



Dorset Police and Crime Panel

Minutes of a meeting held at County Hall, Dorchester
on 6 February 2014

Present: **Members**

Borough Poole

Judy Butt

Co-opted members:

Phil Goodall

Bournemouth Borough Council

John Adams (Chairman)

Co-opted members:

Malcolm Davies

Dennis Gritt

David Smith

Dorset County Council

Fred Drane

Ian Gardner

North Dorset District Council

Audrey Burch

East Dorset District Council

Malcolm Birr

Christchurch Borough Council

Bernie Davis

Purbeck District Council

Ali Patrick

West Dorset District Council

John Russell (Vice-Chairman)

Weymouth & Portland Borough Council

Geoff Petherick

Independent members

Iain McVie

Mike Short

Officer advisers to the Police and Crime Panel:

Debbie Ward, Chief Executive, Dorset County Council

Andy Frost, Strategic Manager DAT & Community Safety, Dorset County Council

Adam Richens, Finance Lead Officer to the Dorset Police and Crime Panel, Borough of Poole

Fiona King, Senior Democratic Services Officer, Dorset County Council

Also in attendance:

Richard Bates, Treasurer to the Police and Crime Commissioner

John Jones, Assistant Chief Officer

Debbie Simpson, Chief Constable

Dan Steadman, Chief Executive to the Police and Crime Commissioner

Martyn Underhill, Dorset Police and Crime Commissioner (PCC)

(Note: These minutes have been prepared by officers as a record of the meeting and of any decisions reached. They are to be considered and confirmed at the next meeting of the Dorset Police and Crime Panel on **5 June 2014**.)

Apology

1. An apology for absence was received from Ann Stribley, Borough of Poole.

Code of Conduct

2. There were no declarations by members of any disclosable pecuniary interests under the Code of Conduct.

Minutes

3. The minutes of the meeting held on 7 November 2013 were confirmed and signed.

Matters ArisingMinute 66.15 – Drunk Tanks

4. The Commissioner advised members that this was being dealt with in communication with the Chief Constable and undertook to update members at their next meeting in June.

Minute 66.25 – ‘101’ Service

5. Following a question from a member from Bournemouth Borough Council about ‘101’ calls, the Commissioner replied that many calls were not police related and were from members of the public asking for advice about non police matters. The Chief Constable offered members the opportunity, outside of the meeting, to listen to some of the calls that were received.

Minute 69.1 – Station Desk Closures

6. The Chief Constable advised members that the consultation had been extended until March 2014 as a result of initial feedback. Her officers were engaged with partners and were looking at all suggestions.

Public ParticipationPublic Speaking

7.1 There were no public questions received at the meeting in accordance with Standing Order 21(1).

7.2 There were no public statements received at the meeting in accordance with Standing Order 21(2).

Petitions

8. There were no petitions received in accordance with the County Council's petition scheme at this meeting.

Precept Approval

9.1 The Panel considered a report by the Treasurer to the Police and Crime Commissioner which set out the proposed 2014-15 precept of the Police and Crime Commissioner for Dorset.

9.2 The Treasurer advised members that the option of increasing council tax by 1.96% was supported by the Commissioner rather than accepting a further freeze grant worth only 1% as this would contribute towards the sizeable budget gap which still existed and would help to minimise the impact on front line policing.

9.3 The Commissioner addressed members prior to taking any questions and his speech is attached as an Annexure to these minutes.

9.4 The Chairman advised members on their options with regards to their decision to be made and invited them to focus their questions on the underspend, the Reserves and Capital Investment.

9.5 Members received a presentation from the Treasurer which set the financial context by highlighting the changes in formula funding and the cost pressures facing the

Dorset Police and Crime Panel – 6 February 2014

Police in 2016/17. He also shared with member's feedback from the public consultation on the precept proposals and noted the Commissioner's request to officers to work towards a freeze on the precept for 2015/16.

9.6 The Chairman put the following question on the application of the 2013/14 underspend to the Police and Crime Commissioner, who responded accordingly:

- 1) As part of the Dorset Police & Crime Plan – Quarter 3 report to this panel later on this Agenda it can be established that the current in-year budget of £114.3m was being underspent by around £2.7m with the underspend being redirected towards a £1.6m investment in the capital programme, an investment of £685,000 into the one-site programme, £303,000 into general balances and £175,000 into a Commissioning Reserve. Can the Commissioner please confirm his reasoning for using the underspend in this manner?

The Treasurer responded that Dorset Police was making significant steps to reduce its ongoing expenditure, and is currently achieving savings in excess of those anticipated within the budget. Although many of these savings cannot be assured in future years, they do provide a one off source of funding, the use of which requires consideration.

The Commissioner considered that it was entirely appropriate to invest now in areas that will either produce ongoing performance benefits, or allow investment that will lead to more permanent cashable savings. A large number of potential schemes were identified by the Force and the Office of the Police and Crime Commissioner (OPCC) and these were screened and challenged by the Chief Officer Team.

Schemes such as the one site move will achieve both long term financial and performance benefits. Similarly, the £1.6m transfer to capital a) reduces part of the currently unfunded shortfall on capital financing (£1m), which would otherwise need including in future year revenue budgets and b) allows investment in technology and other schemes that will enable the organisation to reduce revenue costs in the long term, such as ANPR. The transfer of £303k to general balances will be used to enhance operational performance in 2014/15, with investments in No Excuse, domestic violence campaign, and to enhance partnership working to address mental health and troubled families issues. Finally, the £175k one off investment in the Commissioning Reserve will allow the financing of numerous partnership activities, each with a positive benefit on Dorset Police's performance, which would simply not be achievable without this investment.

