elements:
- i) Online surveys, which saw 7,848 people submit responses across multiple platforms. These included:
 - 2,294 responses to budget question in Policing the Pandemic Survey
 - 5,427 responses to PCC's online survey
 - 127 responses to the PCC's online survey from the OPCC Consultation and Focus Group Panel members
 - ii) A YouGov survey of 500 demographically weighted respondents across Hampshire and the Isle of Wight.
 - iii) Two focus groups conducted by the OPCC with members of the Consultation and Research Group on Friday 15 January 2021, observed by Deputy Chair of the Panel Councillor Jan Warwick, and, Saturday 16 January 2021 observed by Michael Coombes of the Panel Finance Working Group.
- 12.4. The outcome from each individual element of the consultation, and the overall collective outcome shows that there is significant support for a precept increase of £15 to enable Hampshire Constabulary to take its fight to criminals and reduce crime.
- 12.5. A summary of the results is set out below, and the full details are set out in appendix J.

Online Surveys

Policing the Pandemic Survey

- 12.6. During the first lockdown back in April 2020 a survey was launched with Hampshire Constabulary to find out people's views of Hampshire Constabulary's policing of the pandemic.
- 12.7. The survey was undertaken again at the start of further restrictions in December 2020. At this time, the Government had not outlined what flexibility in setting the level of the police precept would be given to PCCs, but the opportunity was taken to ask a broad question to gauge an initial view from local residents view on a possible increase. As part of this survey a question was included asking:

Last year, your increase in the policing element of the council tax enabled the direct recruitment of 200 additional police officers. This year (2021/22) the government is giving Police and Crime Commissioners flexibility to increase the policing element of the council

tax again this year. Would you be willing to pay more to maintain police services in Hampshire, the Isle of Wight Portsmouth and Southampton?

- 12.8. From this survey 2,294 responses were received from the public.
- 12.9. Results showed an initial appetite from local communities to pay more towards maintaining police services with **1,340 (58.4%) stating that they would be happy to pay more**. 552 (24.1%) said they would not be willing to pay more and 402 (17.5%) said they didn't know.

Online budget survey

- 12.10. The online survey was hosted on the Police and Crime Commissioner's website and shared through extensive channels including Hants Alert, Neighbourhood Policing Teams social media, OPCC social media (including advertising to widen the reach), local print media and to a range of partners.
- 12.11. This year the budget consultation survey ran for four weeks from 17 December 2020, and received a 97% (5,191) completion rate. At its close 5,427 residents from across the Hampshire Policing area fed back their views. From the total number of 5,427 responses, 5,395 individuals responded to the specific question:

'Would you support an increase of 29p per week (based on Band D) in the policing precept of the Council Tax to maintain the continuing increase in police officer numbers, to reduce crime and keep us all safer?'

- 12.12. The reference to 29p equates to a £15 per annum increase for a Band D property.
- 12.13. **Overall, through this online survey 66.1% of participants would support a 29 pence per week increase in the precept.**

Consultation and Focus Group Panel Survey

- 12.14. The OPCC consultation and focus group panel is made up of local residents who have a desire to share their thoughts and views around policing and keeping safe on a regular basis. Currently this panel is made up of just over 400 participants from across all 14 districts.
- 12.15. There were a total of 127 responses with a 100% response rate to the online budget survey. The questions asked were the same as our YouGov survey, seeking views on the support or opposition of the 29p per week increase and where residents would like to see any additional funding spent.
- 12.16. **Out of our 127 responses 66.9% support a 29 pence per week increase to the precept.**

YouGov Survey

- 12.17. An additional survey of 500 respondents was undertaken through YouGov in December 2020 to ensure a demographically representative sample of responses were also achieved. The survey was conducted using an independent online interview administered to members of the YouGov panel.
- 12.18. The responding sample is weighted to ensure responses are fully representative from across the 14 districts.
- 12.19. The outcome from this survey was that:
- **67% of residents are in support of the 29p* per week increase to the precept**

*which equates to £15 per annum increase on a Band D property

Focus Group

- 12.20. Our focus groups this year were different to our usual process due to the current lockdown restrictions of COVID-19. We opted for a virtual approach to meet our residents, these were participants who volunteered from our consultation and focus group panel to share their thoughts and views on the precept.
- 12.21. 14 participants over two focus groups took part. Each focus group was for an hour and a half, and had an independent observer from the Police and Crime Panel to ensure the validity of each session taking place.
- 12.22. Participants were shown a short video from the Police and Crime Commissioner introducing the focus group, followed by a 15 live minute talk from the Chief Constable Olivia Pinkney, then two slides highlighting the what the precept is, where current funding is spent, the current underfunding of Hampshire Constabulary from central government and the 29p per week increase being proposed.
- 12.23. We heard from participants that *“I am willing to pay more if the money goes in the right areas”* and *“willing to pay the top amount but the police need to be more accountable to us”*.
- 12.24. **The majority of participants are in support of paying the £15 increase on the condition that the police show they can achieve their priorities and meet the statements made as part of this process. This evidence has been offered in support however due to the size of the cohort a greater emphasis has been placed on the online survey undertaken this year.**

13. Risks

- 13.1. There are a number of risks that could impact upon the financial position in 2021/22 and beyond, for example key risks would be:

- a decrease in government grant which would represent a reduction in funding compared with the flat grant assumption over the duration of the MTFS period
- the allowable maximum precept increase is less than the assumed 1.99% increase included in each year of the MTFS 2022/23 onwards
- inflation is greater than forecast which would create a cost pressure (as an example, each 1% increase in the pay award beyond the current assumption of a 1% pay award would lead to a cost pressure of £2.8m)
- the COVID-19 pandemic further impacts Constabulary resilience leading to additional cost
- the government support which has been available to support the specific additional costs of COVID-19 is removed/reduced
- the Local government income compensation scheme for lost sales, fees and charges in relation to COVID-19, which applies to Policing, is reduced below the current 75% reimbursement available (after an initial 5% deductible), or the 5% deductible increases, or the scheme ceases before the impacts of the pandemic cease to be felt
- the impact on both the council tax collected and the council tax deficit are slower to recover post the pandemic which negatively impacts future year budgets
- grant funding for the pay costs and infrastructure costs of the Officer Uplift programme being insufficient to cover costs
- funding set aside for the estates and infrastructure costs of the Officer Uplift programme being insufficient to cover costs
- the £5m incremental recurrent revenue funding each year within the MTFS is insufficient to cover new recurrent revenue pressures
- the cost of borrowing increases reducing the level of borrowing which can be taken out to support the emerging capital programme pressures
- the costs of Operation Magenta increase, and the investigation continues beyond 2023/24
- Special Grant available to support Operation Magenta is reduced below the 75% level anticipated, and/or Special Grant is no longer available
- an increase in national top-slices
- a risk that partner agencies could reduce or withdraw their services which puts additional financial pressure on the police service
- some activities and funding could be moved to a regional or national basis that would remove funding from the Hampshire

Policing Area. There is a risk that the removal of funding causes a financial difficulty that needs to be managed locally

- insufficient savings are identified or delivered to meet the forecast medium term budget shortfall, necessitating a draw from reserves to balance the budget in any one year
- National Police Air Support cost sharing arrangements are under review which is likely to result in an increase in charges. There is also a potential requirement to make large investment in replacement air fleet within the next 3 years
- the McCloud Pensions judgement leads to substantial remedy costs and payments to claimants over the next 2 years along with the cost of the remedy itself in respect of implementation costs and the additional benefits earned
- the earmarked reserves are insufficient to cover the pressures/risks to which they relate

13.2. The overall level of risk has been taken into account in assessing the minimum and overall level of reserves, and as set out in paragraph 10.17 (and in the Section 25 report in Appendix I), the PCC CFO is content that the level of General Reserve is reflective of the overall risk environment, and also that the level of Earmarked Reserves are appropriate.

14. Recommendations

14.1. That the Police and Crime Panel (PCP) support the Police and Crime Commissioner's (PCC) proposed precept increase of £15 per annum for Band D properties, which is the equivalent of £1.25 per month, or 29p per week.

14.2. To note the recommendations from the Chief Constable to the PCC on her Operational requirements for 2021/22 onwards, and her request that the PCC support a precept increase of £15 to enable the delivery of those requirements, as set out in Appendix A.

14.3. To note that 61% of households across Hampshire and the IOW are in properties in council tax bands A-C (see paragraph 7.14), and would therefore see a precept increase of less than £15 per annum if the above recommendation is supported.

14.4. To note that the full precept increase will be utilised in support of local policing.

14.5. The Panel note the proposals in this report which ensure that for 2021/22 there will be significant investment in policing within Hampshire Constabulary Policing area, including an increase in police officer numbers by 146 above the existing budgeted establishment as part of the second tranche of the Government's commitment to increase police office numbers nationally by 20,000.

14.6. The Panel note that the PCC has undertaken a broad range of consultation over the course of the last year to determine the public

support for a precept increase, and that the overall collective outcome of the consultation shows that there is majority support for a precept increase.

The operational case for a £15 increase in council tax precept

Chief Constable Olivia Pinkney

As the chief constable of Hampshire Constabulary, I am duty bound to make decisions about the safety of our communities. These include how we prioritise neighbourhood policing and keep our current number of PCSOs when others are cutting theirs, our response to the terrorist threat that remains in our country, and how we disrupt the organised crime gangs who prey on rural communities, the vulnerable, and our young people.

What matters in all of these decisions is how we best deliver safer communities. That is what I am committed to, and safer communities is also what our Police and Crime Commissioner has rightly put right at the heart of his Police and Crime Plan. When it comes to decisions on local council tax, it is therefore also right that we focus on what it is we need to deliver safer communities and the life opportunities that doing this provides to the people we serve.

It is with this in mind that my operational recommendation to the Police and Crime Commissioner requires a £15 increase in Band D council tax precept.

I do not make this recommendation lightly and I am fully conscious that many people and businesses face economic difficulties. Partners, friends and families of serving officers and staff are amongst those who are facing the challenge of redundancy and furlough. The public sector pay freeze will hit frontline workers, including our police officers and staff who have spent the past ten months putting themselves at risk to protect the NHS and save lives.

The economic situation means that decisions cannot be made without due consideration of public opinion. So, what is the public view of policing and do our communities support a £15 increase?

The Police and Crime Commissioner has shared with me compelling evidence from thousands of people engaged in public consultation. This is very welcome, showing that 66.1% are supportive of the £15 increase and that there is a majority of support in every district of Hampshire and the Isle of Wight.

This is not surprising given that public view of policing that I hear extends beyond gratitude for so much bravery and dedication to concern that “There aren’t enough of you”, “You need to do more to take the fight to criminals” and “You need to be more representative”. I share these views and the desire to do something about them.

The reality is that only a maximum £15 increase in council tax enables us to address these points of public concern in a sustainable manner.

Hampshire Constabulary is a force that already has high productivity. Our officers get the most results for victims compared with all closest comparators, and independent assessment has judged the force “Good” across all measures. This includes how wisely we spend our money. The benefits and financial prudence of the Constabulary’s plans have also been scrutinised in detail by the Commissioner and his team.

This year the force will benefit from a national uplift in officer numbers, which is welcome but does nothing to close the fairness gap compared to other areas of the country that have more investment. It is relevant that, in the absence of national funding, achieving a level playing field would require an increase of more than £60 in local council tax - four times higher than the operational recommendation that I am making. It is also worthy of note that, in our area, council tax contributions to policing are below the national average, and that most people live in properties that mean they would pay lower than the £15 per year we are talking about.

This financial position creates a current reality that, although we are able to deploy officers and staff to all higher harm and/or risk incidents, we currently have to prioritise our response to some other lower harm and/ or risk incidents. Were we not to do this we would have by far the highest caseload per officer in the country. An increase in resources - in line with the Government’s assessment of need - would allow us to investigate more crimes and take action that will reduce the number of crimes that would otherwise occur. As Chief Constable, I want to be able to investigate more crimes and make us safer.

The evidence makes clear that to be able to invest in the environment, systems and support that will enable our officers to remain productive in the face of criminals who are continuously evolving and exploiting situations such as COVID-19, we need local investment. If we want to boost regular officers with specialist teams to tackle organised county lines drug networks who threaten our communities, we need local investment. If we want to get ahead of the game by getting police officers recruited and on our streets earlier, we need local investment.

The proposals that we are putting forward have the support of all Hampshire Constabulary staff associations including the Police Federation. They enable all of these things and much more. Operational benefits will also include:

- **An additional 146 police officers.** These are all new officers in 2021/22 rather than replacements for those who have left. There are also an additional seven officers for the Regional Organised Crime Unit (taking the total to 153). Local council tax investment allows us to properly train and equip all of them and means we can once again fast track additional officers that would otherwise arrive in the following year so that they can serve our communities far sooner. We have taken that approach this year, and we will do it again.

- **The capability to arrest an extra 300 of the most dangerous organised criminals who run county lines drug crime in our towns and cities.** Drug related crime is a major concern and this year we created a new team called Monument. This took the fight to criminals, arresting key individuals, taking thousands of pounds of Class A drugs and knives off the streets, and helping vulnerable children caught up in it. This budget enables us to go a step further. Based on the evidence of this year, sixteen additional officers (on top of our 146 national increase) will enable us to disrupt more than 150 county lines (drug networks), to arrest more than 300 more organised criminals, and to protect 140 more young people.
- **The potential to investigate 26,000 more crimes.** The current position is that as chief constable I am not in a position to be able to investigate as many crimes as I would want to. Painstaking investigation of crimes such as 2,500 rapes reported per year require very high levels of evidence assessment. Here, the requirements we have to meet in areas such as disclosure are growing. Currently, our officers on average investigate 180 crimes per year. We always have to be very careful of projections based on general numbers, as it depends which kind of crimes are being investigated and COVID-19 has created new dynamics, but if you take that 180 figure and the 146 additional officers that gives us the potential to investigate an extra 26,000 crimes per year because of this budget. We will always prioritise the highest harm crimes but, as resources grow, so does the potential to investigate more of the visible crimes that concern our communities.
- **Reducing 1,000 crimes a year, through new prevention work.** The work we are doing through projects such as Gateway diverts young people from crime and protects vulnerable people. This budget enables us to prevent 1,000 crimes a year in this way. That is 1,000 fewer victims of crime. It will also free us up to investigate other crimes that we know are important to you.
- **Safeguarding an additional 12,000 vulnerable people.** The first COVID-19 national lockdown led to a 50% increase in referrals including children at risk in Hampshire, a pattern that, sadly, shows every sign of continuing. This budget enables us to rise to that, safeguard vulnerable people, and protect 240 more high-risk children through our work with partner organisations.
- **Keeping investment in Country Watch.** Our activity here is taking the fight to organised crime groups who go into farms and other rural communities to steal quad bikes and machinery to fuel and fund crime elsewhere in our force area. There is an additional £150,000 identified for rural initiatives in the budget proposals.
- **Continued investment in our buildings, technology and essential safety kit.** Thanks to carefully planned and ambitious plans,

Hampshire Constabulary already benefits from some of the best buildings. These enable modern policing and continuing this work will support increased numbers, officer wellbeing and fast deployment. The budget also allows us to provide for vital equipment such as necessary replacements to our body armour, new digital technology, Taser and further investment for our Marine Unit.

- **A further focus on reducing sickness to keeping staff and officers at work serving the public.** Unfortunately, the evidence underlines that more police officers are now being injured serving the public and harrowing crimes such as domestic and online child abuse take their toll. Investment in health and wellbeing in recent years has led to Hampshire having far lower sickness rates than most other forces. We are consistently in the best five, and our wellbeing programme cut sickness by 6,000 days across police officers and staff last year. That is the equivalent of 30 extra full time officers and staff serving our communities every day. At a time when health has never been more in the spotlight, we need to do more of this vital work. This budget enables us to do just that.
- **Better justice for victims and more criminals held to account.** Policing relies on the whole criminal justice system, and COVID-19 has had a huge impact in terms of delays and pressure on that system. This budget will enable us to meet required standards on an additional backlog of 200 Crown Court trials and 2,500 Magistrate Court cases that are in the system.

These benefits are just some of what we will be able to achieve. They show how an extra £15 per year can move Hampshire Constabulary from a position of protecting and maintaining (making the best of what we have) to a position where we have the opportunity to take the fight more and more to those criminals who blight our local communities. That is why £15 is the operational recommendation of the chief constable.

I understand that some will be cautious at this time. However, it is my professional view that supporting anything other than a £15 increase flies in the face of the operational evidence. We would be in conflict with strong public support for this maximum increase. We would also have to explain to our communities why we chose, in the face of a growth in serious violence and uncertainty, not to do everything possible to make them safer. How could we justify that?

Above all, we have an opportunity to invest in safer communities. By doing this we will create new opportunities for the people who live in those communities. I believe that we have a duty of optimism, to unlock those opportunities. That is why I have asked, for the first time, that my operational support for the Police and Crime Commissioner's position is included in this budget paper and sits as a matter of public record.

