

POLICE AND CRIME PANEL: 13 NOVEMBER 2018

PRECEPT 2018/19 - UPDATE

REPORT BY THE CHIEF FINANCE OFFICER, OPCC

PURPOSE OF THE REPORT

To provide an update in relation to the Panel's endorsement of the 2018/19 council tax increase of £12 per annum for a Band D property.

1. BACKGROUND

- 1.1. The PCC Band D council tax for 2018/19 was set at £206.58 per annum, which amounts to between 10%-12% of total Band D council tax bills. This provides £59m (47%) funding towards the total revenue budget for the year of £126m.
- 1.2. In February the Police and Crime Panel endorsed the increase to the precept and sought some assurances. An update on the issues raised in the Chairman's letter to the PCC is provided below.

2. UPDATE

- 2.1. In the funding settlement for 2018/19 the Government provided additional flexibilities in lifting the referendum cap for police council tax precepts to £12 per annum, and indicated that the same flexibilities would be available for 2019/20 if clear and substantial progress was made against agreed milestones on productivity and efficiency, and increasing transparency around police reserves.
- 2.2. The response to these requirements is being co-ordinated nationally. Efficiency and Productivity work is continuing in four areas; efficiencies made to date, efficiencies still to be gained, creation of a national efficiency and productivity plan, and governance. The data return for the Dorset Force has been recently completed. The ONS is engaged in measuring police productivity. It has offered some measures but has recognised the need for better data. Tied into this point, and reflecting some of the observations from the NAO report into the financial sustainability of forces, the national team are examining how productivity and efficiency could be more effectively measured and governed at a national level.
- 2.3. In relation to reserves, Dorset alongside all PCCs has fully complied with the requirements for the provision of actual reserves information and for publication of a Reserves Strategy. A recent letter from the APCC to the Minister provided updated estimates for reserve levels through to March 2021 and confirmed that all PCCs have now complied with the requirements to be transparent about the effective use of reserves and have published information in the required format and to a high standard. An updated draft reserves strategy for 2019/20 will be considered by the Independent Audit Committee in December and will be included as an appendix to the Budget and Medium Term Financial Plan report to the Panel in February.
- 2.4. The mid-year forecast of Police Officer numbers at 31 March 2019 is slightly above budget at 1,202, whilst staff numbers are running below the number budgeted. Dorset Police has an established mechanism for reviewing force capacity and capability to deliver, and in that context the current workforce mix is deemed appropriate. For example, like other forces

nationally, Dorset experienced an unprecedented level of demand over the extended summer period; with July being the busiest month on record for 999 calls received, and June, August and September being the busiest months since the early 2000s. With this in mind, the Force is seeking to keep its workforce numbers, and mix, under constant review.

- 2.5. The current full year forecast for Dorset's share of the Alliance costs is £0.7m (3%) lower than budgeted. This is mainly caused by vacancies in some areas. Work is underway to update the forecasts for the medium term plan.
- 2.6. HMICFRS published the latest Value for Money profiles on 26 October. These are currently being reviewed and a summary report will be considered by the Independent Audit Committee in December.
- 2.7. Recognising the unprecedented levels of demand impacting the force, a review of the calls for service has been undertaken, both nationally and locally; and a range of opportunities have been identified and options for how resources could be optimised to meet these are being explored.

For example, nationally, HMICFRS are undertaking a Response and Neighbourhood 'Big Data' project, and early insight has found that there are significant pressures on police resources for activity that the public might not necessarily regard as core policing activities. Specifically, this research found that concerns for safety and managing missing people account for around 25% of frontline time spent, compared to around 14% on managing violent crime or around 10% on domestic incidents.

Locally, a task and finish approach is underway to better understand and manage differently some of the calls for service that continue to be a challenge for the Force. Within the Force, this involves examining both capacity and capability issues, specifically, surge capacity (being able to meet demand across both the whole system and during peak periods), deployment (right resource, right place, right time) and capability (ability to flex and respond to changing and growing demand over time). However, there is also a significant partnership component to this work, and the Force is particularly keen to understand how it might mobilise the whole system approach across Dorset to reducing harm and in particular violence. This includes the idea of creating a senior group under existing countywide governance (likely the Public Leaders Forum) to tackle these issues. This programme of work (at least locally) is significant and is being undertaken, with pace, over the next several months (likely well into 2019/20).

- 2.8. For 2018/19 the format of financial reporting to the Panel has been revised to provide a quarterly high level overview of the forecast financial position for revenue, capital and reserves, based on a consistent set of assumptions. This is currently produced by the OPCC CFO based on the more detailed reports that the Force provide to internal Resources Control Board and Joint Executive Board.

3. FUTURE OUTLOOK

- 3.1. The funding forecasts in the 2018 plan assumed that Police Grant would be broadly flat and that there would be a further £12 increase in Band D council tax for 2019/20.
- 3.2. The Chancellor's recent Budget announced additional funding for counter terrorism but has not provided any indications of any other funding changes. We will have to await the Home Secretary's review of police spending power and further options for reform when he presents the provisional police funding settlement in December.

3.3. The Medium Term Financial Plan is in the process of being prepared. Some significant pressures are emerging, for example in relation to the potential additional costs arising from the latest actuarial review of Police Officer pensions.

4. RECOMMENDATIONS

4.1. Members are recommended to note the report.

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