9.7 Members were invited to ask supplementary questions to which the Treasurer and Commissioner responded:

- *Is the commissioning reserve on top of the 3%? Some is spent in the current financial year but the remaining balance will be carried forward and spent during the rest of the Commissioner's term.*
- *What is the £303k invested for in revenue proposals? This is one-off money to be used for one-off projects, as detailed in the answer to the initial question.*
- *£175k for partnership working, does this include the voluntary sector other partners? The idea of the reserve is to deal with one-off requests, probably from a whole host of different areas as they come in, including the voluntary sector.*
- *Could the underspend be used to lower the precept? This had to be considered in the context of medium term financial planning. Using a one-off*

underspend would not help address the long term budget gap the Police are facing.

- *Would the different campaigns have still happened if there was not the £303k in the revenue budget? They would have been prioritised against other commitments. It took investment to carry out these campaigns in order to help protect communities and allow police officers to do their jobs more effectively.*

9.8 Independent Member Mike Short put the following questions on Reserves to the Police and Crime Commissioner, who responded accordingly:

Agenda Item 5 - Report of the PCC Treasurer – section 11.7

- 2) *It is identified in the report that the level of general balances should be 3% of the total budget. A proposed budget of £113.4m would mean they should be around £3.4m. Can the Police & Crime Commissioner please confirm the actual anticipated value of General Fund Balances on 31 March 14 as the value is not shown in the report?*

The Commissioner responded that the sum of un-earmarked / general balances at 31 March 2014 is anticipated to be £3m. This represents approximately 2.6% of the proposed 2014/15 budget. This is a reduction from last year as part of the balance has been used to fund the Major Operations Reserve.

Agenda Item 5: Appendix 2 - Police Budget Requirement 2014/15- Appendix B

- 3) *According to the anticipated budget requirement for 2014/15 the Commissioner is budgeting for £1.2m within 2014/15 relating to "Transfers to Reserves". Is it possible to explain why this choice is being made?*

The Treasurer responded that the key to the 2014/15 budget process, and to a sound financial strategy, was ensuring that we looked further than just one year. The profile of expected funding reductions means that it is not possible to balance one year exactly while still being able to reduce future year budgets sufficiently that they will also balance. As such it is necessary to set aside small transfers to reserve to be brought back into revenue in future years, to ensure the necessary permanent savings may be achieved over the period. These transfers to reserve help ensure that Dorset Police remains on a solid financial footing into the foreseeable future, albeit with an ever decreasing workforce. The transfers to reserve relate to a) the initial creation of a 'smoothing fund' and b) the transfer to fund known liabilities on the Private Finance Initiative (PFI) schemes, and to smooth the effect of the PFI schemes on future revenue budgets and deal with the liabilities to DFRS that exist under the contract.

Agenda Item 5: Appendix 2 - Police Budget Requirement 2014/15- Appendix B plus section 5.6

- 4) *In addition the choice is also being made in 2014/15 to provide £0.600m for a "smoothing fund". Can the Commissioner explain his choice to create such a fund?*

The Commissioner responded that the smoothing fund allowed the transfer of funds to reserve with the specific purpose of being transferred back to revenue in a particular future year to mitigate the 'profile' of funding cuts. This was key to good financial management, and ensured that the medium to long term financial stability of Dorset Police was maintained as much as possible against the context of reducing funding and resources.

Agenda Item 5: Appendix 2 - Police Budget Requirement 2014/15 - Appendix B plus section 4.19

- 5) Can the Commissioner please confirm the amount included in this budget proposal in respect of the awareness campaign for cyber crime, as section 4.19 of Appendix 2 indicates the cost and scope of this work is currently being analysed?

The Commissioner responded that in relation to cyber crime, the scope and costs of the project had yet to be finalised but were estimated to be approximately £50,000. Current expectation was that it would consist of a leaflet/booklet and potentially a credit card sized fridge magnet too, that would be sent to every household in Dorset from the PCC covering several aspects of potential cyber crime.

Agenda Item 5 - Report of the PCC Treasurer – section 11.9

- 6) The report highlights that at the end of 2013/14 financial year the Commissioner is forecasting to hold £5.6m in earmarked reserves. Can the commissioner explain the choice to suddenly create a £1.2m Major Operation Reserve when this reserve did not previously exist and where the £1.2m funding for this reserve came from?

The Treasurer advised that Dorset Police, in keeping with every other Force, had a particular vulnerability in respect of Major Operations. Significant, high profile operations occur entirely without warning, and can cost many millions of pounds. While there may be some financial assistance available from the Government, this cannot be assured, and may only be applied for to cover costs in excess of 1% of the force's annual budget on one operation. As such, the majority of forces hold specific reserves in the event that such an operation may take place in their force area.

Earlier in this financial year, the Commissioner raised concerns that Dorset did not have a major operations reserve, especially in light of some other major incidents around the country. He therefore instigated a full review of the reserves and balances held within Dorset Police with a view to creating this reserve.

The financial risk, at this time of financial uncertainty is particularly significant, so Dorset Police have created a Major Operations Reserve by using existing reserves and balances, with a combination of General Balances (£0.5m) and a transfer from the Insurance Reserve (£0.7m). General Balances, which will now stand at 2.6% of revenue, had previously been expected to take the risk of such an operation - and it will still take the risk of Government funding not being forthcoming, or for multiple operations which individually do not exceed 1%. The Insurance Reserve is in place to account for the fact that Dorset Police is largely self insured – and the movement of funds from this reserve represent a measured risk.