Inflation and Assumptions

Inflation	2021/22	2022/23	2023/24	2024/25
Pay Inflation	1%	0.6%	1%	1%
Default prices inflation	2.0%	1.5%	1.50%	1.5%

*exact inflation used where it is known for certain contracts

Employer Pension Contributions	2021/22	2022/23	2023/24	2024/25
Officers	31.0%	31.0%	38.0%	38.0%
Staff	16.7%	16.7%	16.7%	16.7%

Funding	2021/22	2022/23	2023/24	2024/25
General Govt grant	6.3%	0.0%	0.0%	0.0%
Council tax benefit & freeze grants	0.0%	0.0%	0.0%	0.0%
Pension grant	0.0%	0.0%	0.0%	0.0%
Precept	7,1%	1.99%	1.99%	1.99%

Council tax Precept 2021/22

Council tax at each band								
Band	A	B	C	D	E	F	G	H
£	150.97	176.14	201.30	226.46	276.78	327.11	377.43	452.92

PCC	Band D 20/21 £
Surrey	270.57
North Yorkshire	265.77
Cumbria	265.59
Norfolk	263.07
Cleveland	260.54
Gloucestershire	257.25
Northamptonshire	255.04
Lincolnshire	251.37
Dorset	240.58
Warwickshire	237.97
Leicestershire	233.23
Cambridgeshire	232.65
Nottinghamshire	229.32
Humberside	228.22
Avon & Somerset	227.81
Derbyshire	226.60
West Mercia	225.20
Staffordshire	225.09
Suffolk	222.75
Devon & Cornwall	221.64
Thames Valley	216.28
Wiltshire	216.27
Durham	215.24
Bedfordshire	212.09
Merseyside	211.97
Hampshire	211.46
Lancashire	211.45
Cheshire	210.44
Greater Manchester	208.30
Kent	203.15
Sussex	199.91
Essex	198.63
South Yorks	198.04
Hertfordshire	198.00
West Yorkshire	196.28
West Midlands	162.55
Northumbria	137.00

Appendix D

Budget 2021/22 and Medium Term Financial Strategy

Medium Term Financial Strategy	Revised Budget 2020/21	Reverse One-Off Changes	Other in year changes	Starting Budget 2021/22	Efficiency Savings	Growth & Budget Pressure	Inflation	Forward Budget 2021/22	Forecast Budget 2022/23	Forecast Budget 2023/24	Forecast Budget 2024/25
	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000
Funding:											
Expected amount from General Grants	(198,182)	0	(12,458)	(210,640)	0	0	0	(210,640)	(210,640)	(210,640)	(210,640)
Council tax freeze and benefit grant	(12,944)	0	0	(12,944)	0	0	0	(12,944)	(12,944)	(12,944)	(12,944)
Pension Grant	(2,988)	0	0	(2,988)	0	0	0	(2,988)	(2,988)	(2,988)	(2,988)
Uplift Grant	(4,358)	0	1,758	(2,600)	0	0	0	(2,600)	(10,850)	(10,850)	(10,850)
Council tax precept	(147,619)	0	(10,789)	(158,408)	0	0	0	(158,408)	(162,370)	(166,432)	(170,595)
Council tax collection fund surplus	(607)	0	1,015	408	0	0	0	408	408	408	0
Collection Fund Adjustment Grant	0	0	(421)	(421)	0	0	0	(421)	(421)	(421)	0
Total amount funding expected:	(366,698)	0	(20,896)	(387,594)	0	0	0	(387,594)	(399,806)	(403,868)	(408,017)
Expenditure owned by the PCC:											
Office of the PCC	2,603	(352)	93	2,344	0	0	0	2,344	2,363	2,389	2,415
Commissioning	2,284	(25)	3	2,262	0	1,178	0	3,440	3,442	3,446	3,451
Estates	18,873	(600)	(11)	18,262	0	711	111	19,083	19,509	19,954	20,411
Capital Financing	4,196	0	(32)	4,164	0	1,000	0	5,164	5,144	5,144	5,144
Interest on Balances	(500)	0	160	(340)	0	0	0	(340)	(340)	(340)	(340)
Contributions to / (from) Reserves:	15,993	(536)	(9,187)	6,271	0	11,411	0	17,681	16,479	11,340	11,340
Net Expenditure owned by Office of the PCC	43,449	(1,513)	(8,974)	32,962	0	14,299	111	47,372	46,596	41,933	42,421
Police Services											
Expenditure:											
Employees	265,321	(429)	345	265,237	0	12,579	3,314	281,129	291,783	310,336	313,256
Indirect Employee Costs	6,062	(308)	13	5,766	0	0	0	5,766	5,807	5,859	5,911
Premises	1,611	(526)	(103)	982	0	0	0	982	1,003	1,024	1,046
Transport	6,513	(251)	236	6,498	(500)	300	0	6,298	6,458	6,626	6,800
Supplies and Services	19,019	(1,944)	274	17,349	0	3,510	106	20,965	25,806	29,491	34,428
Third Party Payments	70,488	(8,623)	(735)	61,130	(520)	1,270	1,241	63,121	65,683	64,939	65,872
Support Services	2,770	0	0	2,770	0	0	0	2,770	2,770	2,770	2,770
Total Expenditure on Police Services:	371,783	(12,081)	30	359,731	(1,020)	17,659	4,661	381,031	399,310	421,045	430,083
Income:											
Fees & Charges	(6,880)	(29)	(671)	(7,579)	0	0	0	(7,579)	(8,035)	(8,300)	(8,049)
Grants & Contributions	(39,054)	8,574	454	(30,026)	0	0	(574)	(30,600)	(31,002)	(31,416)	(31,835)
Internal Income	(2,600)	0	(30)	(2,630)	0	0	0	(2,630)	(2,630)	(2,630)	(2,630)
Total Income on Police Services:	(48,534)	8,545	(247)	(40,236)	0	0	(574)	(40,810)	(41,666)	(42,346)	(42,514)
Net Expenditure on Police Services:	323,249	(3,537)	(217)	319,496	(1,020)	17,659	4,087	340,221	357,644	378,700	387,569
Net Expenditure on PCC and Police Services	366,698	(5,049)	(9,191)	352,458	(1,020)	31,958	4,198	387,594	404,240	420,633	429,990
Budget (surplus)/ shortfall:	0	(5,049)	(30,087)	(35,136)	(1,020)	31,958	4,198	0	4,434	16,764	21,973

Detailed explanation of investment

- 1.1. As set out in section 5 of the report, the budget pressures and growth for 2020/21 total £31.96m as shown in the table below. They include the rolling forward of the three-year plans for investment that were set out in the Budget report in the last two years. The table below summarises the budget pressures with further detail provided below for each of those headings.

	2021/22 £m	2022/23 £m	2023/24 £m	2024/25 £m
More Frontline	16.443	14.848	14.192	14.117
Right Place Right Time	5.004	3.499	2.361	2.361
Better Equipped	3.622	4.820	2.074	1.815
Capital Financing	1.000	1.000	1.000	1.000
Estate	4.711	4.711	0.711	0.711
Commissioning	1.178	1.178	1.178	1.178
Gross investments	31.958	30.056	21.516	21.182
Funded by reserves	(2.900)			
Uplift related grants	(10.700)	(18.950)	(18.950)	(18.950)
Total	18.358	11.106	2.566	2.232

- 1.2. For police officer posts, the budget proposals show the posts that will need to be funded to match funding to the operational need. The budget proposals will fund the officer posts listed on a permanent basis so that the roles added can deliver the expected benefits on an ongoing basis, without creating vacancies elsewhere. That reduces the risk of vacancies on the frontline. After a period of significant funding pressures and not reaching establishment levels, the recent increases in recruitment and retention mean that the financial flexibility is reduced and therefore restating the establishment numbers is a higher priority to deliver the added value.

Policing services – More Frontline

- 1.3. **Uplift Programme** - The Government announced an intention to uplift police officers nationally by 20,000 officers over the period 2020/21 – 2022/23. Hampshire's share of the year 1 national allocation of 6000 officers was 156 officers
- 1.4. The Hampshire allocation for year 2 (2021/22) is 153 of the national allocation of 6,000 officers, but 7 of those officers must be contributed to the South East Regional Organised Crime Unit (SEROCU) so the net increase for the Constabulary is 146 officers in 2021/22. Hampshire has set an ambitious recruitment plan for the current financial year (2020/21) which will ensure that the additional 156 officers are recruited

as well as filling the vacancies that existed at the beginning of the financial year and replacing officers that leave during the course of the year.

- 1.5. For police officer posts, the budget proposals show the posts that will need to be funded to match funding to the operational need. The budget proposals will fund the officer posts listed on a permanent basis so that the roles added can deliver the expected benefits on an ongoing basis, without creating vacancies elsewhere. That reduces the risk of vacancies on the frontline. After a period of significant funding pressures and not reaching establishment levels, the recent increases in recruitment and retention mean that the financial flexibility is reduced and therefore restating the establishment numbers is a higher priority to deliver the added value.

Policing services – More Frontline

- 1.6. **Uplift Programme** - The Government announced an intention to uplift police officers nationally by 20,000 officers over the period 2020/21 – 2022/23. Hampshire's share of the year 1 national allocation of 6000 officers was 156 officers
- 1.7. The Hampshire allocation for year 2 (2021/22) is 153 of the national allocation of 6,000 officers, but 7 of those officers must be contributed to the South East Regional Organised Crime Unit (SEROUCU) so the net increase for the Constabulary is 146 officers in 2021/22. Hampshire has set an ambitious recruitment plan for the current financial year (2020/21) which will ensure that the additional 156 officers are recruited as well as filling the vacancies that existed at the beginning of the financial year and replacing officers that leave during the course of the year.
- 1.8. The PCC has supported the ambitious recruitment plan, that will effectively over-recruit against those targets in 2020/21 to the effect that the Constabulary is aiming to recruit an additional 250 officers in 2020/21 rather than the 156 officers funded by Government. That is allowing officers that will be funded from future allocations to be recruited early so that the benefits of those officers is felt sooner by the public. We are on track to deliver the 250 additional officers in total in 2020/21.
- 1.9. There is a thorough recruitment and selection process required for officers. Officers would normally be signed off for independent patrol after approximately 40 weeks of training. The national Police Education Qualification Framework (PEQF) has introduced 2 or 3 year student officer training schemes for new constables. Therefore, there can be a lengthy time between when funding is authorised to recruit officers and the point at which the public see the benefits from that decision. The PCC is taking action to shorten that time and provide those benefits sooner by facilitating the earlier recruit of officers funded by the national Uplift programme
- 1.10. A similar approach is being taken for 2021/22 that will allow the Constabulary to accelerate the recruitment of officers ahead of formal

confirmation of uplift numbers for 2022/23. We do not know what the allocation of officers for Hampshire will be in 2022/23 but we do know that 8,000 officers will need to be recruited nationally if the Government is to meet the 20,000 officer target over the three years. It is possible that a greater share of the 8,000 officers to be recruited in 2022/23 could be allocated to national or regional police functions so the Constabulary is using 150 officers as the planning assumption for 2022/23.

- 1.11. There is some risk involved in recruiting officers before the 2022/24 allocation is formally known but that risk is mitigated by the natural turnover of officers that would mean that the level of risk could be funded from reserves until officer numbers naturally reduced to the required level, even in the very unlikely event that the Constabulary allocation of officers in 2022/23 is zero.
- 1.12. The 2021/22 budget includes the salaries of officers appointed in 2020/21 as well as officers funded through Uplift (£5.100m) in 2022/23 and funding to allow the Constabulary to recruit additional officers (£1.650m) against the prospect of Uplift funding in 2023/24.
- 1.13. Within PEQF, the three-year apprenticeship programme is funded from the apprenticeship levy draw down but officers on the two-year **degree holder entry programme** require funding because the apprenticeship levy cannot be applied (£0.097m). This route quickens the student officer process and allows a more diverse range of people to join as police officers. **Tutoring** costs are estimated at a further £0.150m.
- 1.14. **Officer Uplift Infrastructure** - As well as the pay costs of the additional officers, there are significant additional costs for infrastructure and support that will need to be incurred. An uplift enabler project has been instigated to manage the additional overheads of the uplift programme. An uplift reserve is used to set funding aside to support the uplift programme, with funding drawn down to fund, for example, new laptops, body worn video and phones.
- 1.15. The major elements of cost in 2021/22 are additional IT kit and licences additional training costs and more vehicles. Other costs are required for areas such as additional recruitment, positive action, vetting, HR staff and uniform. The projected amount required for 2021/22 is £4.314m.
- 1.16. This amount will again be contributed to an Uplift reserve so that the amounts spent can be subject to scrutiny. In 2020/21, the Scrutiny Panel approach has resulted in finding ways to absorb some projected costs being absorbed within existing activities and budgets. Hence a contribution of £1.900m from the balance of the existing Uplift Reserve is being applied to assist with funding the 2021/22 costs. The allocation for Uplift enabler costs for 2022/23 is also less than 2021/22 as a result of the learning from the Scrutiny Panel process.
- 1.17. The funding settlement states that 7 of the 153 Uplift officer allocation for Hampshire in 2021/22 must be given to SEROCU. The funding for those posts will therefore be passed to SEROCU at a cost of £0.484m.

- 1.18. **Forensics** –To increase the forensic capability to meet the increase in demand to allow more crimes to be investigated (£0.339m) and more Forensic Managers (£0.229m) The Transforming Forensics programme will improve fingerprint analysis and link to the national network in an accredited manner (£0.444m). A further £0.180m is included for increased costs in relation to processing forensic for serious sexual offences due to changes in the level of accreditation required.
- 1.19. **County Lines drug related harm** – Operation Monument for a funded team to disrupt serious and organised crime groups creating drug related harm and inducing vulnerable people into a life of crime, Based on previous performance the investment would allow the Constabulary to disrupt 150 drug networks and bring 300 offenders to justice per annum.
- 1.20. **MASH** – An increase in sergeants to meet the demand created from additional referrals. This team work in a co-ordinated manner with other agencies to protect vulnerable people and reduce the risk of harm and offences in future (£0.198m).
- 1.21. **Missing, Exploited, Trafficking Team** –additional personnel to meet current demand levels and protect vulnerable people (£0.241m).
- 1.22. **Gateway** – navigating potential offenders away from reoffending which should reduce crime levels by an estimated 1000 crimes per year (£0.284m).
- 1.23. **Child Abuse Investigation Unit** – 3 Detective Sergeants to increase the capability to investigate a higher number of reported suspects (£0.189m).
- 1.24. **Offender Management** – 3 more officers to keep pace the number of offenders that require management within the community £0.143m.
- 1.25. **Witness Care Unit** – a one-off amount is included to boost the Witness Care Unit for one year to deal with the backlog of cases in the criminal justice system as a result of COVID-19. It is important to be able to support victims and witnesses through the extended period (£0.322m)
- 1.26. **Criminal Justice Recovery Hub** – a one-off investment to provide the criminal justice system work that is created by the COVID-19 delay (£0.194m).
- 1.27. **Covert Detective Inspector** – to improve management of the disclosure of sensitive material and manage an increase in intelligence from sources (£0.079m)
- 1.28. **Radio Replacement** - The new national Emergency Services Network continues to be delayed so replacement radios are required for the existing network. Covert radios (£0.214m one-off). There is £2m within the Equipment Reserve that is earmarked for replacing non-covert Airwave radios over the next 2 years. The progress of the Emergency Services Mobile Communications Programme will be closely monitored to balance the need for radios against the risk of them becoming obsolete when the new Emergency Services Network is implemented.

- 1.29. **Forensic Collision Investigation** – training and equipment for the unit to meet the new accreditation standards (£0.104m).
- 1.30. **Communications Intelligence Unit** – the Constabulary was a partner in a collaborated function organised by South West forces that has now ceased. In order to maintain 24/7 service levels as an individual force, a budget increase of £0.087m pa is required for 2 years, while a new partnership arrangement is identified and implemented.
- 1.31. **Force bail team administrators** – A greater number of individuals are requiring to be released under investigation. This is being impacted by the criminal justice system and currently the COVID-19 consequences as well. Additional staff are required to administer the process at a cost of £0.075m pa.
- 1.32. **Mental Health** – A Mental Health Sergeant post to co-ordinate the Constabulary’s engagement on mental health issues (£0.064m)
- 1.33. **Public Order Trainer** – One additional post to align with taser training requirements (£0.034m)

Policing services – Right Place, Right Time

- 1.34. **Contact Management** – The 2020/21 budget included an increase in Contact Management staff to enable better response times and longer handling times to improve the service to the public. Performance has been greatly improved through 2020/21. An increase in management of 1 Superintendent and 1 Chief Inspector needs to be established within the base budget to continue to manage the performance levels and drive further improvements (£0.172m). The vacancy saving factor for Contact Management police staff of £0.458m has also been removed to allow Contact Management to be at full establishment at all times.
- 1.35. **Intelligence** – additional analysis (£0.268m) and a Briefing Coordinator (£0.035m) to provide analysis capacity for the additional officers.
- 1.36. **Introduction** and upgrade of IT systems - to enable Hampshire to comply with national policing programmes and changes implemented by software suppliers totalling £1.923m:

Project	£m
SCCM Migration to Intune	0.161
Esri Licencing & Support Cost Increase	0.061
Force Access System	0.183
Home Office ICT Projects	0.299
National Law Enforcement Database (NLED)	0.102
ICT Health Check	0.061
Oracle Licencing	0.230
Office 365 Licence Increase	0.148
Microsoft Windows Server Licences	0.230
APD Telematics	0.165

- 1.37. **Niche RMS upgrade** – to upgrade the main crime management system to keep it in line with the latest versions being used by other forces in the region (£0.662m).
- 1.38. **CMP Business benefits** – a programme to ensure that the full benefits of CMP are realised (£0.213m)
- 1.39. **CMP re-platforming** - a project to explore the potential of re-platforming CMPO due to a change in Microsoft strategy. The investment is expected to generate future savings if CMP can be re-platformed to the cloud (£0.226m)
- 1.40. **Digital Intelligence and Investigation** – funding to allow piloting and implementation of new digital investigation tools £0.186m and Digital Support Team (£0.069m).
- 1.41. **Command Suite** – to bring the Command Suites up to standard should they be required for Gold and Silver command for a major incident (£0.400m).
- 1.42. **Digital evidence** – storage on evidence in the Digital Evidence Management System (£0.046m).
- 1.43. **Criminal Justice Digital Programme Inspector** – to co-ordinate the criminal justice digital programmes being developed jointly across the criminal justice system (£0.079m).
- 1.44. **Commercial and Contact Manager** – to fill a gap in the existing capability to manage contracts and seize commercial opportunities. The Constabulary is increasing its use of national framework contracts and these will require more contract management input, particularly in relation to PEQF and the new national Bluelight Company. The expectation is that forces should be able to generate greater efficiencies if forces procure jointly through national framework agreements being developed by the Bluelight Company (£0.050m). **Staff Officer post** – to support the Chief Officer Group to improve productivity and deal with additional expected projects (£0.042m).

Policing services – Better Equipped

- 1.45. **Body Armour** - The Constabulary invested in a significant body armour replacement programme with a 10-year warranty 10 years ago. Hence a new replacement programme will need to be implemented over the next two financial years. The estimated cost is £1m pa in each year. The need for a replacement programme has been known for the last 10 years so a reserve of £2m has been funded over that period to cover the cost of the replacement. Therefore, the £1m cost in 2021/22 can be funded from an offsetting contribution from reserves. Further annual contributions to reserves over the next 10 years for the next replacement are built into the base budget.

- 1.46. **Vehicle Replacement Programme** – An increase of £0.3m pa. is required to keep pace with inflationary costs for vehicle costs. Prices are increasing due to various factors, but primarily due to emissions research costs for manufacturers.
- 1.47. **Insurance** – all organisations have seen an increase in insurance premiums. The contract for casualty and motor fleet insurance was renewed in 2020/21 through a competitive process. The additional cost of £0.4m pa must be built into the budget.
- 1.48. **Digital Interview Recorders** – to enable DIRs at custody centres to be networked (£0.100m).
- 1.49. **Pronto** (working remotely) - Regional partners in Surrey and Sussex already make use of Pronto, an application which is compatible with CMP. This investment will allow officers and staff to carry out more business remotely and digitally rather than having to use forms or return to the station. An additional sum is required to be built into the budget now contracts have been signed (£0.086m).
- 1.50. **Tranman** – upgrade of the Transport Management system that is going out of support and is essential for the management of fleet vehicles (£0.090m).
- 1.51. **Service Desk** – to boost Service Desk personnel and introduce new software to manage the additional demand from additional personnel and the additional remote working (£0.150m).
- 1.52. **Auto Number Plate Recognition** – equipment refresh £0.200m.
- 1.53. **Wellbeing, Recruitment & Development** - the People Strategy project team £0.428m will help to deliver wellbeing, recruitment and development issues that continue to reduce sickness and improve productivity. This strategy also includes **Specialist Neuro Diversity** (£0.042m) **Occupational Health** (£0.120m), **Performance Psychologist** (£0.088m), **Physiotherapy** (£0.070m) and **Equality & Inclusion** (£0.030m). A separate PCC decision has already been approved for a comprehensive Equality and Inclusion training programme.
- 1.54. **Professional Standards Department** – Inspector and Researcher £0.110m to manage complaints and the database required to record them.
- 1.55. **Legal fees** - the cost of legal fees has exceeded the budget available for the past two years. An analysis has shown that an increase of £0.430m is required to meet the current requirements. This includes increases in the value and number of fees payable to courts.
- 1.56. **House entry equipment** - £0.020m

Estates Investment

- 1.57. The estate continues to be modernised in order to provide fit for purpose accommodation. The ongoing Officer Uplift programme will

continue to require a review of the current estate strategy both because of the additional personnel and to take into account any change in operational strategy.

- 1.58. There is an increase to the Capital Financing line of £1m to support potential new borrowing in recognition of the known future estate pressures not currently funded within the existing Estates Change Program, namely:
- to support estate changes required to support the Uplift in officer numbers
 - investment required to remodel the police estate on the Isle of Wight (IOW),
 - potential changes arising from a review of the current provision on the Netley site.
- 1.59. A new contribution to the Estates reserve of £4m has been included within the budget for 2021/22 and 2022/23 in recognition of the investment required in the estate across Hampshire and the IOW, including as set out in last year's budget report investment to fund investment in both the IOW and Netley.
- 1.60. Whilst these capital pressures are not currently reflected in the capital programme, as known emerging issues, funding is being set aside now in order to ensure funding provision is available to support the future costs of delivering what is likely to be significant capital investment; in the intervening period before the capital investment is made in support of these emerging estate pressures, the £1m set aside to support future borrowing can be used to support one off capital spend, and for 2021/22 will be used as a funding contribution to the refurbishment of Bitterne Police station.

Keeping Us Safer: Crime Prevention Initiatives

- 1.61. The PCC has set aside £1m per annum to increase the work keeping the residents of Hampshire safer, reducing the impact of crime on residents and the burden on the Constabulary of investigating crime through pro-active initiatives to reduce crime. For 2021/22 this funding will be used to support an expansion of the Safer Streets initiative to Basingstoke and Portsmouth. Beyond 2021/22, a new PCC will be able to determine how this funding is best utilised to deliver their priorities and its best use in support of the Constabulary.

Preventing and Tackling Crime in Rural Communities

- 1.62. As set out in the Chief Constable's operational requirements statement at Appendix A, this additional funding of £150k will support the Constabulary in:

'taking the fight to organised crime groups who go into farms and other rural communities to steal quad bikes and machinery to fuel and fund crime elsewhere in our force area'.

- 1.63. In 2021/22 this funding will in part be used to launch a free geo tagging scheme which will enable those in farms and the rural community to geo tag for example quad bikes and high value machinery, seeking to both reduce the incidence of theft and also making it easier to track and recover high value items.
- 1.64. The funding will also enable the purchase of 2 additional 4x4 vehicles to be used in support of rural policing.
- 1.65. The PCC will work with Country Watch and the Constabulary on further initiatives to reduce the incidence and impact of crime across our rural communities.

Capital Programme

	2020-21 £000	2021-22 £000	2022-23 £000	2023-24 £000
Capital spend				
ECP	8,387	11,299	2,500	-
Estates Capital Works	769	1,560	1,000	1,000
Estates Specific Projects	-	1,800	-	-
Vehicles	3,880	2,300	2,300	2,300
TOTAL	13,036	16,959	5,800	3,300
Funding				
Receipts - Operational buildings	(6,050)	(9,550)	(5,200)	(700)
Receipts - Residential buildings	-	(1,198)	-	-
Receipts - Vehicles	(300)	(300)	(300)	(300)
	(6,350)	(11,048)	(5,500)	(1,000)
Capital grant	(300)	(300)	(300)	(300)
RCCO	(6,386)	(5,611)	-	(2,000)
	(6,686)	(5,911)	(300)	(2,300)
TOTAL	(13,036)	(16,959)	(5,800)	(3,300)
(Surplus) / Shortfall	-	-	-	-

Capital and Investment Strategy 2021/22 to 2023/24**1 Introduction**

- 1.1 This report gives a high-level overview of how capital expenditure, capital financing and treasury management activity contribute to the provision of the services within the PCC's remit, including policing, and provides an overview of how associated risk is managed and the implications for future financial sustainability.
- 1.2 This strategy covers:
- Governance arrangements for capital investment
 - Capital expenditure forecasts and financing
 - Prudential indicators relating to financial sustainability
 - Minimum revenue provision for the repayment of debt
 - Treasury Management definition and governance arrangements
 - Knowledge and skills
 - Chief Finance Officer's conclusion on the affordability and risk associated with the capital and investment strategy
 - Links to the statutory guidance and other information

2 Governance

- 2.1 The OPCC's medium term financial strategy ensures that we continue to invest wisely in our existing assets and deliver a programme of new assets in line with overall priorities and need.
- 2.2 The major area of OPCC capital expenditure is the Estate Change Programme which is monitored and reviewed by the ECP Board. Other areas of the capital programme are kept under review by the Chief Finance Officer.
- 2.3 In accordance with the medium-term financial strategy, proposed programmes are scrutinised on a case-by-case basis to assess affordability. The final capital programme is then presented to the Police and Crime Commissioner (PCC) in February each year for approval as part of the budget and overall MTFS.

3 Capital expenditure and financing

- 3.1 Capital expenditure is what the OPCC spends on assets, such as land, property and vehicles, which will be used for more than one year.
- 3.2 Capital expenditure may be funded directly from revenue however the general pressures on the OPCC's revenue budget and council tax levels limit the extent to which this may be exercised as a source of capital funding.
- 3.3 Prudential borrowing does provide an option for funding additional capital development/expenditure but one which then results in borrowing costs that have to be funded each year from within the revenue budget or from generating additional ongoing income streams.
- 3.4 Given the pressure on the OPCC's revenue budget in future years, prudent use has been made of this discretion to use borrowing to progress schemes in cases where there was a clear service or financial benefit.
- 3.5 The following table shows forecast capital expenditure and the resources available to fund this expenditure.

Table 1 – Forecast capital expenditure and resources to fund capex

	2020/21	2021/22	2022/23	2023/24
	£m	£m	£m	£m
Forecast expenditure	13.0	17.0	5.8	3.3
Prudential borrowing	-	-	-	-
Capital grants	(0.3)	(0.3)	(0.3)	(0.3)
Capital receipts	(6.4)	(11.0)	(5.5)	(1.0)
Revenue contributions to capital	(6.3)	(5.7)	-	(2.0)
Total resources available	(13.0)	(17.0)	(5.8)	(3.3)

4 Prudential Indicators

- 4.1 The framework for the use of prudential borrowing, as updated in February 2006, includes:
- borrowing for which loan charges are financed from the revenue budget
 - temporary borrowing to accommodate shortfalls in general capital resources.
- 4.2 As the loan repayments and interest charges have to be financed by the OPCC from its own resources, it is important that the use of prudential borrowing is very closely controlled and monitored.
- 4.3 The OPCC's cumulative outstanding amount of debt finance is measured by the capital financing requirement (CFR). In order to ensure that over the

medium-term debt will only be used to fund capital, the OPCC should ensure that debt does not, except in the short term, exceed the total of CFR in the preceding year plus the estimates of any additional CFR for the current and next two financial years. This is a key indicator of prudence.

Table 2 – Ensuring borrowing is only for capital purposes

	2020/21 Estimate £m	2021/22 Estimate £m	2022/23 Estimate £m	2023/24 Estimate £m
CFR	55.1	54.0	52.9	51.8
Debt	30.5	30.2	29.7	29.7

4.4 Total debt is expected to remain below CFR during the forecast period.

Affordable borrowing limit

4.5 The OPCC is legally obliged to set an authorised limit for the maximum affordable amount of external debt. In line with statutory guidance, a lower ‘operational boundary’ is also set as a warning level should debt approach the limit. The operational boundary is based on the OPCC’s estimate of most likely (i.e. prudent but not worst case) scenario for external debt. It links directly to the OPCC’s estimates of capital expenditure, the capital financing requirement and cash flow requirements, and is a key management tool for in-year monitoring.

Table 3 – Affordable borrowing limits

	2020/21 Estimate £m	2021/22 Estimate £m	2022/23 Estimate £m	2023/24 Estimate £m
Authorised Limit for Borrowing	86.1	85.0	83.9	82.8
Authorised Limit for Other Long-term Liabilities	5.0	5.0	5.0	5.0
Authorised Limit for External Debt	91.1	90.0	88.9	87.8
Operational Boundary for Borrowing	71.1	70.0	68.9	67.8
Operational Boundary for Other Long-term Liabilities	5.0	5.0	5.0	5.0
Operational Boundary for External Debt	76.1	75.0	73.9	72.8

Ratio of Financing Costs to Net Revenue Stream

4.6 This is an indicator of affordability and highlights the revenue implications of existing and proposed capital expenditure by identifying the proportion of the revenue budget required to meet financing costs, net of investment income.

Table 4 – Ratio of Financing Costs to Revenue Budget Requirement

	2020/21 Estimate	2021/22 Estimate	2022/23 Estimate	2023/24 Estimate
Ratio	0.54%	1.00%	0.99%	0.97%

A low proportion is forecast demonstrating that the cost of financing is minimised and the proportion of revenue budget available for delivering services is maximised.

Incremental Impact of Capital Investment Decisions

- 4.7 This is an indicator of affordability that shows the impact of capital investment decisions on Council Tax levels. The incremental impact is the difference between the total revenue budget requirement of the current approved capital programme and the revenue budget requirement arising from the capital programme proposed for the next three years.

Table 5 - Incremental Impact of Capital Investment Decisions

	2021/22 Estimate £	2022/23 Estimate £	2023/24 Estimate £
General Fund - incremental impact on annual band D Council Tax	7.35	(6.25)	(2.86)

5 Minimum Revenue Provision for debt repayment

- 5.1 Where the OPCC finances capital expenditure by debt, statutory guidance requires it to put aside revenue resources to repay that debt in later years, known as Minimum Revenue Provision (MRP). The Department for Communities and Local Government's Guidance on Minimum Revenue Provision (the CLG Guidance) requires the OPCC to approve an Annual MRP Statement each year, and recommends a number of options for calculating a prudent amount of MRP. The four MRP options available are:
- Option 1: Regulatory Method
 - Option 2: CFR Method
 - Option 3: Asset Life Method
 - Option 4: Depreciation Method

MRP in 2021/22

- 5.2 Options 1 and 2 may be used only for supported (i.e. financing costs deemed to be supported through Revenue Support Grant from Central Government) capital expenditure funded from borrowing. Methods of making prudent provision for unsupported capital expenditure include Options 3 and 4 (which may also be used for supported capital expenditure if the OPCC chooses).

- 5.3 The OPCC will apply Option 1/Option 2 in respect of supported capital expenditure funded from borrowing and Option 3/Option 4 in respect of unsupported capital expenditure funded from borrowing.
- 5.4 MRP in respect of leases and Private Finance Initiative schemes brought on Balance Sheet under the International Financial Reporting Standards (IFRS) based Accounting Code of Practice will match the annual principal repayments for the associated deferred liability.
- 5.5 In 2021/22 the OPCC has increased the revenue budget for additional Minimum Revenue Provision (MRP) by £1m to allow for additional borrowing of up to £18m (over 25 years) to fund new capital spend on a number of initiatives currently being drawn up. Once the timing and details are confirmed, future strategies will be adjusted accordingly.
- 5.6 Capital expenditure incurred during 2021/22 will not be subject to a MRP charge until 2022/23.
- 5.7 Based on the OPCC's latest estimate of its Capital Financing Requirement on 31st March 2021, the budget for MRP has been set as follows:

	31.03.2021 Estimated CFR £m	2021/22 Estimated MRP £
Supported capital expenditure	0	198,000
Unsupported capital expenditure after 31.03.2008	55.1	1,128,000
Finance leases and Private Finance Initiative	0	0
Transferred debt	0	0
Loans to other bodies repaid in instalments	0	0
Future borrowing	0	2,754,000*
Total General Fund	55.1	3,900,000

*the budget includes £2.75m to finance future borrowing which has not yet been taken out.

6 Treasury Management

- 6.1 Treasury management is concerned with keeping sufficient but not excessive cash available to meet the OPCC's spending needs, while managing the risks involved. Surplus cash is invested until required, while a shortage of cash will be met by borrowing, to avoid excessive credit balances or overdrafts in the bank current account. The OPCC is typically cash rich in the short-term as revenue income is received before it is spent, but cash poor in the long-term as capital expenditure is incurred before being financed. The revenue cash surpluses are offset against capital cash shortfalls to reduce overall borrowing.
- 6.2 The OPCC has potentially large exposures to financial risks through its investment and borrowing activity, including the loss of invested funds and the effect of changing interest rates. The successful identification,

monitoring and control of risk are therefore central to the OPCC's treasury management strategy.

- 6.3 The OPCC's chief objective when borrowing money is to strike an appropriately low risk balance between securing low interest costs and achieving certainty of those costs over the period for which funds are required. The flexibility to renegotiate loans should the OPCC's long-term plans change is a secondary objective.
- 6.4 The OPCC's objective when investing money is to strike an appropriate balance between risk and return, minimising the risk of incurring losses from defaults and the risk of receiving unsuitably low investment income. It therefore invests its funds prudently, and has regard to the security and liquidity of its investments before seeking the highest rate of return, or yield.
- 6.5 The OPCC's Treasury Management Strategy is scrutinised by the Joint Audit Committee and approved by the PCC each year. Actual performance is reviewed by the Joint Audit Committee and reported to the PCC.

7 Investments targeting higher returns

- 7.1 Given the increasing risk and very low returns from short-term unsecured bank investments, the OPCC aims to continue to hold investments that provide diversification through greater security and/or higher yielding asset classes during 2021/22. This is especially the case for the estimated £15m that is available for longer-term investment.
- 7.2 At 31 December 2020 approximately 66% of the OPCC's cash was invested so that it was not subject to bail-in risk, as it was invested in local authorities, strategic pooled funds, and secured bank bonds. Of the 34% of cash that was subject to bail-in risk, 51% was held in overnight money market funds which are subject to a reduced risk of bail-in, 19% was held in overnight call accounts with banks to allow for liquidity and 30% was held in short-term notice accounts providing a comparatively favourable rate of interest in exchange for a short notice period within the 35-day maximum recommended by Arlingclose.
- 7.3 This diversification will represent a continuation of the strategy adopted in 2015/16.
- 7.4 The OPCC also invests in pooled property, equity and multi-asset funds, which allow diversification into asset classes other than cash without the need to own and manage the underlying investments. The funds operate on a variable net asset value (VNAV) basis and offer diversification of investment risk, coupled with the services of a professional fund manager; they also offer the potential for enhanced returns over the longer term but are likely to be more volatile in the short-term. All of the OPCC's pooled fund investments are in the funds' distributing share classes which pay out the income generated.
- 7.5 Money can usually be redeemed from pooled funds at short notice however these investments must be viewed as long-term investments from core

balances not required for immediate liquidity requirements. This ensures that even in times of market volatility, the OPCC will not be a forced seller and will not crystallise capital losses.

- 7.6 The performance of these investments and their suitability in meeting the OPCC's investment objectives are monitored regularly and discussed with Arlingclose.

8 Knowledge and skills

- 8.1 The OPCC employs professionally qualified and experienced staff in senior positions with responsibility for making capital expenditure, borrowing and investment decisions in accordance with the approved strategies. Performance against targets and learning and development needs are assessed annually as part of the staff appraisal process, and additionally when the responsibilities of individual members of staff change.
- 8.2 Staff attend training courses, seminars and conferences provided by CIPFA, Arlingclose and other providers. Relevant staff are also encouraged to study professional qualifications from CIPFA, and other appropriate organisations.
- 8.3 CIPFA's Code of Practice requires that the OPCC ensures that all members tasked with treasury management responsibilities, including scrutiny of the treasury management function, receive appropriate training relevant to their needs and understand fully their roles and responsibilities. Members of the Joint Audit Committee attended a workshop presented by Arlingclose in December 2020, which gave an update of treasury matters. A further Arlingclose workshop has been planned for November 2021.

Investment Advisers

- 8.4 The OPCC has appointed Arlingclose Limited as treasury management advisers and receives specific advice on investment, debt and capital finance issues. The quality of this service is controlled through quarterly review meetings with Arlingclose, the Chief Finance Officer and his staff.

9 Chief Finance Officers conclusion on the affordability and risk associated with the Capital and Investment Strategy

- 9.1 This Capital and Investment Strategy has been developed alongside the Treasury Management Strategy and the Reserves Strategy (Appendix H). Together, they form an integrated approach adopted by the OPCC to balance the need for capital investment to support service priorities with consideration of affordability and the consequent impact on the revenue budget whilst recognising and managing risk to an acceptable level.
- 9.2 The forward planning of capital funding, including being in a position to maximise the use of external grants, contributions, and capital receipts, together with the process of regular monitoring of actual income, expenditure, and project progress, provides assurance to the Chief Finance Officer that the proposed capital programme is prudent, affordable and sustainable.

10 Links to statutory guidance and other information

10.1 The Local Government Act 2003, section 15(1) and the Local Authorities (Capital Finance and Accounting) (England) Regulations 2003 [SI 3146] require Local Authorities to have regard to the following guidance:

- MHCLG - Local Government Investment* [MHCLG Investment](#)
- CIPFA's Prudential Code 2017
- CIPFA's Treasury Management Code 2017

* Where a local authority prepares a Capital Strategy in line with the requirements of the Prudential Code, a Treasury Management Strategy in line with the requirements of the Treasury Management Code, the Investment Strategy can be published in those documents instead of a separate document

10.2 The Treasury Management Strategy is a separate document reported to JAC and PCC.



POLICE & CRIME
COMMISSIONER

Serving Hampshire
Isle of Wight
Portsmouth
Southampton

RESERVES STRATEGY 2021/22



HAMPSHIRE POLICE AND CRIME COMMISSIONER

1. Background

- 1.1. The PCC first published a Reserves Strategy as part of the 2018/19 budget report.
- 1.2. On the 31 January 2018, new reserves guidance was issued to all PCCs (see the link below). The requested information required in the new guidance is consistent with the existing Reserves Strategy but requests a further level of detail. This report sets out the relevant information already published in the Budget report and also the additional detail requested.

<https://www.gov.uk/government/publications/police-finance-reserves-guidance>

- 1.3. The Reserves Profile shows that existing planned commitments will result in a forecast reduction of reserves by March 2025 to £28.0m (down from £76.7m at the end of March 2020), of which the General Reserve would be £6.4m, which is 1.5% of the forecast 2024/25 revenue budget (£420.6m). This assumes that there are no adverse issues that impact on the General Reserve.
- 1.4. The Chief Finance Officers have a responsibility to ensure that the level of reserves maintained is sufficient. The Police Reform and Social Responsibility Act 2011 states that only the PCC, and not the Chief Constable, is permitted to hold reserves. In Hampshire, it was agreed that this would continue to be the case after the Stage 2 transfer in May 2014.
- 1.5. The Chartered Institute of Public Finance and Accountancy (CIPFA) produces guidance on reserves, but the exact level of reserves to be held is left as a local decision due to the need to reflect individual circumstances. Whilst there are no firm requirements on the amount, it is clear that reserves must be held to ensure that the organisation is able to meet any unexpected liabilities. CIPFA warned that the use of reserves to deal with shortfalls in day-to-day spending would be a “recipe for significant financial problems”.
- 1.6. The current financial climate remains challenging, and there are a number of financial pressures and risks which need to be managed over the medium term, for which reserves are in place to mitigate. Reserves will also be required to support the significant investment required to reform policing and achieve the Policing Vision 2025.
- 1.7. Reserves required for accounting purposes only are not covered by this strategy as they are not optional and follow proper accounting practices.

2. Financial Stability

- 2.1. The PCC continues to use reserves to pay for the cost of change that is required to meet both the financial challenge and the necessary investment to ensure that the Constabulary remains a modern, operationally effective Police Service.

- 2.2. The level of reserves continues to be reviewed by the PCC, Chief Finance Officers and auditors to ensure that suitable reserves are in place to mitigate and manage the risk of the financial challenges faced, and to ensure that reserves are not unnecessarily held to the extent that is detrimental to current service delivery.
- 2.3. Additionally, Her Majesty's Inspectorate of Constabulary and Fire and Rescue Services (HMICFRS) also review reserves. The current rating for efficiency is 'good' with no areas for improvement recommended for financial management or reserves.
- 2.4. Reserves are necessarily and appropriately held as part of good strategic financial management and are a key element in supporting the PCC's medium-term planning and Medium Term Financial Strategy. Reserves held by the PCC are reducing, and are likely to reduce further in the medium term.
- 2.5. Reserves are also a one-off resource, which unless replenished, can rapidly diminish.
- 2.6. In the medium term there is significant financial stress in the system to be managed, including:
 - i) managing the overall financial position against a back drop of increasing demand
 - ii) the investment required to ensure that the Constabulary remains modern and fit for purpose, ahead of those who wish us harm and are engaged in criminal activities using technology as the vehicle
 - iii) funding the necessary investment to deliver a new PCC's ambition in relation to delivery of their Police and Crime Plan and commissioning of services
 - iv) meeting the Chief Constables operational requirements, which includes 'taking the fight more and more to those criminals who blight our communities'
 - v) the still to be determined consequences of national programmes (e.g. ESMCP) which require a local funding stream for delivery of its outcomes as well as being subject to growing needs for top sliced contributions to deliver the national infrastructure
 - vi) the significant investment required to embrace an ever evolving technology and digital landscape
 - vii) the requirement to continue to fund 15% (potentially rising to 25%) of the annual ongoing costs of Operation Magenta, which is the investigation regarding the historical deaths at Gosport War Memorial Hospital
- 2.7. In view of the cost pressures faced by the PCC and the Constabulary, in the medium term there will be a significant call on reserves to fund one off pressures, initiatives and investment.