Agenda Item 5 - Report of the PCC Treasurer – section 11.9

- 7) Can the Commissioner confirm the annual value of insurance premium paid by Dorset Police and how this payment relates to the operation of the £2.9m Insurance Earmarked Reserve forecast to be held on the 31 March 2014?

The Treasurer responded that Dorset Police spends approximately £0.4m per annum on insurance premia. This provides protection for the majority of significant risks, such as public liability – claims which can, on occasion and as seen by Dorset Police in recent years, run into millions of pounds. In addition, the premia cover significant risks to premises and other assets.

However, Dorset Police are largely self insured. This means that they will be expected to pay for the majority of claims themselves, which keeps the cost of the premia at a relatively low level. It is only claims above a certain level that will be picked up by the insurers. Effectively, it is a bit like your car insurance whereby you set an excess level to

reduce the premium. Any claims below that level, you pay yourself and anything above is covered by the insurance.

Claims under the excess will include damage to vehicles and other assets, which are common. The revenue budget assumes spend of approximately £0.7m per annum on insurance claims, and any residual amount is added to the insurance reserve relating to that year. Claims may be raised on a particular year up to 6 years after the end of that year, and can take significantly longer to be settled, often calling on this reserve many years after the incident.

A review is undertaken annually, in conjunction with our insurance brokers (Marsh) to judge whether the level of the insurance reserve is correct. It can never be an exact science as you will not know the true value of a claim until it has been settled. Following the review of balances earlier in the year, the insurance reserve was reduced by £700k which provided part of the funding for the new Major Operations Reserve.

9.9 Members were invited to ask supplementary questions to which the Treasurer and Commissioner responded:

- *Why were general reserves not used? Officers undertake risk assessments each year to set a range of general balances at an acceptable level. In terms of ongoing risks, general balances are deemed to be sufficient.*
- *Where does this funding come from? From cuts in the number of officers, pay budgets were reallocated to smooth effect.*
- *Have Dorset Police reached the bottom of their reserves? Dorset has the lowest reserves in the country and we would not want them to get any lower..*
- *A smoothing fund seems prudent financial future proofing, what would be the flip side? Downsizing the organisation quicker in future years.*
- *Could the smoothing fund be applied to mitigate a tax increase for Dorset? As it is one-off money we are only able to use it in one financial year. We are not expecting an underspend in the future.*
- *What is the £600k for? It relates to advance staff savings already made for 2014/15 which will be carried forward to 2015/16 and used to offset the funding reductions for that year.*
- *Has central funding/innovation funding been considered? A recently submitted innovation bid has recently been successful.*
- *Could £50k from the smoothing fund not be used for cyber crime? Raising awareness of cyber crime is massively important, if taken from the smoothing fund it would not have raised the profile that it has by including it as part of the precept proposals.*
- *How much is spent on major ops budget? £350k spent which is relatively low, previous years have cost in excess of £1m, impossible to predict what will happen in the future. An example of the cost of a major incident would be the 'April Jones' enquiry cost £8m, Operation Pod, a recent Dorset incident, cost £600k.*
- *Could reserves be used for this? The issue would be if there two Operation Pod type incidents in one year, this would result in real financial difficulty.*
- *Could reserves be reviewed and risk assessed and used elsewhere? Reserves and general balances have been fully risk assessed as part of the budget setting process. Reserves will be reviewed on an annual basis to ensure they are at the right levels.*
- *Insurance funding at the end of the last financial year £3.7m? This is not excess funding but is setting aside money to pay for known claims. Some*

claims are settled in year but many are not settled until sometime into the future. Appropriate provision is therefore made for these via the insurance reserves. £400k is also paid to external insurance brokers.

- *Is comparative analysis being done? Officers meet with insurance brokers on an annual basis and get advice from professional experts to actively try to minimise the cost to Dorset Police.*

9.10 The member from Purbeck District Council put the following questions on Capital Investment to the Police and Crime Commissioner, who responded accordingly:

Agenda Item 5: Appendix 2 - Police Budget Requirement 2014/15 - Appendix B

- 8) As part of the 2014/15 budget the Commissioner has made a choice to set aside £3m for Capital Financing which is also a £0.9m increase from the 2013/14 Budget. Can the Commissioner explain this choice especially bearing in mind that over 50% of the programme will not be spent before 1 April 2016?

The Treasurer responded that the capital programme, by its very nature, is not evenly spread across years. It is the investment in the infrastructure of the organisation that allows efficiencies to be delivered, and performance improvements to be attained. The capital programme that is included within the budget proposal has been given significant consideration over a period of time, and represents a spending plan to ensure that Dorset Police is able to continue to provide an excellent service with significantly lower revenue resources in the future.

The challenge on Dorset Police is to ensure appropriate financing of this capital programme, in a way which has as little impact on its revenue plans as possible. As has already been stated, the effect of the funding cuts does not run in a smooth profile, and as there will inevitably be peaks and troughs in spending demands as the organisations finances are steered through the next few years. The financial plan before you enables the capital programme to be financed over the medium term, while releasing benefits and cash to revenue in efficiencies and annually reducing revenue contributions to capital, thereby representing sound financial management.

The specific increase in 2014-15 relates to a £400k investment in Road Safe Capital which has previously been funded by our local authority partners within the Dorset Road Safe Partnership. The other increase relates to the local innovation fund which we will deal with later.

Agenda Item 5: Appendix 2 - Police Budget Requirement 2014/15 –Section 7.1

- 9) Within the budget as presented the Commissioner has made the choice to provide for £5.5m to be spent on Major Capital Items in 2016/17 and 2017/18. Can the Commissioner clarify if he has any options that would enable him to charge the future taxpayers who will directly benefit from this investment rather than charging the current taxpayers who it cannot be guaranteed will benefit from this investment?

The Treasurer responded that the whole police estate has recently been reviewed. This is leading to the rationalisation of the existing estate which involves the disposal of a number of existing assets. The capital receipts generated from these sales in 2013-14 and 2014-15 will be around £5.7m and these will be re-applied to fund the Major Capital Projects in 2016-17 and 2017-18 (£5.5m).

This covers 2 major projects. Firstly the provision of a North Dorset Hub to support the hubbing model which is key to the new One Team arrangements. Secondly, investment is required in the accommodation at Police HQ (Winfrith) in the fairly near future.

Currently only £2m is set aside within the capital programme in 2017-18 but actual costs could be significantly greater to bring this up to modern standards.

Dorset Police is in the enviable position of being debt-free. This has a number of benefits such as the freedom over the use of capital receipts but also means that there are no additional costs incurred in servicing the debt. Long term borrowing rates tend to be between 4 and 4.5% so these additional costs would be borne if the capital expenditure was funded by borrowing.

The strategy adopted of funding these major investments through the sale of old /surplus properties is far more cost effective in the long run than borrowing and mortgaging our futures.

Agenda Item 5 - Report of the PCC Treasurer – section 5.5 (£300,000)

Agenda Item 5 - Report of the PCC Treasurer – section 11.9 (£400,000) – protective Body Armour Reserve

- 10) Can the Commissioner confirm that he intends to spend around £700,000 on Body Worn Cameras in 2014/15?

The Commissioner responded, no - £400,000 of this was expenditure on the replacement of protective body armour which has a limited shelf life. This will be funded out of the specific reserve held for this purpose.

Within the capital programme was a 'local innovation fund' of £300,000 per annum. This fund has been set up by the Commissioner to allow Dorset Police to remain at the forefront of technological advancements that will contribute to enhancing performance. The 2014/15 local innovation fund would be used for the purchase of body worn cameras for Dorset officers.

In addition, a regional bid against the national Innovation Fund administered by the Home Office was successful in being awarded funding for the necessary 'back office' support for these cameras, including digital storage and retrieval of evidence. This regional bid was approved at up to £994k across the regional forces {A&S, D&C, Dorset, Wilts}, and is expected to be spent mainly in the current financial year.

9.11 Members were invited to ask supplementary questions to which the Treasurer and Commissioner responded:

- *With reference to the increase in capital financing why not reduce it to £500k? Officers always look at a 6 year rolling programme balanced with money expected in by capital grants etc. There is still a deficit in year 6 which officers feel is manageable and any reduction would increase this deficit.*
- *Has borrowing been considered financially? The long term interest rates are fairly static around 4% so borrowing would incur additional costs. Using assets no longer needed, effectively recycling money to use for the future, is most cost effective for the taxpayer.*
- *If the Commissioner did need to borrow would it be the traditional way or through PFI? Various organisations such as Public Works Loan Board (PWLb) could be used from which to borrow funds.*
- *£5.5m on major capital items, why so much? There is a need to ensure buildings are fit for purpose, the bulk of Winfrith is operational not purely admin. Officers were not just looking at a 3 year strategy for property but into the next 20 years to ensure it is fit for purpose. There is a need to replace the crime system as it is not fit for purpose, although budgeted for this year is*

likely to go forward for next year. With regards to vehicles in the fleet, some had to be replaced and whilst they are on order this financial year they won't be paid for until the next financial year.

- *Body worn cameras were felt to be unpopular with officers along with tablet computers, could the Commissioner comment? These cameras will be deployed to make police officers more accountable, as well as provide more protection for officers. They will capture more evidence especially in relation to domestic abuse incidents. With regards to mobile data the computer mainframe needs to be replaced so it will be more timely for it to be brought in then.*
- *Has sponsorship for the cameras been considered? Whilst the Commissioner is a fan of sponsorship he advised he would be nervous of gaining sponsorship for something that is brand new. There were a number of pilots ongoing at the present time and the aim is to have a national product used in Dorset.*

9.12 Independent member, Mr Iain McVie, put the following supplementary questions to the Police and Crime Commissioner, who responded accordingly:

Agenda Item 5: Appendix 2 - Police Budget Requirement 2014/15 –Section 4.4

- 11) Could the Commissioner explain why Police Staff are forecast to receive a 1.5% pay award in September 2014 while frontline Police Officers are forecast only to receive a 1% pay award?

The Treasurer responded that neither the police staff nor the police officer pay award had yet been agreed for 2014. Both would be subject to national negotiation with the relevant staff associations later in the year. The Government has announced its expectation that public pay awards will not exceed an average of 1%. However, both the Federation and UNISON argued forcefully for an increase in excess of this amount in 2013, although neither was successful. It is anticipated that the same negotiations will happen in 2014, and the arguments will become even more forceful, especially with staff facing higher pensions contributions from 1 April.

In the Commissioner's view there is a reasonable possibility that one or other of these organisations will be successful in their bid to exceed the 1% average limit. An increase of 1.5% has therefore been applied to police staff, but this represents the distinct possibility for an above 1% increase for either officers or staff, or potentially both. In each case, there is only a small budgetary effect as the pay awards for police officers and staff are only applicable from September and the 0.5% (approximately £70k in 2014/15) will go some way to mitigate the risk.