- 2.8. In setting a precept increase for Band D of £15 per annum, the PCC has been able to fund the current priority growth/pressure items from within the revenue budget.
- 2.9. This allows the draw on reserves to be reduced, and the current level of the Transformation Reserve to be protected (net of the earmarked projects already agreed), with the remaining balance available for future utilisation to fund the required ongoing change and transformation which the Constabulary will be required to deliver in later years of the MTF5; there is already a significant pipeline of projects which due to funding constraints have not been prioritised for inclusion in the current budget/MTFS, but will need to be continually reassessed and prioritised for future investment.
- 2.10. There therefore remains a significant number of potential calls for one off investment for consideration by the PCC, and we know that change and transformation will be continual.
- 2.11. The PCC CFO's assessment is that:
- i) the level of the General Fund reserve is reflective of the overall risk environment in which the PCC operates
 - ii) the level of Earmarked reserves and their purpose are necessary and appropriate
 - iii) the Transformation Reserve is prudent and necessary to meet the ongoing requirement for one off expenditure to meet the transformation required to ensure that in the years ahead the Constabulary remains a modern operationally effective police force.
 - iv) the overall level of reserves is appropriate given the known financial pressures and risks faced by the PCC.
- 2.12. A number of new and necessary earmarked reserves have been created against known risks, and these will be continually reassessed to ensure that the reserves held are commensurate with the risk.
- 2.13. The PCC CFO, in consultation with the Constabulary CFO, has also assessed the potential future costs associated with the Uplift in police officer numbers, and is content that in light of current available information, the Uplift reserve provides a prudent level of reserves funding to help support the ongoing Uplift in officer numbers for next year. Should the Uplift reserve not be sufficient this risk can be managed/mitigated through a call on the General Fund Reserve.

3. Reserves

- 3.1. The PCC continues to use reserves to pay for the cost of change that is required to meet both the financial challenge and the necessary investment to ensure that the Constabulary remains a modern, operationally effective Police Service, as well as to ensure that sufficient and appropriate funds are set aside for the known medium term financial risks and pressures.
- 3.2. The forecast Reserves position is set out in full in Appendix 1, with a snapshot of the position below which shows the position as at 31 March 2020, the forecast position as at 31 March 2021 and the forecast position through to the end of the medium term financial strategy as at 31 March 2025:

	Actual as at 31 March 2020	Forecast as at 31 March 2021	Forecast as at 31 March 2025
General Reserve	18.9	6.4	6.4
Earmarked Reserves	50.1	63.4	15.8
Total Reserves available for use by the PCC to support Policing and 'Beyond Policing' to deliver the Police and Crime Plan	69.0	69.8	22.2
Ring fenced Reserves held on behalf of others not available to spend by the PCC	7.8	5.8	5.8
Total Reserves	76.8	75.6	28.0

- 3.3. The table above shows that the reserves available to be used directly by the PCC to support Policing and the 'beyond policing' element of his Police and Crime Plan have slightly increased since 2019/20
- 3.4. A number of new reserves have been created to manage known/potential pressures in future years. These new reserves are explained in more detail in section 5.6 but in summary new reserves will help the Constabulary to meet the costs from the ongoing Gosport War Memorial Hospital investigation (Operation Magenta), the costs associated with the Uplift (and the impact on the Estate) and implementation costs resulting from the McCloud pension judgement.
- 3.5. The two main reserves available to the PCC to fund investment, transformation and unforeseen cost pressures are the General Reserve and the Transformation Reserve (which is included within 'Earmarked Reserves').
- 3.6. The General Reserve balance has reduced significantly since March 2020 for a number of reasons. The balance as at 31 March 2020 included £5.8m of ICT carry forwards which were drawn down in year to enable the projects to continue. There have also been transfers of £6.8m to other specific reserves set up for Operation Magenta, the McCloud pension judgement and for ESMCP (more detail on each reserve is set out in section 5.8).
- 3.7. There are plans in place to fund a range of committed or anticipated projects from the Transformation Reserve; further detail is set out in section 5.3 – 5.7. These commitments will see the Transformation Reserve balance reduce from £7.2m as at 31 March 2021 to £0.5m by the end of 2024/25.

Categorisation of Reserves

- 3.8. The Reserves Guidance issued on the 31st January 2018 requests that reserves are split across the following headings:
- Funding for planned expenditure on projects and programmes over the period of the current medium term financial plan

- Funding for specific projects and programmes beyond the current planning period will currently be the balances remaining as at March 2025.
- The general contingency or resource to meet other expenditure needs held in accordance with sound principles of good financial management

The above split of reserves is shown in Appendix 1.

4. General Reserve (Forecast 31 March 2021 is £6.4m)

- 4.1. The General Reserve is the main reserve held to manage unidentified and unforeseen risk. The PCC CFO is required to set a minimum level for the General Reserve.
- 4.2. General reserves are by nature 'not specific' (they are not earmarked), and are held to cover unforeseen risk and cost pressure, for example:
- cost of national programmes overrun;
 - uneven cash flows and managing the timing of savings;
 - unforeseen emergencies requiring significant one off spend e.g. a significant incident; or
 - demand pressures.
- 4.3. The General Reserve balance is forecast to be £6.4m at the end of March 2021. This equates to 1.7% of the 2020/21 net budget (£366.7m) which is within the 5% maximum set by the Minister of State for Crime and Policing.
- 4.4. The forecast position for the General Reserve over the course of the medium-term financial plan is as follows:

	£m	% of Net Budget for following year
Forecast balance as at 31 March 2021	6.4	1.7%
Forecast balance as at 31 March 2022	6.4	1.6%
Forecast balance as at 31 March 2023	6.4	1.5%
Forecast balance as at 31 March 2024	6.4	1.5%
Forecast balance as at 31 March 2025	6.4	1.5%

* the March 2025 balance is shown as a percentage of the 2024/25 forecast net budget as the MTF5 does not include a forecast budget for 2025/26.

5. Earmarked Reserves

In addition to the General Reserve, the PCC also holds a number of earmarked reserves, as set out below (the table shows the March 2020 balance, the forecast March 2021 balance and the forecast March 2025 balance, with more detail shown in Appendix 1):

	Actual as at 31 March 2020	Forecast as at 31 March 2021	Forecast as at 31 March 2025
Carry Forward Reserve	0.3	0.0	0.0
Commissioner's Reserve	0.9	0.2	0.0
Council Tax Reserve	0.0	0.0	2.1
Estate Reserve	10.2	13.2	6.2
Grant Equalisation Reserve	0.0	6.0	0.0
Insurance Reserve	1.5	1.5	1.5
IT Services Reserve	13.0	16.7	0.1
Operation Magenta Reserve	0.0	5.9	0.0
Pension Remedy Reserve	0.0	3.0	0.0
Replacement Programme Reserve	2.2	4.0	2.4
Trading Reserves	3.0	3.0	3.0
Transformation Reserve	19.0	7.2	0.5
Uplift Reserve	0.0	2.7	0.0
Total Earmarked Reserves	50.1	63.4	15.8

5.1. Further detail as to the purpose of each earmarked reserve is set out below:

Transformation Reserve (Forecast 31 March 2021 is £7.2m)

- 5.2. The Transformation Reserve was specifically set up to recognise the significant investment required to deliver transformational change, support the significant investment requirements linked to technology development and digital initiatives, and to provide a buffer to help manage the budget in the medium term.
- 5.3. These programmes generally impact over more than one financial year and allocating funds to ensure delivery of the programmes and their outcomes makes prudent sense in a time when budgets continue to be based on annual settlements.
- 5.4. The opening balance of the Transformation Reserve as at 1 April 2020 was £19.0m. As at January 2021, allocations of £12.5m have been approved. A breakdown of the approved draws from this reserve is set out below:

Transformation Reserve - committed

Commitment	£m
Contribution to revenue budget per 2019/20 MTFS	1.1
Transfer to Grant Equalisation Reserve	6.0
Estates Programme - delivery of new estate	3.0
Digital Intelligence and Investigation	0.6
Advancement of Inclusion and Equality in HC	0.9
Estate Security Improvements	0.4
Tasers	0.5
Total Commitments	12.5

- 5.5. There is also an earmarked sum of £1.5m per annum for four years (total £6m) from 2021/22 until 2024/25 for forecast draws on the reserve not yet approved. The deduction of this earmarked funding, leaves £0.5m available as shown in the table below:

Transformation Reserve – summary

	£m
Balance as at 01 April 2020	19.0
Committed expenditure	(12.5)
Annual earmark for future initiatives	(6.0)
Remaining Unallocated Balance	0.5

Other Earmarked Reserves

- 5.6. The PCC holds earmarked reserves for specific purposes. These are the:
- i) **Carry Forward Reserve** holds funds approved for carry forward by the PCC as part of the annual outturn report.
 - ii) **Commissioner’s Reserve** holds amounts that are used specifically to support the Commissioner’s priorities. This is intended to support programmes that support the delivery of the Police and Crime Plan.
 - iii) **Council Tax Reserve (NEW)** has been set up to hold the one-off Local Council Tax Support grant of £2.1m in 2021/22. – this reserve will be utilised to manage any ongoing impact from COVID-19 of a Council Tax deficit arising from 2020/21 and any ongoing impact on council tax collection in 2021/22, and to manage and any ongoing impact (slow recovery/reduced growth) on the Council Tax Base
 - iv) **Estates Reserve** holds revenue funds for a number of future Estates programmes such as large repairs and maintenance

projects, future potential dilapidations costs, Isle of Wight capital programme and Estate Change Programme projects. A new Estates Uplift reserve has also been created to provide funding towards estate requirements to support the increase in police officer numbers.

- v) **Grant Equalisation Reserve (NEW)** will be used to offset and manage future uncertainty in the level of Police grant (and is funded by a transfer of £6m from the Transformation Reserve).
- vi) **Insurance Reserve** holds funds available to pay for items that are not covered by the insurance contract. Research and experience has shown that it is more cost effective to hold a reserve for some things that are low risk and low probability rather than pay an insurance premium to cover them.
- vii) **IT Services Reserve** holds funds set aside for IT refresh programmes (laptops/phones/BWV and servers) and the delivery of ESMCP.
- viii) **Operation Magenta Reserve (NEW)** has been set up in response to the reinvestigation of the historic events at Gosport War Memorial Hospital which is an investigation of national interest. The PCC is currently able to apply for Special Grant from the Home Office to support 85% of expenditure annually, although it is anticipated that the available Special Grant could reduce to 75% in future years. The costs of the investigation on an annual basis are now significant, and at a 25% contribution rate would equate to a cost to be funded by the PCC of over £2m per annum over the next 2 years and possibly beyond (50% annual spend currently assumed for year 3). This new reserve has been set up to ensure that funding is set aside to meet these costs. The reserve, in the sum of £5.9m, has been funded via transfers from the General Fund Reserve and the Uplift Reserve.
- ix) **Pension Remedy Reserve (NEW)** sets aside specific funding in recognition of the one-off costs which will arise from implementation of the McCloud/Sargeant pension remedy judgment impacting Police Pensions. It has been funded via a transfer from the General Fund reserve.
- x) **Replacement Programme Reserve** holds funds available to offset the impact of large-scale equipment replacement such as the need to replace body armour when the warranty for body armour expires.
- xi) **Uplift Reserve** holds funds to meet the infrastructure and non-pay costs associated with the estimated increase in police officer numbers.

- xii) **Trading Reserves** holds funds for specific areas of the Constabulary such as Netley Business Plan and Safer Roads. These areas generate income which is ring-fenced for specific usage.

6. Ring-fenced Reserves held by but not available to use by the PCC

- 6.1. In addition to the reserves set out above, the accounts include earmarked reserves that are ring fenced for specific purposes and are not available for use by the PCC. These are:

	Actual as at 31 March 2020	Forecast as at 31 March 2021	Forecast as at 31 March 2025
ACRO Surety	4.0	2.0	2.0
AVCIS Surety	0.3	0.3	0.3
ACRO General Reserve	3.5	3.5	3.5
Total	7.8	5.8	5.8

- 6.2. The purpose of these reserves is as follows:

- i) **ACRO** is the national ACPO Criminal Records Office which is hosted in Hampshire. The funds are not available to the PCC for use in the Hampshire policing area. **ACRO Surety** and **AVCIS Surety** are held to cover any potential costs to the Chief Constable or PCC should ACRO cease to trade on its current basis. The PCC approved a decision in 2020/21 to allow ACRO to draw down £2m from the ACRO Surety Reserve to mitigate against risk and liabilities.
- ii) **ACRO General Reserve** - other net surplus balances held on behalf of ACRO. The governance board for ACRO determines the use of these reserves. The annual budget and use of reserves is presented to the National Police Chief's Council each year.

7. Overall CFO Assessment of reserves

- 7.1. The PCC CFO's assessment is that:

- i) the level of the General Fund reserve is reflective of the overall risk environment in which the PCC operates
- ii) the level of Earmarked reserves and their purpose are necessary and appropriate
- iii) the Transformation Reserve is prudent and necessary to meet the ongoing requirement for one off expenditure to meet the transformation required to ensure that in the years ahead the Constabulary remains a modern operationally effective police force.

- iv) the overall level of reserves is appropriate given the known financial pressures and risks faced by the PCC.
- 7.2. A number of new and necessary earmarked reserves have been created against known risks, and these will be continually reassessed to ensure that the reserves held are commensurate with the risk.
- 7.3. The PCC CFO, in consultation with the Constabulary CFO, has also assessed the potential future costs associated with the Uplift in police officer numbers, and is content that in light of current available information, the Uplift reserve provides a prudent level of reserves funding to help support the ongoing Uplift in officer numbers for next year. Should the Uplift reserve not be sufficient –this risk can be managed/mitigated through a call on the General Fund Reserve.

Appendix 1 – Analysis of Useable Reserves

	Analysis of how the forecast 31 st March 2021 Reserves will be utilised			
	Forecast Balance 31.3.21	Planned Expenditure on projects and programmes over the medium term to 2024/25	Funding for Specific projects and programmes beyond 2024/25	As a general contingency to meet other expenditure needs
	£m	£m	£m	£m
General Reserve	6.4	0.0	0.0	6.4
Commissioner's Reserve	0.2	0.2	0.0	0.0
Estates Reserve	13.2	7.0	6.2	0.0
Grant Equalisation Reserve	6.0	6.0	0.0	0.0
Insurance Reserve	1.5	0.0	1.5	0.0
IT Services Reserve	16.7	16.6	0.1	0.0
Operation Magenta Reserve	5.9	5.9	0.0	0.0
Pension Remedy Reserve	3.0	3.0	0.0	0.0
Replacement Programme Reserve	4.0	1.6	2.4	0.0
Trading Reserves	3.0	0.0	3.0	0.0
Transformation Reserve	7.2	6.7	0.5	0.0
Uplift Reserve	2.7	2.7	0.0	0.0
Total Useable Reserves	69.8	49.7	13.7	6.4

Appendix 2 – Analysis of profile

	31-Mar-20	31-Mar-21	31-Mar-22	31-Mar-23	31-Mar-24	31-Mar-25
General Fund Balance	(18.9)	(6.4)	(6.4)	(6.4)	(6.4)	(6.4)
Fully committed to Existing Spend Programmes						
Carry Forward Reserve	(0.3)	0.0	0.0	0.0	0.0	0.0
Estate Reserve	(10.2)	(13.2)	(13.9)	(16.2)	(11.2)	(6.2)
IT Services Reserve	(13.0)	(16.7)	(14.1)	(14.1)	(14.1)	(0.1)
Replacement Programme Reserve	(2.2)	(4.0)	(2.6)	(1.2)	(1.8)	(2.4)
Uplift Reserve	0.0	(2.7)	0.0	0.0	0.0	0.0
Trading Reserves						
HC Trading Reserves	(3.0)	(3.0)	(3.0)	(3.0)	(3.0)	(3.0)
Risk Reserves						
Council Tax Reserve	0.0	0.0	(2.1)	(2.1)	(2.1)	(2.1)
Grant Equalisation Reserve	0.0	(6.0)	(4.5)	(3.0)	(1.5)	0.0
Insurance Reserve	(1.5)	(1.5)	(1.5)	(1.5)	(1.5)	(1.5)
Operation Magenta Reserve	0.0	(5.9)	(3.6)	(1.2)	0.0	0.0
Pension Remedy Reserve	0.0	(3.0)	(1.5)	0.0	0.0	0.0
Corporate Reserves						
Commissioner's Reserve	(0.9)	(0.2)	(0.1)	0.0	0.0	0.0
Transformation Reserve	(19.0)	(7.2)	(5.1)	(3.5)	(2.0)	(0.5)
Total Earmarked	(50.1)	(63.4)	(52.0)	(45.8)	(37.2)	(15.8)
Other Reserves						
AVCIS Surety	(0.3)	(0.3)	(0.3)	(0.3)	(0.3)	(0.3)
ACRO General Reserve	(3.5)	(3.5)	(3.5)	(3.5)	(3.5)	(3.5)
ACRO Surety	(4.0)	(2.0)	(2.0)	(2.0)	(2.0)	(2.0)
Total Revenue Reserves	(76.8)	(75.6)	(64.2)	(58.0)	(49.4)	(28.0)

Section 25 Report from the PCC Chief Financial Officer

Section 25 of the Local Government Act 2003 requires the Chief Financial Officer (CFO) to report to the PCC when setting council tax on:

- the robustness of the estimates included in the budget, and
- the adequacy of the financial reserves in the budget.

The PCC is required to have regard to this report in approving the budget and council tax. Section 25 concentrates primarily on the risk, uncertainty and robustness of the budget for the next financial year rather than the greater uncertainties in future years. This report does however consider not only the short-term position but also the position beyond 2021/22 in the context of the PCC's Medium Term Financial Strategy (MTFS) presented in the main report.

Robustness of Estimates in the Budget

The budget setting process within the Constabulary has been operating effectively for many years and is based on increasing the budgets each year allowing for pay and price inflation and other marginal base changes in the cost or levels of service.

Each year a zero based budgeting exercise is also carried out to review whether or not there are elements of the budget that do not reflect the current activity or need. In more recent years adjustments have also been made to the budgets to reflect the savings that have been implemented in order to balance the budget in the face of Government grant reductions.

Appropriate provisions for pay and price inflation are included within each successive MTFS and these are then refined by the Chief Financial Officer in rolling forward the detailed budget for the next financial year.

In general terms, the forecasting for the MTFS is undertaken on a very prudent basis, particularly in respect of allowances for pay and price inflation and increases in government grant, precept increase and council tax base. For the current MTFS, the PCC has only received confirmation of funding for the 2021/22 financial year, with no information on police grant, uplift grant, council tax precept for 2022/23 onwards; this has meant that a very prudent set of assumptions have been included within the MTFS to mitigate for this, and further detail is set out in the 'Risks in the Budget 2021/22' within this document.

There is a very robust process in place within the Constabulary to assess growth pressure and bids, with bids ranked according to a hierarchy which ranges from:

- Unavoidable
- Operationally unavoidable
- High Priority
- Optional

The bids are subject to scrutiny and sign off by Force Executive and Joint Chief Officer Group with Thames Valley Police for collaborated initiatives and then discussed and agreed with the PCC, subject to overall affordability and assessment against the PCC's priorities. For the current year, the budget includes

a number of pressures which are predominately unavoidable, plus a range of growth items for investment which can be afforded within the available funding. For the remainder of the MTFS, the budget estimates only include unavoidable cost increases and growth items for investment which are operationally unavoidable (and an allowance for future pressures incrementally per annum of £5m).