Agenda Item 5: Appendix 2 - Police Budget Requirement 2014/15 –Section 4.5

- 12) Can the Commissioner clarify the period over which the £5.8m Local Government Pension Scheme (LGPS) pension fund deficit is being funded over? Is it also possible to clarify if this deficit could indeed be spread over a longer time horizon and if it were what the potential impact might be?

The Treasurer responded that the deficit on the pension fund related to the past service of current and ex police staff. It was possible, with agreement of the scheme actuary, to spread these costs over a number of years.

The current plan was to pay off the past service deficit over the next ten years. This was stated in the budget assumptions shown in Appendix A of the budget requirement report. Advice from the scheme actuary (Barnett Waddington) is that pension scheme

contributions will generate a return of around 6% (compared to around 1% currently earned on cash balances). It was therefore prudent to pay off any deficit in as short a timescale as is affordable.

With agreement of the actuary, it may be possible to fund this over a longer time period. This would reduce the annual repayment but would mean that existing liabilities would be paid by tax payers well into the future. Because of the greater returns from the pension fund, the impact of extending the repayment period would not be proportionate. For example, extending the period to 20 years would reduce payments by only around £250k per annum but would significantly increase the total repaid.

This option may have to be considered at the next actuarial review to help address a small part of the remaining budget gap in 2017/18.

9.13 Members were invited to ask supplementary questions to which the Treasurer and Commissioner responded:

- Bournemouth recently contributed £100k to the Collection fund, how was this being applied? *This was a one off sum of money collected on behalf of the Police by Bournemouth Borough Council. It has been added to the Smoothing fund. Full details of other authorities collection fund surpluses are contained in Appendix 1 to the budget report.*
- Could assurance be given on the collection of statistical figures? *The Commissioner and Dorset County Council regularly meet with the Crime Registrar and we are scrutinised by the Independent Audit Committee, there are various checks and balances in place. Hampshire recently undertook an independent audit which gave assurance in the way in which figures are recorded.*

9.14 The Commissioner made the following closing remarks:

Panel, I would like to thank you for the diligent and searching exploration of my planned budget and associated proposals for raising the police Element of the precept by 1.96%. Your actions today display exactly why we have Police and Crime panels, to supplement my public accountability by critically challenging and adding additional transparency to my work on behalf of the people of Dorset.

Before you move to collectively consider my proposals, I would like to stress that this decision weighs heavy as a responsibility for me. I am not part of a Council or a Cabinet. Instead I am the individual solely and ultimately responsible for this decision, directly answerable to the public at the ballot box. I have to personally weigh up the issues that have been clearly laid out to you today, in other words balancing the budget required to deliver policing in the face of increasing public expectation and demand for services, against dramatically reducing resources.

My focus cannot be the short term. That is not in the long term interest of Dorset police. My decision has to be based upon sound, debt free, medium to long term financial planning, factoring in the uncertainty ahead. This cannot be about short term solutions with a ballot box as the aim. This precept rise is less than inflation, it equates to less than 1 pence per day per band D household. Importantly, the public understand that this helps safeguard local policing in Dorset, the consultation shows that. It plays an essential part in enabling the staff of Dorset Police to continue to respond when we need them, to help keep Dorset safe and to put themselves on the

Dorset Police and Crime Panel – 6 February 2014

line to protect us all 24 hours a day, 365 days a year. That is why I urge you to support this proposal. Thank you Chairman.

9.15 The Chief Executive, Dorset County Council, advised members that although a recorded vote in relation to budget and council tax setting was not yet mandatory it would be when the Regulations came into force shortly. However, there was a clear expectation from the Department for Communities and Local Government that a recorded vote should take place in line with an Authority's current Regulations.

9.16 It was agreed to hold a recorded vote on whether members supported an increase in precept for 2014-15 of 1.96%.

	FOR	AGAINST
Dorset County Council		
Fred Drane	X	
Ian Gardner	X	
Borough of Poole		
Judy Butt	X	
Phil Goodall	X	
Ann Stribley		Apology
Bournemouth Borough Council		
John Adams		X
Malcolm Davies		X
Dennis Gritt		X
David Smith		X
Christchurch Borough Council		
Bernie Davis		X
East Dorset District Council		
Malcolm Birr		X
North Dorset District Council		
Audrey Burch	X	
Purbeck District Council		
Ali Patrick	X	
West Dorset District Council		
John Russell	X	
Weymouth & Portland Borough Council		
Geoff Petherick		X
Independent Co-opted Members		
Iain McVie		X
Mike Short		X
TOTALS	7	9

9.17 Members then took a further vote and agreed unanimously to endorse the council tax requirements and the basic amount of council tax for police purposes in Dorset for 2014-15.

Resolved

10.1 That members did not support the Commissioner's proposed precept of 1.96% by 9 votes to 7. This was not enough of a majority to veto the proposed increase.

10.2 That the council tax requirement and the basic amount of council tax for police purposes in Dorset for 2014/15, as presented in Appendix 1 of the

Commissioner's report, be endorsed.

Reason for Decisions

11. The Police and Crime Panels (Precepts and Chief Constable Appointments) regulations 2012 required the Police and Crime Commissioner to notify the panel of their proposed precept for 2014-15 by 1 February 2014. This then needed to be considered by the Police and Crime Panel who could either approve the proposed precept or veto it. A two thirds majority of the Police and Crime Panel was required to veto any precept proposal.

Progress against the Police and Crime Plan (Q3 – October – December)

12.1 The Panel considered a report by the Commissioner which informed members of the progress against the Police and Crime Plan 2013 – 17 for Quarter 3 (October-December).

12.2 The Commissioner highlighted a few key areas of activity to members. He also made reference to the ongoing financial pressures and cuts being faced by Dorset Police and colleagues in other forces and confirmed that he was looking to explore ways where more collaborative working across all aspects of policing could be considered.

12.3 The Chief Executive to the Commissioner in his Monitoring Officer role updated members on the number of complaints about the Commissioner that had been received. There had been one complaint which was not upheld due to there being no allegation or supporting evidence that the Commissioner had been directly or indirectly involved with the matter or had acted inappropriately.

12.4 Following a question from the Vice-Chairman about the outcome of criminals being deprived of their assets, the Commissioner advised that he was lobbying the government to recoup 50% of the assets back in Dorset. The Chief Constable highlighted that this was not an easy area of business for the Police, there was a lengthy legal process to follow and in relation to a complex crime it could take two or three years to seize assets.

12.5 The Commissioner advised members that he would shortly hear the result of his lobbying of the Ministry of Justice in relation to resettlement prison provision for Dorset, which was now in Exeter. The prisons at Guy's Marsh and Portland were no longer deemed to be appropriate for Dorset prisoners.

12.6 Following a comment from the Chairman about an increase in alcohol related violent crime, the Chief Constable advised that there appeared to be increases across every area. However, this was the result of the way the crime was recorded locally.

12.7 In relation to Restorative Justice, the Commissioner advised members that he was seeking funding for offender conferencing and undertook to update members at the next meeting of the Panel in June 2014.

12.8 Following a comment from one of the Independent members about the variance between Q2 and Q3 figures, the Treasurer advised that it related to the use of the underspend and contributions to the capital programme but undertook to report movements such as these in a better way in the future.

12.9 In response to a comment from a member from the Borough of Poole about the rising figures of domestic abuse and how this could be raised nationally, the Commissioner advised that the Home Secretary had raised the profile of human trafficking

by introducing a draft Modern Slavery Bill. Training and guidance for front line staff was in the process of being arranged.

12.10 Following a question from a member from Christchurch Borough Council about the difference between Domestic Abuse Incidents and Domestic Abuse Crime, the Commissioner advised that an incident may not necessarily involve a crime, but was recorded and also contributed to intelligence gathering.

12.11 In relation to the rising rate of re-offenders in Bournemouth, the Chairman asked if the Commissioner could have any influence in this area. The Commissioner advised that although it was his job to commission services it was made harder when prisons for Dorset prisoners were at Exeter and Channing Wood. He reiterated the need for Dorset prisons for Dorset prisoners.

Noted

Refresh of the Police and Crime Plan

13.1 The Panel considered a report by the Chief Executive and Monitoring Officer to the Police and Crime Commissioner which updated members on the refresh of the Police and Crime Plan 2013/17 for the 2014/15 financial year.

13.2 Members were advised that while the Plan had been updated to reflect the context of 2014/15 it covered the whole of the term of office for the Commissioner. The Plan had been reviewed with Police colleagues and was a living and evolving Plan.

13.3 Following a question from a member from Dorset County Council about the numbers of volunteers, the Commissioner advised that the latest figures showed there were 104 volunteers involved in various roles across the board. The number of volunteers had doubled within Dorset but he stressed that they were not there to replace police officers.

13.4 In response to a question from a member from the Borough of Poole concerning the use of prescription drugs in relation to road traffic accidents, the Commissioner advised that he was due to meet with the Director of the Clinical Commissioning Group to discuss the issue of GPs issuing drugs without warning patients about the effects in relation to driving. He also wanted to highlight the issue of GPs having sight of the forms needed to confirm that a person aged 70/75 was fit to drive.

13.5 One member from Bournemouth Borough Council noted the reference in the Plan that there are no motorways in Dorset and highlighted the serious road congestion problems around Bournemouth. He asked if pressure could be put on the relevant authorities to help reduce the traffic jams in the area. The Commissioner advised that although he had met with all the relevant authorities he was very doubtful that a motorway would be built.

13.6 The Chief Executive to the Commissioner offered members the opportunity to send any comments they wished to make on the Plan to him, via Andy Frost at Dorset County Council, during February 2014 and he undertook to share the final draft with members before publication in April 2014.

13.7 Following a comment from an Independent member about the measurement of the effectiveness of monitoring offenders and the action taken to try and resolve the issues, the Commissioner advised that to date the only data available was from the Probation Service. The use of court convictions was a poor method of benchmarking success for re-offenders and noted that good data collection was crucial.

Noted**Dates of Future Meetings and Programme of Future Business**

14. The Panel considered and agreed its work programme for the remainder of the year 2014.

Resolved

15.1 That the next meeting of the Panel be held on Thursday 5 June 2014 at 10.00am.

15.2 That a training and development session for all members be arranged prior to the June meeting.

15.2 The dates for future meetings be agreed as follows:

- Thursday 11 September 2014, 10.00am
- Monday 10 November 2014, 10.00am
- Thursday 11 December 2014, 10.00am, Training and Development session for all members
- TBA January 2015, Finance Workshop for all members

Questions

16. No questions were asked by members.

Meeting Duration: 10.00am – 1.30pm

Annexure

The Police and Crime Commissioner's Opening Speech – Thursday 6 February 2014.