Budget management within the Constabulary remains strong as demonstrated by the outturn position each year.

As Chief Financial Officer for the PCC I have a close involvement with the budget setting process and I am content that the estimates are robust based on the knowledge we have available to us at this time.

Risks in the Budget 2021/22 and the MTFS

- a) **Government Funding** - The one year Police Spending Settlement announced in December 2020 only provided Police Grant, Uplift Grant and the Referendum level for precept for 2021/22. This is a key risk as the funding position beyond 2021/22 is not known, requiring a significant amount of estimation to be made as to the future funding position over the course of the MTFS period.

The risk mitigation has been to include very prudent estimates within the MTFS for future funding, as follows:

- Council Tax increases limited to 1.99% for the duration of the MTFS post 2021/22
- Assumed 'flat cash' for Police Grant, i.e. no increase in grant levels for the years post 2021/22
- No funding has been assumed to be made available to support the anticipated increase in Employer Police pension contributions arising as a result of the next Police Pensions valuation

In addition, a Grant Equalisation reserve has been set up which can be utilised to offset and manage any fluctuations in Police grant over the medium term.

- b) **Council Tax** – The Government have only announced the precept referendum level of £15 for 2021/22, with no indication of future allowable precept increases.

Increases in council tax forms a key part of supporting the budget. In the absence of any guidance from government, the assumed precept increase has been capped within the MTFS at 1.99% for the duration of the MTFS post 2020/21. This is felt to be a prudent approach.

- c) **Council Tax Collection** – COVID-19 has impacted the collection of Council Tax, and at the time of writing this report the final estimates have not yet been confirmed by the billing authorities. It is however clear that in comparison to recent years, a significant deficit is emerging, and the latest forecast position has been included within the budget.

In recognition of the impact COVID-19 has had on collection, the government confirmed as part of the settlement announcement that they will put in place a Local Tax Income guarantee which will:

- i) allow the repayment of collection fund deficits arising in 2020-21 to be spread over the next 3 years rather than the usual period of a year.
- ii) also fund 75% of the irrecoverable losses in this deficit. The government will pay a Section 31 grant to the PCC during the 2021-22 financial year to fund this.

This additional support from government has mitigated the impact of the 2020/21 collection fund deficit on the 2021/22 budget, allowing the position to be managed over 3 years. The level of Section 31 grant has not yet been confirmed, although in overall terms it has a marginal impact on the overall funding position, and any shortfall against the estimate included in the budget can be managed through the Council Tax reserve.

Over the medium term, it may take time for Council tax collection to fully recover, and for the Council Tax base to grow in line with pre pandemic trends. The Council Tax reserve will be utilised to manage any ongoing impact to the overall level of precept income.

- d) **Pay and Price Risk** – The MTFs contains provision of 1% per annum for increases in Police Officer and Police staff pay, reflecting the current economic environment.

The impact of price inflation has been considered in setting the budget and the assessment is that it would take a major departure from the assumptions to create a financial problem that could not be dealt with in year from reserves.

- e) **Treasury Risk** – The Authority has limited exposure to interest rate risk as most long-term borrowing is undertaken on a fixed rate. If the PCC were to approve future investment for the key emerging capital issues (Uplift, IOW estate, and Netley), this is likely to require significant prudential borrowing and decisions on when best to take out this borrowing would need to be considered. Provision to support borrowing for these areas of potential capital investment has been included within the budget. In addition specific revenue funding has been set aside in both the 2021/22 and 2022/23 budgets for investment in the estate, which will reduce the overall level of any borrowing required.

On the investments side, the Authority has a very prudent approach to forecasting its investment returns and they also represent a very small part of the overall funding for the budget. The investment strategy protects capital ahead of yield and most of the medium term investments are in products that should return a stable income yield each year.

In addition to the above, the budget report sets out a range of other key risks in section 12 of the report as follows:

- a decrease in government grant which would represent a reduction in funding compared with the flat grant assumption over the duration of the MTFs period
- the allowable maximum precept increase is less than the assumed 1.99% increase included in each year of the MTFs 2022/23 onwards
- inflation is greater than forecast which would create a cost pressure (as an example, each 1% increase in the pay award beyond the current assumption of a 1% pay award would lead to a cost pressure of £2.8m)

- the COVID-19 pandemic further impacts Constabulary resilience leading to additional cost
- the government support which has been available to support the specific additional costs of COVID-19 is removed/reduced
- the Local government income compensation scheme for lost sales, fees and charges in relation to COVID-19, which applies to Policing, is reduced below the current 75% reimbursement available (after an initial 5% deductible), or the 5% deductible increases, or the scheme ceases before the impacts of the pandemic cease to be felt
- the impact on both the council tax collected and the council tax deficit are slower to recover post the pandemic which negatively impacts future year budgets
- grant funding for the pay costs and infrastructure costs of the Officer Uplift programme being insufficient to cover costs
- funding set aside for the estates and infrastructure costs of the Officer Uplift programme being insufficient to cover costs
- the £5m incremental recurrent revenue funding each year within the MTFs is insufficient to cover new recurrent revenue pressures
- the cost of borrowing increases reducing the level of borrowing which can be taken out to support the emerging capital programme pressures
- the costs of Operation Magenta increase, and the investigation continues beyond 2023/24
- Special Grant available to support Operation Magenta is reduced below the 75% level anticipated, and/or Special Grant is no longer available
- an increase in national top-slices
- a risk that partner agencies could reduce or withdraw their services which puts additional financial pressure on the police service
- some activities and funding could be moved to a regional or national basis that would remove funding from the Hampshire Policing Area. There is a risk that the removal of funding causes a financial difficulty that needs to be managed locally
- insufficient savings are identified or delivered to meet the forecast medium term budget shortfall, necessitating a draw from reserves to balance the budget in any one year
- National Police Air Support cost sharing arrangements are under review which is likely to result in an increase in charges. There is also a potential requirement to make large investment in replacement air fleet within the next 3 years
- the McCloud Pensions judgement leads to substantial remedy costs and payments to claimants over the next 2 years along with the cost of the remedy itself in respect of implementation costs and the additional benefits earned

- the earmarked reserves are insufficient to cover the pressures/risks to which they relate

These risks have been taken into account in assessing the minimum and overall level of reserves. My assessment is that it would be unlikely that all risks would arise in any one year, and that individually the risks can be managed. It would take a significant number of these risks to arise at the same time to be unmanageable through the available reserves in the short to medium term.

These identified risks are mitigated, to a certain extent, because the PCC:

- maintains an appropriate level of reserves and balances;
- has made prudent assumptions as to the level of future grant income, Uplift funding and precept increases which should limit the actual impact
- will proactively manage and monitor all aspects of budget performance during the year

Adequacy of Reserves

The PCC Chief Finance Officer has a responsibility to ensure that the level of reserves maintained is sufficient. The Police Reform and Social Responsibility Act 2011 states that only the PCC, and not the Chief Constable, is permitted to hold reserves.

The Chartered Institute of Public Finance and Accountancy (CIPFA) produces guidance on reserves, but the exact level of reserves to be held is left as a local decision due to the need to reflect individual circumstances. Whilst there are no firm requirements on the amount, it is clear that reserves must be held to ensure that the organisation is able to meet any unexpected liabilities. CIPFA warned that the use of reserves to deal with shortfalls in day-to-day spending would be a “recipe for significant financial problems.

The PCC continues to use reserves to pay for the cost of change that is required to meet both the financial challenge and the necessary investment to ensure that the Constabulary remains a modern, operationally effective Police Service.

Reserves are necessarily and appropriately held as part of good strategic financial management and are a key element in supporting the PCC’s medium-term planning and Medium Term Financial Strategy. Reserves held by the PCC are forecast to reduce in the medium term.

For 2021/22 a number of new earmarked Reserves have been created to recognise specific risk issues to funded over the medium term:

- i) **Grant Equalisation Reserve** - this reserve in the sum of £6m will be used to offset and manage future uncertainty in the level of Police grant (and is funded by a transfer from the Transformation reserve)
- ii) **Council Tax reserve** – this reserve will be utilised to manage any ongoing impact from COVID-19 of a Council Tax deficit arising from 2020/21 and any ongoing impact on council tax collection in 2021/22, and to manage and any ongoing impact (slow recovery/reduced growth) on the Council Tax Base

- iii) **Operation Magenta Reserve** – The reinvestigation of the historic events at Gosport War Memorial Hospital is an investigation of national importance. The PCC is currently able to apply for Special Grant from the Home Office to support 85% of expenditure annually, although it is anticipated that the available special grant could reduce to 75% in future years. The costs of the investigation on an annual basis are now significant, and at a 25% contribution rate would equate to a cost to be funded by the PCC of over £2m per annum over the next 2 years and possibly beyond (50% annual spend currently assumed for year 3). This new reserve has been set up to ensure that funding is set aside to meet these costs. The reserve, in the sum of £5.9m, has been funded via transfers from the General Fund Reserve and the Uplift Reserve
- iv) **Pension Remedy Reserve** – this reserve, in the sum of £3m, has been funded via a transfer from the General Fund reserve. It sets aside specific funding in recognition of the one off costs which will arise from implementation of the McCloud/Sargeant pension remedy judgment impacting Police Pensions

Further information on Reserves is provided in section 10 of the budget report, with significant detail set out in the Reserves Strategy which is Appendix H to the budget report.

Based on current planning assumptions, and taking into account the risks set out in section 13 of the budget report, the minimum general fund balance has been set at £5.5m. The actual balance of the reserve is forecast to be £6.4m (which is 1.7% of the 2020/21 net budget) at the end of March 2021, and then remaining at £6.4m for the period through until March 2025.

For the medium-term the general fund balance is therefore anticipated to be maintained at a level in excess of the minimum required.

The Earmarked reserves which are held, including the Transformation Reserve and the Uplift Reserve, are deemed to be appropriate, and their purpose has been set out in the Reserves Strategy. Earmarked reserves are forecast to reduce from £63.4m on 31st March 2021 to £15.8m by 31st March 2025.

As set out in the Reserves Strategy, my view on the adequacy of Reserves is as follows:

- i) the level of the General Fund reserve is reflective of the overall risk environment in which the PCC operates
- ii) the level of Earmarked reserves and their purpose are necessary and appropriate
- iii) the Transformation Reserve is prudent and necessary to meet the ongoing requirement for one off expenditure to meet the transformation required to ensure that in the years ahead the Constabulary remains a modern operationally effective police force.
- iv) the overall level of reserves is appropriate given the known financial pressures and risks faced by the PCC.

Reliability / accuracy of budget estimates

The estimates have been reviewed by qualified and experienced staff in the Finance team.

There are a significant number of risks around the estimation of future costs and income contained within the budget and MTFS proposals and these are clearly set out within this appendix and within the body of the budget report, together with comments on risk mitigation.

By themselves none of these risks are so significant that they could not be managed in isolation. However, collectively they represent potential risks which if they came to fruition individually or as multiple risks would impact the MTFS position, and if not managed could cause a gradual and escalating build-up of financial pressure on the PCC and Constabulary's financial position that would need to be managed in year as necessary and where appropriate over the course of the MTFS timeline.

Whilst COVID-19 has been and remains a risk to be managed, the impact on the Constabulary has so far been manageable, and the financial impact not significant or unmanageable. The position has been helped through the availability of government grant support, both for unavoidable expenditure (e.g. PPE, which is also now nationally funded via the Department of Health) and for 75% of income losses (after a 5% deductible) through the Sales, Fees and Charges scheme. The spending Review 2020 confirmed that the SFC scheme will operate for the first 3 months of the next financial year (April-June 2021), so will provide ongoing mitigation.

The risks will be closely monitored during the year and the next iteration of the MTFS will be updated accordingly.

Budget 2021/22 – Conclusion

Given the details outlined above, provided that the PCC considers the above factors which form part of the budget and MTFS and agrees the budget and MTFS as proposed, including the level of earmarked reserves and balances, a positive opinion can be given under Section 25 on the robustness of the estimates and level of reserves for 2021/22.

Cash Flow

As part of setting the budget, I have reviewed, together with the Chief Constable's CFO, the cash flow forecast for the period through until end of March 2022. The cash flow position remains very positive, and I have no concerns as to the cash position.

The minimum forecast cash balance over the next financial year (excluding cash investments with an investment term duration greater than 1 day) is £31.5m, with the maximum balance forecast to be £113m.

In practice, through effective treasury management throughout the year, surplus cash will be invested until required, ensuring that the OPCC keeps sufficient but not excessive cash available to meet the OPCC's day to day spending needs, while managing the risks involved (in line with the CIPFA code and the treasury management strategy). On that basis actual short term cash balances may be

less than forecast as surplus cash will be invested in periods longer than 1 day duration.

The Position Beyond 2021/22

Given the announcement of a one-year Spending Round for 2021/22, the PCC is still in the position of not knowing what the funding position is beyond a one-year planning horizon.

At this stage, in response to this position, the budget report for 2021/22 and the MTFS have been based on prudent funding assumptions, which should mean the PCC is well placed to respond to and manage changes to funding.

As set out earlier, the MTFS is necessarily based on prudent assumptions which do show budget shortfalls across the 3 years post 2021/22. However, whilst there are risks within the MTFS these have been mitigated as far as possible and it would take a significant change in the funding regime to create a scenario which the PCC and Chief Constable could not manage over the course of the MTFS through either planned budget reduction and/or draws from reserves.

Andrew Lowe

PCC Chief Financial Officer

Final Consultation Report - Budget 2021/22

Appendix J

See separate document



The Budget 2021/22



**POLICE & CRIME
COMMISSIONER**

Serving
Hampshire
Isle of Wight
Portsmouth
Southampton

Contents

Budget consultation 2021: What we've heard	3
Key highlights	3
Background	3
YouGov	4
Budget survey 2021	5
Consultation and focus group panel	6
Survey.....	6
Focus Group	7
Appendix 1: YouGov data tables.....	9
By district: Support or oppose 29ppw	9
By district: areas to prioritise to receive funding.....	10
By age/gender 5-way split: support or oppose 29ppw increase	11
By age/gender 5-way split: areas to prioritise to receive funding.....	12
By ethnicity: support or oppose 29ppw increase	13
By ethnicity: areas to prioritise to receive funding.....	14
Appendix 2: Budget survey 2021 data tables (Alchemer)	15
Participants by district	
Participant support/oppose of 29ppw increase by district	15
Participants by age	
Participants by age support/oppose 29ppw increase of precept.....	16
Participants by gender	
Participants by gender support/oppose 29ppw increase of precept	16
Participants by age/gender	17
Participants by age/gender support/oppose 29ppw	17
Participant's ethnicity	
Participants ethnicity support/oppose 29ppw increase of the precept.....	18
Appendix 3: Focus group and consultation panel.....	19
Participants by district	
Participants by district support/oppose 29ppw increase	19
Participants by age	
Participants by age support/oppose 29ppw precept increase	20
Participants by gender	
Participants by gender support/oppose 29ppw precept increase	20
Participants by age/gender	21
Participants by age/gender support/oppose 29ppw precept increase	21
Participants by ethnicity	
Participants by ethnicity support/oppose 29ppw precept increase	22

Priority areas by district 23
Priority areas by age/gender 24
Priority area by ethnicity..... 25

Budget consultation 2021: What we've heard

Key highlights

- A total of 8,348 responses during our four week budget consultation period.
- When asked, 66.1% of participants would support a 29p per week¹ increase in the precept.
- Support for the increase ranges across districts from 73.26% in Hart to 62.07% in Rushmoor.
- Where an increase in the precept should be spent: Crime prevention (34.26%); Youth diversion (29.14%); ASB (28.39%)
- Residents want to see accountability for the precept increase, an end of year review following the Chief Constables operational case for the 29p per week increase.

Background

This past year we have all faced unprecedented challenges. With the impact of Covid-19 we are together navigating the landscape as best as we can, with the resources available to us. Here at the OPCC we have continued to engage with our residents, ensuring their voices are heard and acted upon. The 2021/22 Budget consultation has been slightly different this year, our approach has been to utilise our open networks and publish online surveys², to utilise our YouGov survey 500 and to undertake a virtual focus group with members of the OPCC Consultation and Focus Group panel.

Hampshire and the Isle of Wight has a population of around 2 million residents (ONS est. 2020 1,991,338) with a near 50/50 gender split (female population 50.57%, male population 49.42%). With a predominantly white (92.9%) self-defined ethnicity for Hampshire residents, the districts of Southampton (7.47%) and Basingstoke and Deane (5.71%) see higher Asian populations, and Portsmouth (3.72%) and Southampton (3.54%) seeing higher populations of those self-defined as Black. Fareham sees a 100% British nationality population compared to Southampton where 20% of the population are non-British. Southampton (16.7% and 17%) and Portsmouth (15% and 16%) sees higher numbers of those aged 18- 24yrs and 24-34yrs compared to Hampshire and the Isle of Wight, those aged 65 and over are predominantly on the Isle of Wight (27.7%) and in Hampshire (21%).

Over 85% of the area covered by Hampshire County Council is rural whilst 85% of the population in Hampshire live on 15% of the land, with the majority living on the south coast and the north of the county.

Our diverse population generates much opportunity for engagement. This budget survey covers a 6 week consultation and engagement period from early December 2020 following the government's announcement of the Police and Crime Commissioners maximum precept increase to mid-January 2021. With a total of 8,348 responses from across multiple platforms here's what we've heard during our budget consultation period for 2021/22:

¹ Band D properties (6 out of 10 properties will pay less than this). This is a 7.10% increase, £15 a year.

² via Alchemer

YouGov

YouGov³ is a research and analytics organisation who have the ability to track and interact with the public on a wide range of topics and issues. Here at the OPCS we have invested into 'Profiles', this services allows us to better understand what the residents of Hampshire, Isle of Wight, Portsmouth and Southampton say and feel in relation to policing.



Our YouGov survey data is demographically weighted across our 14 districts to ensure the data is robust. Every 6 months we run a survey with 500 different residents. To date we now have 4000 demographically weighted responses to the core questions in our Survey 500 in tracking feelings of safety and sentiment to policing. Here we will be exploring the views of residents around the precept and where they would like to see any additional funding spent. For full data tables see appendix 1.

Our 500 residents demographically weighted across our 14 districts, in December 2020 told us:

- 67% of residents are in support of the 29ppw increase to the precept.
- The New Forest (77.03%), Eastleigh (76.71%) and Gosport (76.13%) are the districts which shows the highest support for the precept increase.
- Hart (41.20%), Southampton (46.60%) and the IOW (50.50%) are the districts showing the lowest support for the 29ppw increase.

Yes	67.01%
No	13.38%
Don't know	11.41%
I don't think the police needs increased funding	8.19%

Across all ages and gender breakdowns we see support in the 29ppw increase apart from females 18-24 at 37.69% compared to the average of all other females at 69.11%.

	Female 18-24	Female 25-34	Female 35-44	Female 45-54	Female 55+	Male 18-24	Male 25-34	Male 35-44	Male 45-54	Male 55+	All
Yes, I would	37.69%	59.16%	71.25%	56.37%	72.75%	64.53%	73.44%	61.88%	71.55%	74.13%	66.94%

When looking at ethnicity of participants 93.32% of the 500 participants are White British, this reflects the population of Hampshire and the Isle of Wight, with those from different ethnic backgrounds and our seldom heard groups making up the rest of our sample. Those who support the 29ppw increase are White British (66.16%), any other White background (78.96%) and Indian (76.37%).

³ <https://business.yougov.com/product/crunch>

We asked participants to select their top three priority areas for where police funding should be spent in relation to an increase in the precept. The top three areas residents want to see more funding in is:

- Crime prevention (34.26%)
- Youth diversion (29.14%)
- ASB (28.39%)

ASB is a priority area/area of concern for residents, this is highlighted each time we run our survey 500.