I will now present to you today my proposals for raising the police element of the council tax in order to help safeguard the future of policing delivery for the people of Dorset.

In considering the budget and precept proposals for the next financial year, there are a great many complex and inter-related factors to take into account, and I would like to spend a few moments explaining to you the context of this difficult decision that rests with me, as the directly elected Police and Crime Commissioner for Dorset.

Firstly, it is prudent to remember that I am responsible for delivering an effective and efficient police force, whilst complying with my oath of office that the service provided must cut crime and protect the public. This huge responsibility is not a moment in time, it is a long term approach, and that long term approach is needed here today when we consider the precept proposal. Today's decision is about providing the right level of resources to meet the requirements of Dorset and in determining those resources, to ensure we protect that capability and performance for future years in this time of considerable uncertainty.

The issues which I intend to address are:

The impact of the cuts we have seen so far; the increase in demand for our services; manpower numbers and securing our future; the potential impact of further reductions in the future; the financial health of the police and strategies and plans in place to address future challenges; the views of the public on the service they want and are prepared to pay for; the local and national financial context and not least the performance of the force in delivering a safe and secure Dorset. I appreciate this is a long list but we are addressing a service to 750,000 residents, plus 15 million visitors, across an area of 1,024 square miles, spanning from Lyme Regis to Sixpenny Handley to Highcliffe. This service addresses everything from the devastating impact that anti social behaviour can have on individuals through to murder and threats to our local and national infrastructure from national and international terrorism. Firstly, let's look at the impact of the cuts so far.

In 2010 at the height of the financial crisis, the force was half way through a strategy to achieve an officer establishment of 1500. This was the level determined by an analysis of 6 threat, risk and harm, together with public consultation needed to meet the demand at that time. The force was 37 officers below that level. Since that time our budget has reduced in real terms by over £20 million, a 20% cut in our capability, resulting in a loss of 500 officers and staff so far. Whilst we have managed to maintain services and capitalise on our investment in technology and innovation, the demands on our remaining workforce continue to increase. In the past 15 months, no stone has been left unturned in examining ways to save money and improve performance.

The one team approach has impinged across the force, with a review having taken place of every department. The force has restructured, and the hubbing approach is now underway. We are still reviewing the estate, as clearly with a shrinking budget, and workforce, some buildings need to be sold. The key to the estate, and to the front office counter provision, is sharing with partners. I have reviewed the budget, and the reserves, to ensure we are fit for purpose. Whilst crime is still falling, the causes of this are complex and difficult to credit to any particular strand. Is it the reduction in lead levels, multi agency working, the work of the police, or a combination of all three and more, I have no doubt that the police have played a pivotal role and continue to do so. Falling crime does not however equate to falling demand. We are working in safer neighbourhood teams, working with partners, working with offenders and victims, as well as providing 24 hour response across the county.

However, wherever I go in Dorset, it is clear that there is increased public concern from financial and internet based crime ranging from fraud to online bullying and harassment, all of which have devastating effects on victims. This new emerging threat is just one pressure facing the force. Crime may be falling ladies and gentleman, but demand on policing services is not.

We are also seeing the impact of cuts in our partners' funding. This spans across the piece, and relates to funding for the road safety partnership, sexual assault referral centres and CCTV. We also receive many calls for service where our partners are unable to attend; this especially happens in the field of emergency ambulance services, the closure of highways, and in the area of mental health. In many instances we are the only agency available 24/7, and the police have become the "service of last resort". The police protect the public for 24 hours a day, 365 days a year. They provide a response, with Dorset police officers and police staff often placing themselves in harm's way to protect you and the public from harm. In relation to police numbers and securing the future, the question has been asked "what is the minimum number of officers required - why can't you shape your budget to a minimum number?" To this there is no clear answer or mathematical equation as first we have to say what is the service we expect and require the police to deliver?

The force has had to review its services dramatically since the cuts started, the current review of police estate, and the current consultation on closure of front office counters demonstrates this. I have already mentioned that the last time the force looked to set an overall level in 2010, it was 1500 officers, and we are dangerously below that figure already. 13 however, I can answer one part of the jigsaw, and the chief constable will elaborate on this later I am sure. The force has reviewed the capability it would need to meet the demand for immediate response, i.e. 999 response. This alone requires in excess of 500 officers. Whilst this may seem a significant number, it requires at least six officers to provide cover for one frontline role 24 hours a day 7 days a week, when you allow for training, leave and sickness. This does not include – officers working in adult safeguarding, extremism, child protection, serious sexual assaults or GBH's, complex frauds, or any other type of specialist role such as dogs, firearms etc and does not include safer neighbourhood teams. At the risk of stating the obvious, the less officers we have, the increase in risk we have to carry on behalf of the public and the poorer service we are able to deliver to residents, often at a time of crisis in their lives.

We have to be capable of meeting the demand, wherever and whenever it occurs, with the right officers and support. A major incident occurring at 3 o'clock in the morning could require firearms, dogs and the air support unit, together with the ability to guard multiple scenes, conduct forensic examinations and interview witnesses. A complex and expensive requirement but an absolutely essential one that is less visible than neighbourhood policing and one that the public expects to be there. In brief, when we look at reducing police numbers, we need to manage the transition with care.