When looking across our districts we can see Gosport (58.26%), Basingstoke and Deane (48.15%) and Test Valley (47.38%) are the top three districts for selecting crime prevention as a priority area for further funding. Gosport (44.98%) and Test Valley (35.10%) also come out on top for selecting ASB alongside Havant (35.61%). We can also see that Eastleigh is the highest district in wanting knife crime prioritised (31.48%), Fareham is the highest district in wanting the effects of drug and alcohol abuse prioritised (24.96%) and the Isle of Wight shows violent crimes is a priority area (46.92%).

Crime prevention	34.26%
Youth diversion (i.e. activities/ ...	29.14%
Anti-social behaviour	28.39%
Violent crimes	26.77%
Theft (i.e. burglary and vehicle...	21.80%
Domestic abuse	18.60%
Knife crime	15.37%
Targeted operational policing	13.65%
Fraud/ scams	13.30%
Effects of drug and alcohol ab...	13.24%
Supporting victims	12.24%
Hate crime	8.60%
Cyber crime	8.33%
Road safety	7.41%
Police officer welfare/wellbeing	6.84%
Rural crime	6.15%
Don't know	5.94%
Increased police forensic capa...	5.24%
Business crime e.g. shoplifting	2.51%
Other	1.31%

We can see from our participants across age and gender females 18-24 see supporting victims (34.49%) more as a priority area compared to other age and genders. We know from our police data that those 18-24 are more likely to report being victims of a crime here in Hampshire and the Isle of Wight. Interestingly we can see that males 25-34 (16.50%) and Males 55+ (12.63%) select cybercrimes more than any other age or gender, this could be related to the types of fraud/scams these age groups are more likely to fall victim to e.g. 24-34 age group for sextortion and revenge porn vs 55+ for financial scams.

From the data, when exploring ethnicity we see that those who identify as Indian have selected knife crime (94.41%) as a priority area. Those who are White and Black Caribbean and Caribbean have selected youth diversion (100%) as a priority area. Those who prefer not to say their ethnicity, theft (71.97%) is a priority area of focus.

Budget survey 2021

Our initial engagement with residents around the budget 2021/22 started via a joint OPCC and Hampshire Constabulary Covid-19 survey to the public, seeking insight into thoughts and sentiment around the second lockdown period. A question was added between December 7th to 21st 2020. Participants were asked if they would be willing to pay more to the policing element of the council tax to maintain the police service here in Hampshire, Isle of Wight, Portsmouth and Southampton. Early insights showed us that 58.4% of participants would be willing to pay more and 17.5% didn't know.

This year our budget consultation survey ran for four weeks (17/12/2020 to 16/01/2021), this year we received a total of 5,427 responses with a 97% (5,191) completion rate. We've had a positive representation from across all districts (see appendix 2 for full data tables), with the top responding districts being:

- New Forest (9.08%)
- Eastleigh (8.97%)

- Basingstoke and Deane (8.68%)

Overall we've been told that 66.1% of participants would support a 29ppw increase in the precept. Support for the increase ranges across districts from 73.26% in Hart to 62.07% in Rushmoor. Looking at our 14 districts, the top three districts in support of the 29ppw increase are:

- Hart (73.26%)
- Test Valley (72.59%)
- Eastleigh (71.66%)

When looking at age and gender of our participants we see that 57.05% are male, 34.07% are female, 0.29% are trans and 3.2% of participants prefer not to say. The majority of participants were those ages 65-74yrs (25.06%) followed by those 55-64 (19.40%) and those 75+ (14.19%). Support for the increase ranged from 73% for those 75+ to 54.14% for those 25-34. Both males (64.92%) and females (74.58%) support the increase, however those trans (81.25%) and those who prefer not to say (75%) oppose the increase. We can see from the data that all males and females across all age groups are more than 50% in support, with the lowest level of support from males 25-34 (52.50%) and the highest level of support females 75+ (81.91%).

My age is:	Yes, I would	I don't know	No, I would not
15-17	57.14%		42.86%
18-24	68.89%	2.22%	28.89%
25-34	54.14%	3.87%	41.99%
35-44	60.49%	3.46%	36.05%
45-54	63.57%	2.95%	33.48%
55-64	62.30%	4.46%	33.24%
65-74	71.03%	5.00%	23.97%
75+	73.51%	4.94%	21.56%

Of the participants who took part 84.74% identify themselves as White British. Of those who are White British 68.86% support the increase proposed. Other ethnic groups supporting the increase are those who identify as Asian- Pakistani (60%), White and Black Caribbean (66.67%) and any other mixed background (77.27%) to name a few.

Consultation and focus group panel

Our consultation and focus group panel is made up of local residents who have a desire to share their thoughts and views around policing and keeping safe on a regular basis. They have signed up to become a panel member, and they each chose which surveys, consultations and focus groups to take part in. Currently this panel is made up of just over 400 participants from across all 14 districts. Representation from those under 35 is lower than we would like and for 2021 we have a focus to work on demographic representation of our panel members where possible.

Survey

We had a total of 127 responses with a 100% response rate to the budget survey via Alchemer. The questions asked were the same as our YouGov survey, seeking views on the support or opposition of the 29ppw increase and where residents would like to see any additional funding spent. There is a broad spread of completion of the survey across our districts with all 14 districts being represented, the lowest number of participants being in Hart at 2.36% to joint top 3 districts being represented at 10.24% are Test Valley, New Forest and Basingstoke and Deane.

Out of our 127 responses 66.9% support a 29ppw increase to the precept. Districts showing the most support for the increase are:

- Test Valley (92.31%)
- Eastleigh (88.89%)
- East Hampshire and Portsmouth (83.33)

Interestingly this data set show a 50/50 between our Southampton residents supporting and opposing the proposed increase. The district of Hart is in a three way tie for support, not knowing and opposition to the increase.

Of the 127 participants who took part, the majority of responses come from those aged 55-64 (22.05%), 65-74 (43.32%) and 75+ (18.11%). We can see that all age groups apart from those aged 45-54 support the 29ppw by at least 60%.

My age:	Yes, I would	Don't know	No, I would not	Not applicable - don't think policing need increased funding
18-24	100.00%			
25-34	66.67%		33.33%	
35-44	60.00%		40.00%	
45-54	36.36%	9.09%	45.45%	9.09%
55-64	67.86%		32.14%	
65-74	70.91%	3.64%	21.82%	3.64%
75+	69.57%	4.35%	21.74%	4.35%

When looking at gender, males make up 62.20% of participants and females 36.22%. Our female participants are more likely to support the increase with 78.26% compared to males at 59.49%. When looking at age and gender we can see all age groups and genders support the increase except for males 35-44 (50%) and 45-54 (25%). Of the participants who have taken part 87.40% identify themselves as White British. We can see that 69.37% of our White British participants support the 29ppw increase.

Anti-social behaviour	14.89%
Theft (i.e. burglary and ve...	9.68%
Knife crime	8.19%
Youth diversion	5.71%
Violent crimes	5.71%
Rural crime	5.46%
Effects of drug and alcoh...	5.46%
Targeted operational poli...	4.96%
Fraud/scams	4.96%
Domestic abuse	4.47%
Road safety	4.22%
Police officer welfare/wel...	4.22%
Other	4.22%
Cyber crime	4.22%
Crime prevention	3.23%
Business crime	1.99%
Increased police forensic ...	1.74%
Supporting victims	1.49%
Hate crime	0.74%
Don't know if policing nee...	0.25%

We can see from the table that the top three areas policing need to priorities according to our participants is:

- ASB (14.89%)
- Theft (9.68%)
- Knife crime (8.19%)

From the data, when looking at priority areas across our 14 districts we can see variance such as Gosport selecting officer welfare (13.64%) more than any other district, with a number of districts not selecting this as a priority area at all. The Isle of Wight has selected the effects of drug and alcohol more than any other district. Hart (33.33%), Eastleigh (25.93%) and the Isle of Wight (25%) all selected ASB the most.

The ethnicity of participants show they reflect the key themes across priority areas. Though with this participant set not being demographically representative, it does provide an insight into priority areas such as those who've identified as Asian-Indian have the top three priority areas of; knife crime (33.33%), violent crimes (33.33%) and business crime (33.33%). We can infer these participants experiences could be related to their occupation e.g. business owner who has experienced/seen violence.

Focus Group

While survey data (quantitative) is important to analyse, it is equally important to hear the narrative (qualitative) aspect of people's views too. Our focus groups this year were different to our usual process due to the current lockdown restrictions of Covid-19. We opted for a virtual approach to meet our residents, these were participants who volunteered from our consultation and focus group panel to share their thoughts and views on the precept.

We had 14 participants over two focus groups take part. Each focus group was for an hour and a half, and had an independent observer from the Police and Crime Panel to ensure the validity of each session taking place. Participants were shown a short video from the PCC⁴ introducing the focus group, followed by a 15 live minute talk from the Chief Constable Olivia Pinkney, then two slides highlighting the what the precept is, where current funding is spent, the current underfunding of Hampshire Constabulary from central government and the 29p per week increase being proposed.

We heard:

- Generally we heard reports of residents feeling safe in their community. Where residents stated they didn't feel safe there appeared to be a correlation to the lack of visible policing. One participant from Gosport highlighted that their local policing team have community officers who cycle around, that they see police presence and was surprised that this was unique to Gosport and wasn't seen in other areas.
- We heard residents want their lower level crimes to be investigated: *"Crime on your doorstep impacts public confidence more"*
- Most of our participants recognised that it is everyone's responsibility to help keep our communities safer and not just police: *"everybody has the responsibility to keep communities safer" and "safety is not equivalent to police"*.
- We did hear from residents asking *"more transparency"* and *"they need to tell us more about what they do and be open and honest on what they haven't done and what they have done and what they want to improve"*
- Assumption that everyone is on social media. This is an issue as those not on social media do not see any police presence and are not communicated with.
- We heard *"I am willing to pay more if the money goes in the right areas" and "willing to pay the top amount but the police need to be more accountable to us"*. The majority of participants are in support of paying the £15 increase on the condition that the police show they can achieve their priorities and meet the statements made as part of this process. Policing needs to be held accountable if they do not meet the expectations as presented to the public.
- Again discussion around those who may not be able to afford the increase, recognising that this increase is not just the precept but other key areas such as health and social care: *"if we want a top notch service, we are going to have to pay for it but the problem is it will hit the people who can least afford it"*

⁴ <https://www.youtube.com/watch?v=6p4xLJ2GSb4&feature=youtu.be>

Appendix 1: YouGov data tables

By district: Support or oppose 29ppw

	New Forest	Eastleigh	Gosport	Basingstoke and Deane	Fareham	Test Valley	Havant	Winchester	East Hampshire	Portsmouth	Rushmoor	Isle of Wight	Southampton	Hart	All
Yes, I would	77.03%	76.71%	76.13%	72.64%	71.24%	67.35%	66.45%	64.81%	63.90%	63.10%	60.50%	50.50%	46.60%	41.20%	66.94%
No, I would not	7.13%	6.36%	13.70%	15.06%	3.10%	6.91%	12.21%	21.78%	16.68%	7.41%	25.21%	17.33%	11.42%	24.14%	13.41%
Not applicable - I don't think policing needs increased funding	4.70%	7.24%	3.27%	3.82%	9.69%	10.99%	9.69%	5.36%	12.08%	9.85%	4.45%	16.32%	24.51%	13.96%	8.21%
Don't know	11.15%	9.69%	6.90%	8.48%	15.97%	14.74%	11.65%	8.05%	7.34%	19.64%	9.83%	15.84%	17.46%	20.70%	11.44%

By district: areas to prioritise to receive funding

	Crime prevention	Anti-social behaviour	Youth diversion (i.e. activities/ services designed to divert young people away from the cr..	Violent crimes	Theft (i.e. burglary and vehicle crime)	Domestic abuse	Knife crime	Effects of drug and alcohol abuse	Supporting victims	Targeted operational policing	Fraud/ scams	Hate crime	Cyber crime	Road safety	Police officer welfare/wellbeing	Rural crime	Increased police forensic capacity	Business crime e.g. shoplifting	Other
Isle of Wight	39.14%	31.72%	35.32%	46.92%	13.33%	24.64%	23.48%	21.10%	8.74%	4.98%	0.00%	5.48%	5.02%	9.99%	10.27%	2.74%	2.47%	2.51%	2.51%
Eastleigh	25.96%	34.13%	25.67%	30.25%	31.42%	24.45%	31.48%	7.52%	9.59%	19.23%	9.19%	10.41%	7.24%	9.03%	2.96%	0.00%	3.40%	3.40%	2.93%
Havant	18.01%	35.61%	27.56%	36.37%	20.34%	23.53%	14.79%	11.55%	19.27%	18.22%	12.34%	15.57%	6.20%	3.92%	15.17%	6.20%	3.24%	0.00%	0.00%
New Forest	39.35%	22.67%	32.73%	26.12%	25.32%	13.31%	16.48%	11.57%	2.27%	21.26%	20.76%	9.38%	14.54%	2.31%	2.18%	13.77%	7.01%	2.52%	0.00%
East Hampshire	27.71%	26.36%	31.87%	31.02%	21.15%	20.01%	9.47%	12.98%	11.81%	26.44%	12.53%	6.83%	5.05%	12.10%	11.98%	7.32%	7.72%	0.00%	0.00%
Gosport	58.26%	44.98%	31.06%	23.94%	14.54%	13.89%	6.72%	10.56%	13.21%	6.72%	17.56%	6.95%	3.27%	10.19%	6.72%	7.82%	3.24%	0.00%	0.00%
Basingstoke and Deane	48.15%	24.42%	29.01%	21.56%	16.64%	28.71%	14.92%	11.31%	15.75%	10.06%	9.62%	9.72%	9.96%	6.37%	6.48%	8.20%	4.99%	3.12%	0.00%
All	34.34%	28.46%	28.98%	26.83%	21.85%	18.64%	15.40%	13.04%	12.27%	13.68%	13.11%	8.61%	8.35%	7.43%	6.85%	6.16%	5.25%	2.52%	1.31%
Hart	23.47%	30.50%	13.91%	38.34%	30.43%	14.05%	16.54%	14.12%	7.00%	13.49%	21.80%	0.00%	3.71%	3.79%	0.00%	17.31%	13.76%	7.00%	3.71%
Rushmoor	30.04%	27.87%	39.12%	28.72%	18.12%	14.10%	23.80%	9.55%	20.54%	18.24%	9.40%	0.00%	13.90%	5.07%	5.07%	0.00%	0.00%	4.48%	4.48%
Portsmouth	37.27%	28.85%	13.55%	20.12%	33.59%	16.60%	13.59%	17.49%	3.77%	9.61%	5.64%	9.12%	6.28%	14.06%	11.62%	1.87%	9.74%	0.00%	2.47%
Fareham	15.05%	33.68%	27.87%	31.62%	34.32%	9.79%	15.65%	24.96%	6.76%	6.03%	15.57%	0.00%	9.13%	9.29%	2.93%	6.24%	0.00%	6.24%	0.00%
Test Valley	47.38%	35.10%	40.48%	10.26%	14.39%	14.01%	7.41%	11.02%	21.93%	7.04%	0.00%	13.63%	7.34%	10.52%	3.36%	0.00%	7.74%	0.00%	0.00%
Southampton	30.31%	27.05%	27.36%	24.54%	25.67%	16.00%	5.66%	15.51%	23.27%	3.57%	10.83%	8.96%	9.66%	3.79%	5.88%	0.00%	1.73%	1.96%	8.47%
Winchester	33.88%	8.46%	25.61%	18.70%	13.36%	18.51%	17.09%	14.15%	10.75%	8.23%	20.28%	17.18%	10.64%	8.23%	13.55%	0.00%	5.26%	2.91%	2.97%

By age/gender 5-way split: support or oppose 29ppw increase

Support or oppose 29p increase	Female 18-24	Female 25-34	Female 35-44	Female 45-54	Female 55+	Male 18-24	Male 25-34	Male 35-44	Male 45-54	Male 55+	All
Yes, I would	37.69%	59.16%	71.25%	56.37%	72.75%	64.53%	73.44%	61.88%	71.55%	74.13%	66.94%
Don't know	21.15%	28.41%	9.58%	18.66%	9.12%	1.61%	10.59%	13.12%	3.17%	8.15%	11.44%
No, I would not	17.69%	11.80%	12.97%	17.63%	11.32%	16.93%	3.99%	15.47%	19.47%	12.14%	13.41%
Not applicable - I don't think policing needs increased funding	23.46%	0.62%	6.19%	7.34%	6.81%	16.93%	11.97%	9.53%	5.80%	5.58%	8.21%

By age/gender 5-way split: areas to prioritise to receive funding

Areas to prioritise to receive funding	Female 18-24	Female 25-34	Female 35-44	Female 45-54	Female 55+	Male 18-24	Male 25-34	Male 35-44	Male 45-54	Male 55+	All
Anti-social behaviour	6.67%	27.18%	37.61%	36.80%	19.24%	15.33%	27.78%	30.94%	33.70%	39.26%	28.46%
Business crime e.g. shoplifting	0.00%	2.95%	2.80%	0.00%	2.51%	7.66%	7.29%	5.94%	0.00%	0.27%	2.52%
Crime prevention	37.69%	46.12%	35.40%	34.36%	33.86%	39.93%	43.05%	32.18%	29.43%	26.08%	34.34%
Cyber crime	7.82%	8.85%	6.19%	2.96%	7.81%	9.27%	16.50%	5.94%	2.63%	12.63%	8.35%
Domestic abuse	32.18%	20.18%	15.19%	29.86%	19.44%	7.66%	13.89%	19.68%	22.10%	12.35%	18.64%
Don't know	13.33%	9.47%	2.80%	9.78%	3.04%	3.21%	6.60%	9.53%	8.97%	2.62%	5.95%
Effects of drug and alcohol abuse	18.85%	6.52%	17.41%	8.36%	15.94%	1.61%	7.98%	12.50%	13.68%	17.11%	13.04%
Fraud/ scams	5.51%	6.52%	6.78%	10.81%	16.34%	15.33%	11.97%	5.94%	13.13%	21.26%	13.11%
Hate crime	16.54%	9.47%	17.41%	10.30%	6.81%	15.33%	3.99%	10.15%	3.72%	4.48%	8.61%
Increased police forensic capacity	0.00%	3.57%	2.80%	4.89%	12.11%	0.00%	3.30%	6.56%	3.72%	3.94%	5.25%
Knife crime	12.18%	12.42%	15.19%	17.12%	15.67%	9.27%	6.60%	22.03%	10.50%	22.09%	15.40%
Other	3.46%	0.00%	0.00%	2.45%	1.26%	0.00%	3.30%	2.97%	0.55%	0.55%	1.31%
Police officer welfare/wellbeing	1.15%	6.52%	11.21%	3.47%	4.82%	15.33%	9.90%	8.91%	10.50%	4.00%	6.85%
Road safety	6.67%	6.52%	11.21%	5.40%	5.82%	15.33%	7.98%	3.59%	7.88%	7.66%	7.43%
Rural crime	5.51%	5.90%	5.61%	4.89%	6.55%	15.33%	0.00%	2.97%	0.00%	10.77%	6.16%
Supporting victims	34.49%	20.66%	17.99%	2.45%	9.06%	22.99%	16.66%	6.56%	15.75%	2.90%	12.27%
Targeted operational policing	0.00%	12.42%	11.80%	7.85%	15.61%	7.66%	10.59%	5.94%	21.55%	22.85%	13.68%
Theft (i.e. burglary and vehicle crime)	7.82%	15.99%	28.62%	23.55%	16.20%	32.26%	25.86%	33.29%	21.12%	21.60%	21.85%
Violent crimes	13.33%	19.56%	17.99%	30.38%	39.42%	33.87%	7.98%	17.82%	27.35%	31.06%	26.83%
Youth diversion (i.e. activities/ services ...)	43.20%	31.37%	30.38%	29.86%	32.34%	22.99%	39.06%	15.47%	29.43%	21.81%	28.98%

By ethnicity: support or oppose 29ppw increase

Support or oppose 29p increase	Any other Asian background	Any other White background	Caribbean	Chinese	English/Welsh/Scottish/Northern Irish/British	Indian	Pakistani	Prefer not to say	White and Asian	White and Black African	White and Black Caribbean	All
Yes, I would	100.00%	78.96%	100.00%	85.43%	66.16%	76.37%	0.00%	70.87%	46.52%	17.31%	0.00%	66.35%
Don't know	0.00%	9.86%	0.00%	0.00%	12.24%	23.63%	30.77%	0.00%	0.00%	0.00%	0.00%	12.02%
No, I would not	0.00%	2.07%	0.00%	14.57%	13.55%	0.00%	69.23%	23.65%	0.00%	0.00%	0.00%	13.24%
Not applicable - I don't think policing needs increased funding	0.00%	9.11%	0.00%	0.00%	8.05%	0.00%	0.00%	5.48%	53.48%	82.69%	100.00%	8.39%

By ethnicity: areas to prioritise to receive funding

Areas to prioritise to receive funding	All	Any other Asian background	Any other White background	Caribbean	Chinese	English/Welsh/Scottish / No..	Indian	Pakistani	Prefer not to say	White and Asian	White and Black African	White and Black Caribbean
Anti-social behaviour	28.53%	0.00%	4.32%	0.00%	16.45%	28.43%	47.14%	0.00%	51.68%	100.00%	100.00%	0.00%
Business crime e.g. shoplifting	2.67%	0.00%	0.00%	0.00%	0.00%	2.32%	0.00%	0.00%	48.32%	0.00%	0.00%	0.00%
Crime prevention	33.84%	0.00%	31.44%	0.00%	0.00%	34.77%	29.22%	69.23%	0.00%	0.00%	17.31%	0.00%
Cyber crime	8.55%	100.00%	0.00%	0.00%	0.00%	8.65%	23.69%	0.00%	0.00%	0.00%	0.00%	0.00%
Domestic abuse	18.98%	100.00%	24.11%	0.00%	68.99%	18.77%	0.00%	69.23%	5.48%	0.00%	0.00%	100.00%
Don't know	5.77%	0.00%	20.63%	0.00%	0.00%	5.61%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
Effects of drug and alcohol abuse	13.60%	0.00%	1.94%	100.00%	0.00%	14.27%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
Fraud/scams	13.41%	0.00%	24.91%	0.00%	14.57%	13.57%	5.59%	0.00%	0.00%	0.00%	0.00%	0.00%
Hate crime	8.85%	0.00%	11.41%	0.00%	14.57%	8.86%	23.63%	0.00%	0.00%	0.00%	0.00%	0.00%
Increased police forensic capacity	4.94%	0.00%	0.00%	0.00%	0.00%	4.74%	0.00%	0.00%	22.55%	53.48%	0.00%	0.00%
Knife crime	14.38%	100.00%	2.25%	0.00%	0.00%	13.80%	94.41%	69.23%	0.00%	0.00%	0.00%	0.00%
Other	1.32%	0.00%	2.07%	0.00%	0.00%	1.36%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
Police officer welfare/wellbeing	7.22%	0.00%	0.00%	100.00%	0.00%	7.48%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
Road safety	7.76%	0.00%	11.55%	0.00%	16.45%	7.13%	0.00%	0.00%	48.32%	46.52%	0.00%	0.00%
Rural crime	6.21%	0.00%	9.27%	0.00%	0.00%	6.14%	0.00%	0.00%	0.00%	0.00%	82.69%	0.00%
Supporting victims	11.79%	0.00%	6.90%	0.00%	0.00%	12.37%	0.00%	0.00%	0.00%	0.00%	0.00%	100.00%
Targeted operational policing	14.03%	0.00%	0.00%	0.00%	0.00%	14.97%	5.59%	0.00%	0.00%	0.00%	0.00%	0.00%
Theft (i.e. burglary and vehicle cri..	21.67%	0.00%	27.70%	0.00%	85.43%	20.47%	23.63%	0.00%	71.97%	53.48%	100.00%	0.00%
Violent crimes	27.29%	0.00%	30.10%	0.00%	68.99%	26.76%	47.09%	30.77%	46.20%	46.52%	0.00%	0.00%
Youth diversion (i.e. activities/ser..	28.74%	0.00%	29.39%	100.00%	14.57%	29.55%	0.00%	0.00%	5.48%	0.00%	0.00%	100.00%

Appendix 2: Budget survey 2021 data tables (Alchemer)

Participants by district

District	
New Forest	9.08%
Eastleigh	8.97%
Basingstoke and Deane	8.68%
Havant	8.13%
Southampton	7.28%
Test Valley	7.26%
Fareham	6.45%
Rushmoor	5.34%
Isle of Wight	5.21%
Gosport	5.14%
Portsmouth	5.10%
Winchester	5.07%
Hart	4.75%
East Hants	4.40%
Null	9.12%

Participant support/oppose of 29ppw increase by district

District	Yes, I would	I don't know	No, I would not
Hart	73.26%	3.10%	23.64%
Test Valley	72.59%	3.30%	24.11%
Eastleigh	71.66%	3.90%	24.44%
Portsmouth	71.48%	5.05%	23.47%
Fareham	70.86%	2.00%	27.14%
Winchester	68.36%	2.18%	29.45%
Southampton	67.09%	5.06%	27.85%
Gosport	65.59%	2.15%	32.26%
Basingstoke and Deane	64.33%	7.01%	28.66%
Isle of Wight	63.96%	4.95%	31.10%
East Hants	62.76%	6.69%	30.54%
New Forest	62.47%	4.06%	33.47%
Havant	62.13%	4.54%	33.33%
Rushmoor	62.07%	4.14%	33.79%

Participants by age

My age is:	
15-17	0.13%
18-24	0.83%
25-34	3.34%
35-44	7.46%
45-54	12.49%
55-64	19.40%
65-74	25.06%
75+	14.19%

Participants by age support/oppose 29ppw increase of precept

My age is:	Yes, I would	I don't know	No, I would not
15-17	57.14%		42.86%
18-24	68.89%	2.22%	28.89%
25-34	54.14%	3.87%	41.99%
35-44	60.49%	3.46%	36.05%
45-54	63.57%	2.95%	33.48%
55-64	62.30%	4.46%	33.24%
65-74	71.03%	5.00%	23.97%
75+	73.51%	4.94%	21.56%

Participants by gender

Female	34.07%
Male	57.05%
Prefer not to say	3.02%
Trans	0.29%
Null	5.56%

Participants by gender support/oppose 29ppw increase of precept

What best describes your gender identity..	Yes, I would	I don't know	No, I would not
Female	74.58%	5.14%	20.28%
Male	64.92%	3.78%	31.30%
Prefer not to say	19.51%	5.49%	75.00%
Trans	18.75%		81.25%
Null	47.35%	13.25%	28.81%

Participants by age/gender

My age is:	Female	Male	Prefer not to say	Trans	Null
15-17	28.57%	42.86%	28.57%		
18-24	46.67%	46.67%	4.44%	2.22%	
25-34	50.83%	44.20%	4.97%		
35-44	46.67%	49.14%	3.95%	0.25%	
45-54	42.77%	53.83%	2.95%	0.15%	0.29%
55-64	40.36%	56.32%	2.94%	0.28%	0.09%
65-74	32.87%	65.07%	1.47%	0.15%	0.44%
75+	24.42%	73.38%	1.30%	0.52%	0.39%
Null	21.01%	41.49%	5.82%	0.43%	31.25%

Participants by age/gender support/oppose 29ppw

Would you support an increase of 29p per week (Base..)	Female									Male								
	Null	15-17	18-24	25-34	35-44	45-54	55-64	65-74	75+	Null	15-17	18-24	25-34	35-44	45-54	55-64	65-74	75+
Yes, I would	77.95%	100.00%	66.67%	59.78%	65.61%	73.10%	71.06%	81.43%	81.91%	69.09%	66.67%	71.43%	52.50%	59.80%	58.90%	58.68%	67.23%	72.21%
I don't know	5.64%		4.76%	5.43%	4.76%	3.10%	6.35%	4.92%	5.85%	3.64%			2.50%	2.01%	2.47%	3.04%	4.97%	4.60%
No, I would ..	16.41%		28.57%	34.78%	29.63%	23.79%	22.59%	13.65%	12.23%	27.27%	33.33%	28.57%	45.00%	38.19%	38.63%	38.28%	27.80%	23.19%

Participant's ethnicity:

I identify my ethnicity as:	
White British	84.74%
Null	8.09%
Other: Please state	2.65%
Any other white backgrou..	1.92%
White Irish	0.64%
Any other mixed backgrou..	0.41%
Asian - Indian	0.31%
Gypsy Roma Traveller	0.22%
White & Black African	0.15%
White & Asian	0.13%
Asian Bangladeshi	0.13%
Any other ethnic group	0.13%
Chinese	0.09%
Asian - Pakistani	0.09%
Black African	0.07%
Any other Black backgrou..	0.07%
White & Black Caribbean	0.06%
Black Caribbean	0.06%
Any other Asian backgrou..	0.04%

Participants ethnicity support/oppose 29ppw increase of the precept

I identify my ethnicity as:	Yes, I would	I don't know	No, I would not	Null
Any other Black backgrou..	100.00%			
Any other mixed backgrou..	77.27%		22.73%	
White British	68.86%	4.26%	26.88%	
Any other white backgrou..	67.31%	5.77%	26.92%	
White & Black Caribbean	66.67%		33.33%	
White Irish	65.71%	2.86%	31.43%	
Asian - Pakistani	60.00%		40.00%	
Asian - Indian	52.94%	5.88%	41.18%	
Any other Asian backgrou..	50.00%		50.00%	
Gypsy Roma Traveller	50.00%		50.00%	
Null	48.52%	11.16%	33.03%	7.29%
White & Asian	42.86%	14.29%	42.86%	
Chinese	40.00%		60.00%	
White & Black African	37.50%	12.50%	50.00%	
Black Caribbean	33.33%		66.67%	
Asian Bangladeshi	28.57%		71.43%	
Other: Please state	27.08%	4.17%	68.75%	
Black African	25.00%		75.00%	
Any other ethnic group	14.29%		85.71%	

Appendix 3: Focus group and consultation panel

Participants by district

District	
Test Valley	10.24%
New Forest	10.24%
Basingstoke and Deane	10.24%
Portsmouth	9.45%
Havant	9.45%
Southampton	7.87%
Rushmoor	7.09%
Fareham	7.09%
Eastleigh	7.09%
Winchester	5.51%
Gosport	5.51%
East Hampshire	4.72%
Isle of Wight	3.15%
Hart	2.36%

Participants by district support/oppose 29ppw increase

District	Yes, I would	Don't know	No, I would not	Not applicable - don't think policing need increased funding
Test Valley	92.31%		7.69%	
Eastleigh	88.89%		11.11%	
East Hampshire	83.33%			16.67%
Portsmouth	83.33%		16.67%	
New Forest	76.92%		15.38%	7.69%
Isle of Wight	75.00%		25.00%	
Winchester	71.43%	14.29%	14.29%	
Gosport	57.14%		42.86%	
Fareham	55.56%		33.33%	11.11%
Rushmoor	55.56%		44.44%	
Southampton	50.00%		50.00%	
Havant	50.00%	8.33%	41.67%	
Basingstoke and Deane	46.15%	7.69%	38.46%	7.69%
Hart	33.33%	33.33%	33.33%	

Participants by age

My age:	
18-24	1.57%
25-34	2.36%
35-44	3.94%
45-54	8.66%
55-64	22.05%
65-74	43.31%
75+	18.11%

Participants by age support/oppose 29ppw precept increase

My age:	Yes, I would	Don't know	No, I would not	Not applicable - don't think policing need increased funding
18-24	100.00%			
25-34	66.67%		33.33%	
35-44	60.00%		40.00%	
45-54	36.36%	9.09%	45.45%	9.09%
55-64	67.86%		32.14%	
65-74	70.91%	3.64%	21.82%	3.64%
75+	69.57%	4.35%	21.74%	4.35%

Participants by gender

Female	36.22%
Male	62.20%
Other - Write In	1.57%

Participants by gender support/oppose 29ppw precept increase

	Yes, I would	Don't know	No, I would not	Not applicable - don't think policing need increased funding
Female	78.26%	4.35%	17.39%	
Male	59.49%	2.53%	32.91%	5.06%
Other - Write In	100.00%			

Participants by age/gender

	Female	Male	Other - Write In
18-24		50.00%	50.00%
25-34	100.00%		
35-44	60.00%	40.00%	
45-54	27.27%	72.73%	
55-64	35.71%	64.29%	
65-74	38.18%	60.00%	1.82%
75+	26.09%	73.91%	

Participants by age/gender support/oppose 29ppw precept increase

	I identify my gender as: / My age:													
	Female						Male						Other - Write In	
	25-34	35-44	45-54	55-64	65-74	75+	18-24	35-44	45-54	55-64	65-74	75+	18-24	65-74
Yes, I would	66.67%	66.67%	66.67%	80.00%	80.95%	83.33%	100.00%	50.00%	25.00%	61.11%	63.64%	64.71%	100.00%	100.00%
Don't know			33.33%		4.76%						3.03%	5.88%		
No, I would not	33.33%	33.33%		20.00%	14.29%	16.67%		50.00%	62.50%	38.89%	27.27%	23.53%		
Not applicable - ...									12.50%		6.06%	5.88%		

Participants by ethnicity

I identify my ethnicity as:	
White British	87.40%
Prefer not to say	3.15%
Other - Write In	3.15%
Any other white backgrou..	1.57%
Any other mixed backgrou..	1.57%
White Irish	0.79%
White and Black Caribbean	0.79%
Gypsy Roma Traveller	0.79%
Asian- Indian	0.79%

Participants by ethnicity support/oppose 29ppw precept increase

I identify my ethnicity as:	Yes, I would	Don't know	No, I would not	Not applicable - don't think policing need increased funding
White British	69.37%	3.60%	23.42%	3.60%
Other - Write In	50.00%		50.00%	
Asian- Indian	100.00%			
Gypsy Roma Traveller	100.00%			
White Irish	100.00%			
Any other mixed backgrou..	50.00%		50.00%	
Any other white backgrou..	50.00%		50.00%	
Prefer not to say	25.00%		75.00%	
White and Black Caribbean			100.00%	

Priority areas by district

	Basingstoke and Deane	East Hampshire	Eastleigh	Fareham	Gosport	Hart	Havant	Isle of Wight	New Forest	Portsmouth	Rushmoor	Southampton	Test Valley	Winchester
Anti-social behaviour	13.16%	17.65%	25.93%	14.29%	18.18%	33.33%	20.93%	25.00%	7.89%	13.16%	3.45%	13.79%	14.63%	9.38%
Theft (i.e. burglary and vehicle crime)	13.16%	5.88%	18.52%	14.29%	13.64%	22.22%	4.65%	0.00%	15.79%	2.63%	0.00%	17.24%	9.76%	3.13%
Knife crime	7.89%	11.76%	7.41%	7.14%	9.09%	0.00%	6.98%	16.67%	7.89%	21.05%	0.00%	6.90%	7.32%	3.13%
Effects of drug and alcohol abuse	2.63%	5.88%	3.70%	7.14%	0.00%	0.00%	6.98%	25.00%	0.00%	7.89%	10.34%	3.45%	7.32%	3.13%
Violent crimes	5.26%	5.88%	11.11%	10.71%	4.55%	0.00%	4.65%	8.33%	2.63%	7.89%	3.45%	6.90%	2.44%	6.25%
Youth diversion	2.63%	0.00%	3.70%	7.14%	9.09%	0.00%	2.33%	0.00%	10.53%	2.63%	10.34%	6.90%	7.32%	9.38%
Road safety	2.63%	0.00%	3.70%	3.57%	0.00%	11.11%	2.33%	16.67%	0.00%	2.63%	6.90%	3.45%	7.32%	9.38%
Rural crime	7.89%	11.76%	0.00%	3.57%	0.00%	0.00%	0.00%	0.00%	7.89%	2.63%	6.90%	3.45%	17.07%	6.25%
Domestic abuse	7.89%	5.88%	7.41%	7.14%	4.55%	11.11%	4.65%	0.00%	2.63%	0.00%	6.90%	0.00%	2.44%	6.25%
Fraud/scams	0.00%	17.65%	7.41%	7.14%	0.00%	0.00%	6.98%	0.00%	7.89%	5.26%	0.00%	3.45%	7.32%	3.13%
Targeted operational policing	7.89%	5.88%	3.70%	0.00%	4.55%	0.00%	6.98%	0.00%	7.89%	2.63%	6.90%	6.90%	2.44%	6.25%
Police officer welfare/wellbeing	2.63%	5.88%	3.70%	0.00%	13.64%	0.00%	0.00%	0.00%	7.89%	7.89%	3.45%	3.45%	4.88%	3.13%
Cyber crime	7.89%	0.00%	3.70%	3.57%	4.55%	0.00%	4.65%	0.00%	7.89%	0.00%	10.34%	0.00%	0.00%	9.38%
Crime prevention	2.63%	5.88%	0.00%	10.71%	4.55%	11.11%	0.00%	0.00%	2.63%	5.26%	0.00%	3.45%	4.88%	0.00%
Other	5.26%	0.00%	0.00%	0.00%	4.55%	0.00%	11.63%	0.00%	2.63%	2.63%	6.90%	6.90%	2.44%	6.25%
Business crime	0.00%	0.00%	0.00%	0.00%	0.00%	11.11%	2.33%	0.00%	2.63%	5.26%	0.00%	6.90%	0.00%	3.13%
Increased police forensic capacity	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	2.33%	8.33%	2.63%	5.26%	6.90%	0.00%	0.00%	0.00%
Supporting victims	2.63%	0.00%	0.00%	0.00%	4.55%	0.00%	0.00%	0.00%	0.00%	2.63%	6.90%	0.00%	0.00%	3.13%
Hate crime	0.00%	0.00%	0.00%	3.57%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	3.45%	0.00%	0.00%	3.13%
Don't know if policing needs more funding	2.63%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%