My budget report today could be wrongly interpreted as a request for additional resources enabling the recruitment of more officers. This is absolutely not the case. It is about limiting the damage to policing in Dorset. The budget has been cut by £20 million to date, officers and staff have reduced by 500 to date and will continue to reduce. Over the next three years - further cuts of £8 million will have to be achieved. Any reduction in funding will add to that burden and reduce capability. You will see in the slides coming shortly, that police officers and staff will continue to fall over the next three years.

We also need to be able to move forward, you cannot maintain a service standing still. Innovation, new IT a response to cyber crime, and the introduction of body worn cameras are all essential to keep Dorset police at the forefront of keeping people safe.

In preparing the budget I have looked carefully at all possible approaches and reviewed those of other forces and public bodies. There are other financial tactics we could employ. The reserves could be used to reduce the budget. Those reserves provide for the contingencies and unknown demands on the force and use of them to support the annual budget would jeopardise our financial future and is not sustainable or responsible management of my resources. One child abduction or murder could exhaust our reserves at their current level and leave us unable to meet our demands and obligations that is an unacceptable risk. Additionally, once those reserves are spent, we would only widen the gap in the following year sacrificing our future for short term gain. I am planning to hand over a force, at the appropriate time that is financially sound with appropriate reserves. I have recently made amendments to reserve levels but raiding reserves for short term political gain is neither a prudent or viable option for effective medium term financial planning. I have also looked at how we pay for our capital expenditure. Again we could adopt a different approach. Many public bodies borrow or lease their assets; however over the next five years the vast majority of our capital will be on short life assets such as vehicles, IT and communication equipment. In year one we would be repaying the capital and interest and need to find more money to replace those assets. In this context, borrowing to get out of debt is not a strategy that I would support. Much has already been delivered to address the financial challenge. The force has restructured, centralised and collaborated which is how the performance has been maintained and the financial savings achieved.

Looking forward, a strategic alliance is being investigated; collaboration in the delivery of IS and major systems is continuing; essential investment in embracing digital working being pursued; further collaboration on regional and national procurement; regional forensics; sharing estate with local authorities and emergency service partners pursued. It would be difficult to find an area that the force has not already or is in the process of reviewing to deliver further savings. Last week I advertised a role of income generation manager, a role that will tease out every penny the force can charge for its services, and explore sponsorship as well.

I, the force, we, are actively working in all areas to reduce cost, and maintain or improve service delivery. I do have to consider the views of the public both setting priorities within my policing plan and considering the level of precept. Under the previous system of governance the residents of Dorset overwhelmingly supported increasing the precept to enhance the service. This was an integral part of the strategy designed to achieve 1500 officers in 2010.

In the most recent survey at the end of last year, two thirds of those responding supported an increase of £12 in their precept. A precept rise of 2% represents an increase of just £3.60 a year. Our online survey has received nearly 500 responses, showing that:

1. 54% supported a 1.95% increase
2. 14% supported an increase of more than 1.95%
3. 9% supported an increase of less than 1.95%
4. 24% supported a reduction in the precept

Nationally, 36 out of 41 Police and Crime Commissioners are proposing an increase of or approaching 2%. Some have gone higher. Rather like front office closures, nationally we are not alone here, that statistic is telling. Conversely, I am also aware of the approach taken by councils and the pressure to take the freeze grants and set a 0% increase in precept. Such a tactic, as I have already set out, would impact not just next year but permanently erode the base capability of the police, adding to the already known reductions in the years ahead.

Whilst the decisions of other police and crime commissioners and authorities are of interest, I am also aware that I am bound by the Wednesbury principle which reminds me that that I should only come to a decision based on relevant information; and that information must drive my elected charge - to deliver an effective and efficient police force. I would be failing in my role, and my duty to the residents and visitors to the county, if I did not, briefly, comment on the force performance.

As the lowest grant funded force in the country, with some of the lowest costs of service delivery, I am immensely proud of the service delivered and the positive feedback I receive from the public. Dorset police is a high performing, low cost force and it is my role, and responsibility, to hold the chief constable to account for continuing to deliver against that challenging agenda. It is also my responsibility to ensure it is properly funded to meet those challenges. I have to hand a "match fit" force over to my successor.

So, in closing, this year, to assist decision making and transparency, I have met with the chair twice, and the panel once, informally, to discuss this proposal, ahead of today's meeting. The idea of this was to explain our finances and to help the panel better understand our cliff edge issues coming in 2016/17. In that informal meeting, I stated to the panel that I have instructed my officers to work towards a zero percent precept rise next year. Several members here have therefore asked me the question "why not freeze this year, and review finances next year, allowing a precept rise next year if needed?" the answer to that very pertinent question is twofold:

Firstly, there is too much uncertainty in the air next year, it is general election time, and the government may well remove any flexibility to increase funding just before an election. This uncertainty has been well highlighted in the past few weeks, with the DCLG capping levels only having been set yesterday. In these uncertain times, I believe in the adage "a bird in the hand is better than two in the bush"

Secondly, it could be argued that taking that option misses the point that we need to build our base budget cumulatively, and to freeze this year, and raise next year, loses us a huge amount of money in the base budget for 2014/15, money we desperately need. The very fact I am working towards a zero increase next year, shows that I am not someone who will blindly raise the precept each year, as a matter of course. I realise that a raise will affect our residents at a time when money is tight, and I am sure you all realise that such a move is unlikely to assist me at the ballot box. And that's the point here, this is not a popular decision for anyone, no one gains by raising taxes, but I have to look our constituents in the eye, and say that their force, their police, can keep them safe. I will now, with the chair's approval, ask my Treasurer, Richard Bates to take us through that report before inviting points of clarification or any comments or questions.