Priority areas by age/gender

	Female						Male						Other - Write In	
	25-34	35-44	45-54	55-64	65-74	75+	18-24	35-44	45-54	55-64	65-74	75+	18-24	65-74
Anti-social behaviour	0.00%	11.11%	16.67%	16.67%	15.15%	11.11%	0.00%	16.67%	12.00%	14.29%	19.61%	12.50%	0.00%	0.00%
Knife crime	22.22%	22.22%	5.56%	13.33%	7.58%	16.67%	33.33%	0.00%	0.00%	7.14%	10.78%	0.00%	0.00%	0.00%
Theft (i.e. burglary and vehicle crime)	11.11%	22.22%	5.56%	6.67%	7.58%	5.56%	0.00%	33.33%	12.00%	7.14%	11.76%	10.71%	0.00%	0.00%
Other	0.00%	0.00%	0.00%	0.00%	4.55%	0.00%	0.00%	0.00%	8.00%	3.57%	2.94%	8.93%	33.33%	50.00%
Violent crimes	11.11%	0.00%	5.56%	6.67%	6.06%	0.00%	33.33%	16.67%	8.00%	5.36%	5.88%	3.57%	0.00%	0.00%
Effects of drug and alcohol abuse	22.22%	0.00%	0.00%	3.33%	1.52%	11.11%	0.00%	16.67%	0.00%	12.50%	3.92%	7.14%	0.00%	0.00%
Youth diversion	0.00%	0.00%	0.00%	6.67%	9.09%	11.11%	0.00%	0.00%	0.00%	10.71%	3.92%	3.57%	33.33%	0.00%
Business crime	22.22%	0.00%	11.11%	3.33%	1.52%	5.56%	33.33%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
Police officer welfare/wellbeing	0.00%	11.11%	5.56%	3.33%	4.55%	0.00%	0.00%	16.67%	4.00%	1.79%	6.86%	1.79%	0.00%	0.00%
Fraud/scams	0.00%	11.11%	5.56%	10.00%	6.06%	0.00%	0.00%	0.00%	8.00%	0.00%	5.88%	5.36%	0.00%	0.00%
Domestic abuse	0.00%	11.11%	5.56%	13.33%	6.06%	5.56%	0.00%	0.00%	0.00%	1.79%	3.92%	3.57%	0.00%	0.00%
Cyber crime	11.11%	0.00%	5.56%	0.00%	4.55%	11.11%	0.00%	0.00%	0.00%	5.36%	2.94%	7.14%	0.00%	0.00%
Rural crime	0.00%	11.11%	5.56%	3.33%	9.09%	0.00%	0.00%	0.00%	0.00%	5.36%	6.86%	5.36%	0.00%	0.00%
Targeted operational policing	0.00%	0.00%	11.11%	6.67%	3.03%	0.00%	0.00%	0.00%	8.00%	3.57%	4.90%	8.93%	0.00%	0.00%
Road safety	0.00%	0.00%	5.56%	0.00%	3.03%	5.56%	0.00%	0.00%	12.00%	7.14%	1.96%	7.14%	0.00%	0.00%
Crime prevention	0.00%	0.00%	0.00%	3.33%	3.03%	11.11%	0.00%	0.00%	8.00%	1.79%	3.92%	1.79%	0.00%	0.00%
Supporting victims	0.00%	0.00%	5.56%	3.33%	1.52%	0.00%	0.00%	0.00%	8.00%	1.79%	0.00%	0.00%	0.00%	0.00%
Increased police forensic capacity	0.00%	0.00%	0.00%	0.00%	1.52%	5.56%	0.00%	0.00%	4.00%	5.36%	0.98%	0.00%	0.00%	0.00%
Hate crime	0.00%	0.00%	5.56%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	1.79%	0.00%	1.79%	0.00%	0.00%
Don't know if policing needs more funding	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	1.79%	0.00%	0.00%

Priority area by ethnicity

	Any other mixed background	Any other white background	Asian- Indian	Gypsy Roma Traveller	Other - Write In	Prefer not to say	White and Black Caribbean	White British	White Irish
Knife crime	0.00%	16.67%	33.33%	0.00%	11.11%	0.00%	33.33%	8.15%	0.00%
Theft (i.e. burglary and vehicle crime)	16.67%	16.67%	0.00%	0.00%	0.00%	15.38%	33.33%	9.55%	0.00%
Cyber crime	16.67%	16.67%	0.00%	0.00%	0.00%	7.69%	33.33%	3.65%	0.00%
Fraud/ scams	16.67%	16.67%	0.00%	33.33%	0.00%	0.00%	0.00%	4.78%	0.00%
Road safety	0.00%	16.67%	0.00%	33.33%	11.11%	0.00%	0.00%	3.93%	0.00%
Police officer welfare/wellbeing	16.67%	0.00%	0.00%	33.33%	0.00%	0.00%	0.00%	4.21%	0.00%
Other	0.00%	0.00%	0.00%	0.00%	11.11%	7.69%	0.00%	3.93%	25.00%
Youth diversion	0.00%	16.67%	0.00%	0.00%	0.00%	0.00%	0.00%	5.90%	25.00%
Violent crimes	0.00%	0.00%	33.33%	0.00%	0.00%	7.69%	0.00%	5.90%	0.00%
Business crime	0.00%	0.00%	33.33%	0.00%	0.00%	7.69%	0.00%	1.69%	0.00%
Anti-social behaviour	0.00%	0.00%	0.00%	0.00%	11.11%	15.38%	0.00%	16.01%	0.00%
Targeted operational policing	0.00%	0.00%	0.00%	0.00%	0.00%	7.69%	0.00%	5.06%	25.00%
Increased police forensic capacity	16.67%	0.00%	0.00%	0.00%	11.11%	0.00%	0.00%	1.40%	0.00%
Crime prevention	16.67%	0.00%	0.00%	0.00%	0.00%	7.69%	0.00%	3.09%	0.00%
Effects of drug and alcohol abuse	0.00%	0.00%	0.00%	0.00%	11.11%	7.69%	0.00%	5.62%	0.00%
Rural crime	0.00%	0.00%	0.00%	0.00%	11.11%	0.00%	0.00%	5.90%	0.00%
Domestic abuse	0.00%	0.00%	0.00%	0.00%	0.00%	7.69%	0.00%	4.78%	0.00%
Don't know if policing needs more funding	0.00%	0.00%	0.00%	0.00%	11.11%	0.00%	0.00%	0.00%	0.00%
Supporting victims	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	1.69%	0.00%
Hate crime	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.84%	0.00%

HAMPSHIRE POLICE AND CRIME PANEL

Report

Date considered:	29 January 2021
Title:	Police and Crime Commissioner – Police and Crime Plan Update
Contact:	Office of the Police and Crime Commissioner
Email:	Hampshire.pcp@hants.gov.uk

1. Purpose of this report

- 1.1 The purpose of this report is to receive an update from the Police and Crime Commissioner on Police and Crime Plan Delivery.

2. Recommendations

- 2.1. That the Panel notes the update against the Police and Crime Plan.

Section 100 D - Local Government Act 1972 - background documents

The following documents discuss facts or matters on which this report, or an important part of it, is based and have been relied upon to a material extent in the preparation of this report. (NB: the list excludes published works and any documents which disclose exempt or confidential information as defined in the Act.)

Document

Location

This page is intentionally left blank



Serving
Hampshire
Isle of Wight
Portsmouth
Southampton

Police & Crime Plan for Our Safer Futures 2020-22

Delivery Plan Update

Police and Crime Panel ~ 29 January 2021

Delivery Plan

Police & Crime Plan 2020-2022

Critical success factors

Supporting our people

Wellbeing, Equality & Inclusion, Staff Engagement

Stakeholder engagement

Central Gov, National, Regional, Local, Police, PCP

Administration & office management

Public Contact, Exec Office, Admin/Office Support

Governance & standards

Legal, Policy, Audit, Information Management

Communications

Public, Media, Communities, Internal Accounts

Portfolio management

Delivery Plan, Strategic Risk

Estate management

Police Estate, OPCC Current & Future Requirements

Strengthen Partnerships

Wider Criminal Justice System

Efficient & Effective Policing

Community Needs & Public Engagement

Objectives 2020-2021

1. Develop better access to services for victims of domestic abuse & sexual crime by April 2021

2. Sustain commissioned services with partners through COVID

3. Effective delivery and scrutiny of partnership services

1. Further improvements to the support of victims and witnesses enabling an increase in successful prosecutions

2. Support CJS partners through COVID response and recovery via LCJB

3. Engage in review of rape case management by CPS and 3 forces for spring 2021

1. Develop a centralised partner intelligence hub

2. Scrutiny of policing response to current challenges

3. Deliver Safer Streets bid by March 2021

1. Delivery of Uplift and improvement projects

2. Support force wellbeing initiatives

3. Support COVID-19 recovery plans

1. Improve public understanding of high harm non geographic vs local and very local policing models

2. Crime prevention including grants rounds and public awareness campaigns

3. Build public confidence in policing and CJS with a focus on community cohesion

Business Plan – PCC Statutory Responsibilities

Supporting our people

Wellbeing, Equality & Inclusion, Staff Engagement

Administration & office management

Public Contact, Exec Office, Admin/Office Support

Communications

Public, Media, Communities, Internal Accounts

Portfolio management

Delivery Plan, Strategic Risk

Criminal Justice

- Local Criminal Justice Board
CPS, Police, Probation, Courts, Prisons
- Fire

Public Engagement & Consultation

- Youth Commission
- Cyber Ambassadors
- Public Consultation inc precept
- Publications inc Annual Report
- Presentations & Films
- Campaigns & Events

Performance

- Scrutiny panels
- COMPASS
- ICV Scheme
- Police scrutiny programme
- Consultation response
- HMIC response

Commissioning & Partnerships

- Safer Communities grant rounds
- Commissioning of services for victims & offenders
- Contract/grant management & evaluation
- Violence Reduction Unit
- Modern Slavery Partnership
- Out of Court Disposals
- Community Remedy

Stakeholder Engagement

- MPs
- Leaders & Councillors
- CSP Portfolio Holders
- Research, Reports, Briefings
- Chief and Deputy
- Key correspondence

Standards

- PCC Elections 2021
- Police Complaints
- Information management
- HCC Shared Services
- Legal
- IT service and support
- Policy management
- FOI & RFI
- Police Collaboration

Estates

- Estate Management
 - Facilities Management
 - Property Maintenance
- Estate Strategy
- Programmes and Projects

Plan Delivery

- Delivery Plan development & monitoring
- Police & Crime Panel reporting
- PCC Decisions
- Strategic risk management

Finance

- Precept Setting
- Police budget & MTFS
- Monitoring Final accounts
- Annual Governance Statement
- Treasury Management
- Pensions
- Audit inc Joint Audit Committee

Delivery Progress – key highlights



Violence Reduction Unit

- Successful bid for Home Office funding – extra £50k to be distributed to our VRUs
- Youth Commission launch of the Basingstoke Peace Project
- VRU Offender Project launched

Delivery Progress – key highlights

Safer Streets

- Reducing persistent and disproportionate acquisitive crime that affects residents
- Through problem-oriented policing initiatives and ‘target hardening’ (physically protecting property)
- Multi-agency approach with police, community groups, residents, businesses, partners



Page 127



Decisions

Summary of recent decisions approved by the Police and Crime Commissioner

Title	Date approved	Summary
<p>To commence the tender process for a new more comprehensive contract combining services for adults, children and young people who were victims of rape, sexual assault or sexual abuse, across Hampshire, Portsmouth and Southampton (ID: 562)</p>	Oct-20	<p>Approved commencement of procurement of a new all-age Independent Sexual Violence Advisor (ISVA) Service across the combined area of Hampshire, Portsmouth and Southampton commencing April 2022.</p> <p>Note: A further Decision Request will be brought back to the Police and Crime Commissioner prior to award to seek final approval to proceed.</p>
<p>To sustain existing key services for 12 months to enable significant opportunities to improve the long term support, capacity and quality of services provided to this vulnerable cohort at risk of and suffering sexual violence (ID: 561)</p>	Oct-20	<p>Approved extension of the funding contribution from April 2021 for the Hampshire/Portsmouth Independent Sexual Violence Advisor (ISVA) Service for 12 months with the option to extend.</p> <p>Funding of £138,162 allocated for 12 months with the option to extend, for the provision of the Independent Sexual Violence Advisor (ISVA) service across the combined area of Hampshire and Portsmouth to align with the Hampshire County Council contract period. This is subject to the funding being forthcoming from the Ministry of Justice.</p>

Decisions

Summary of recent decisions approved by the Police and Crime Commissioner

Title	Date approved	Summary
Vulnerable children's charities - micro charity COVID-19 support fund (ID: 575)	Oct-20	Approved funding of £74,000 , awarded by the Home Office to the Violence Reduction Unit, to support grassroots community based micro charities from Hampshire, Isle of Wight, Portsmouth and Southampton recovery from the impact of COVID-19.
Drawdown of £2 million from the surety held by the Office of the Police and Crime Commissioner (OPCC) to mitigate against ACRO Criminal Records Office risk and liabilities. (ID: 574)	Oct-20	Approved a request from the ACRO Criminal Records Office Governance Board to draw down £2 million from the surety fund held by the OPCC to mitigate against ACRO risks and liabilities. ACRO Governance Board required to keep the PCC fully appraised of developments in returning the surety to its original level of £4 million.
[INVESTMENT in POLICING] Tackling rural crime - Police and Crime Commissioner to invest in an improved Intelligence and Analysis of rural criminality to equip Hampshire Constabulary with more effective tools to keep our rural communities SAFER (ID: 573)	Oct-20	Approved a one-off funding of £6,000 to fund the development and build of rural policing intelligence tool.

Decisions

Summary of recent decisions approved by the Police and Crime Commissioner

Title	Date approved	Summary
<p>To allocate funding to provide a Domestic Abuse Perpetrator focused programme across Hampshire, Isle of Wight, Portsmouth and Southampton following a successful application to the Home Office (ID: 581)</p>	<p>Oct-20</p>	<p>Approved allocation of funding of £244,492 received from the Home Office to the following organisations : £60,000 – Hampshire Constabulary; £49,992 – Portsmouth City Council; £134,500 – The Hampton Trust</p>
<p>To allocate additional funds for the provision of Sexual Crime Therapeutic Support to support victims of rape, sexual abuse and sexual assault (ID: 580)</p>	<p>Oct-20</p>	<p>Approved the allocation of additional funding of £160,571 per annum for April 2020 to March 2022 from the grant funding allocated by the Ministry of Justice for the provision of Sexual Crime Therapeutic Support across the areas of Hampshire, Isle of Wight, Portsmouth and Southampton. This is subject to the funding being forthcoming from the Ministry of Justice.</p>
<p>Providing a pilot intervention to the New Forest that seeks to improve the lives of victims of Domestic Abuse in a rural area and reduces their risk and vulnerability (ID: 577)</p>	<p>Oct-20</p>	<p>Approved funding of £11,039 for allocation to a Rural Communities Worker project in the New Forest as part of the Safer Communities Grant Fund for 2020/21. This funding will support community priorities as set out in the Police and Crime Commissioner’s Police and Crime Plan by providing support to victims of Domestic Abuse in the rural area of the New Forest, and reduce their risk and vulnerabilities to make them safer.</p>

Decisions

Summary of recent decisions approved by the Police and Crime Commissioner

Title	Date approved	Summary
<p>[INVESTMENT in POLICING] Governance document to enable delivery by host force of national Forensic Collision Investigation Network – Section 22A Agreement (ID: 579)</p>	<p>Nov-20</p>	<p>Approved a Section 22A Collaboration Agreement in the interests of the effectiveness or efficiency of one or more policing bodies or police forces: Forensic Collision Investigation Network (FCIN).</p>
<p>Authorisation of a tender process to progress a contracted service for the Out of Court Domestic Abuse intervention across Hampshire, Isle of Wight, Portsmouth and Southampton from Apr-21 to Mar-24 (ID: 576)</p>	<p>Nov-20</p>	<p>The PCC approves the tender process and funding of £100,000 per annum for up to three years for the Out of Court Domestic Abuse intervention contract across Hampshire, Isle of Wight, Portsmouth and Southampton from 1-Apr-21 to 31-Mar-24.</p>
<p>Investment to ensure consistency of Domestic Abuse provision across the four top tier Local Authorities (ID: 570)</p>	<p>Nov-20</p>	<p>Contributes to the Police and Crime Commissioner’s strategic approach to Domestic Abuse support and will strengthen partnerships, build resilience and most importantly provide improved outcomes for its residents through a service shaped by the community voice. Approved funding of £162,650 per annum for the Integrated Domestic Abuse contract in Portsmouth from 1-Apr-21 to 31-Mar-27.</p>

Decisions

Summary of recent decisions approved by the Police and Crime Commissioner

Title	Date approved	Summary
<p>[INVESTMENT in POLICING] Approval for virement to support the procurement of an upgrade to the existing force access system (ID: 584)</p>	Dec-20	Approved a financial virement of £208,227 and a waiver of the contract standing orders to support the procurement of an upgrade to the existing force access system.
<p>[INVESTMENT in POLICING] Approval for virement to support laptop procurement to improve organisational resilience and business continuity (ID: 583)</p>	Dec-20	Approved a financial virement of £124,500 from the revenue budget to support laptop procurement to improve organisational resilience and business continuity within Hampshire Constabulary in light of the lessons learned from the impact of COVID-19.
<p>[INVESTMENT in POLICING] Advancement of Equality and Inclusion in Hampshire Constabulary (ID: 582)</p>	Dec-20	Approved the allocation of £861,737 from the reserves to fund the advancement of Equality and Inclusion in Hampshire Constabulary.

Page 132

Decisions– key highlights

Investment in policing

- £861,737 awarded to fund the advancement of Equality and Inclusion in Hampshire Constabulary
- Holistic approach to equality across the organisation at all ranks, grades and roles
- Integrating a bespoke, sustained and continuous training plan





POLICE & CRIME
COMMISSIONER

Serving
Hampshire
Isle of Wight
Portsmouth
Southampton

HAMPSHIRE POLICE AND CRIME PANEL

Report

Date considered:	29 January 2021
Title:	Work Programme
Contact:	Democratic Services Officer to the Panel
Email	hampshire.pcp@hants.gov.uk

1. Executive Summary

1.1. The purpose of this paper is to set out the work programme for the Panel.

2. Legislative Context

2.1. It is for the Panel to determine its number of meetings. It is anticipated that the Panel will require a minimum of four ordinary meetings in public in each municipal year to carry out its functions.

2.2. In addition to the scheduled ordinary meetings, additional meetings may be called from time to time, in accordance with the Panel's Rules of Procedure (see Rule 1).

2.3. The Panel may also be required to hold additional meetings should the Commissioner wish to appoint to specific posts within their staff, or should a non-serious complaint be made against the Commissioner which requires the full Panel to consider it.

3. Recommendations

3.1 That the work programme, subject to any recommendations made at the meeting, is agreed.

WORK PROGRAMME – POLICE AND CRIME PANEL

Appendix One

Item	Issue	Item Lead	Status and Outcomes	3 July 2020	2 October 2020	29 January 2021	12 March 2021
SCRUTINY ITEMS							
Precept	To consider and take a decision on the PCC's proposed precept	OPCC	To be considered January 2021			X	
OVERVIEW ITEMS							
Annual Report	To receive the annual report of the PCC for the previous year	OPCC	Annual report to be received October 2020		X		
Annual Report	To provide an overview of the PCPs work for the previous year.	PCP	Annual report to be considered July 2020	X			

Item	Issue	Item Lead	Status and Outcomes	3 July 2020	2 October 2020	29 January 2021	12 March 2021
PCP Grant Budget	To agree the proposed budget for the next financial year, and to review the previous years spend	PCP	Budget for 2020/21 to be agreed July 2020	X			
ONGOING ITEMS OF INTEREST							
Collaboration	To work with other PCPs in the South to understand how PCCs are working in collaboration	PCP	Ongoing – update provided during Chairman’s announcements	X	X	X	X
Covid-19 Pandemic	To understand the impact of the Covid-19 pandemic on the budget position, funding and the delivery of operational policing and community safety.	OPCC	To receive an update through the Commissioners Announcements		X	X	X

Item	Issue	Item Lead	Status and Outcomes	3 July 2020	2 October 2020	29 January 2021	12 March 2021
Police Recruitment	To understand progress against police recruitment targets by Hampshire Constabulary	OPCC	Ongoing – update to each meeting of the Panel	X	X	X	X
Contact Management Platform (CMP)	To understand progress against delivery of the CMP, including budgetary implications.	OPCC	Ongoing – next date for consideration to be confirmed	X			
Commissioning Strategy	To understand the PCC's commissioning strategy	OPCC	Ongoing – next date for consideration to be confirmed				
Estates Strategy	To understand progress made with the Estates strategy	OPCC	Ongoing – next date for consideration to be confirmed				

Item	Issue	Item Lead	Status and Outcomes	3 July 2020	2 October 2020	29 January 2021	12 March 2021
GOVERNANCE ITEMS							
Election of Chairman / Vice Chairman	Election of Chair and Vice Chairman for 2019/20	PCP	Occurs at each AGM	X			
Complaints against the PCC	To provide an overview update annually on complaint activity	PCP	To be reviewed at each AGM.	X			
STANDING ITEMS							
Police and Crime Plan Implementation	An update on the progress made with implementing the priorities of the Plan	OPCC	Monitoring implementation of the Police and Crime Plan	X	X	X	X

This page is intentionally left blank