



Police and Crime Commissioner
CAMBRIDGESHIRE AND PETERBOROUGH

CAMBRIDGESHIRE POLICE AND CRIME COMMISSIONER

MEDIUM TERM FINANCIAL STRATEGY 2018/19 TO 2021/22

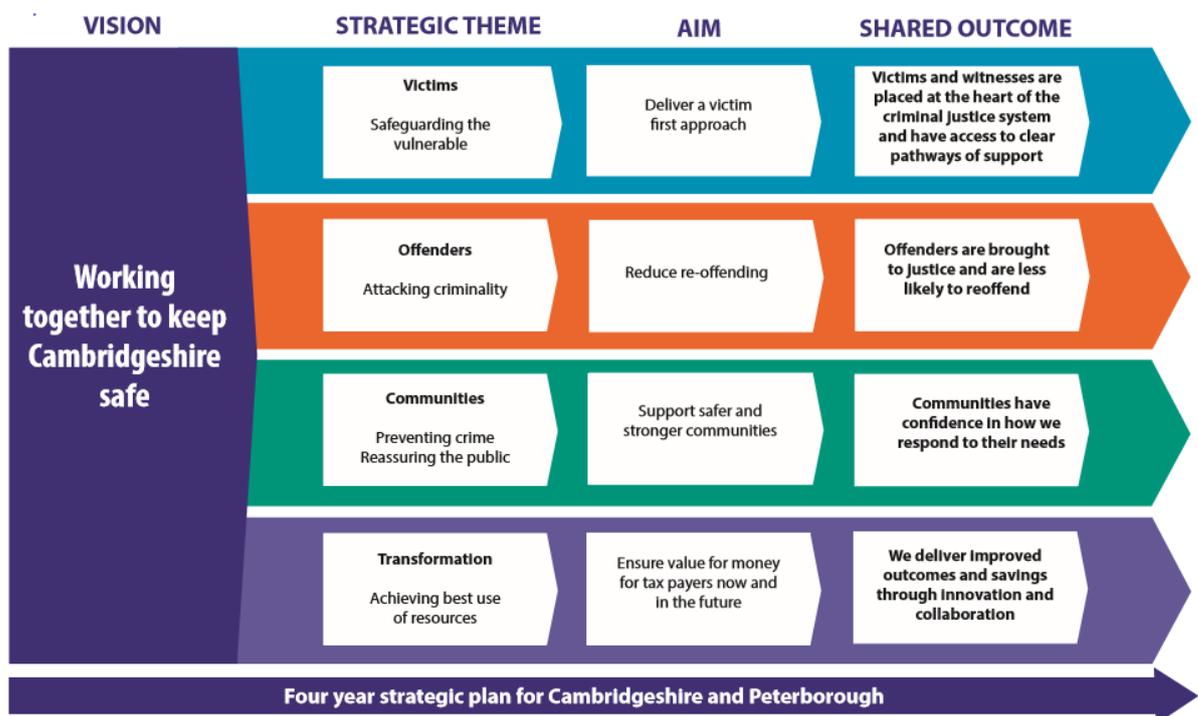
2 Overview and Purpose of Strategy

- 2.1 The Medium Term Financial Strategy (MTFS) is Cambridgeshire Police and Crime Commissioner's key financial planning document.
- 2.2 The Police and Crime Commissioner has responsibility for the totality of policing in the Cambridgeshire Constabulary area and has a wider role in relation to the "and Crime" agenda, which includes the responsibility for commissioning victims' services.
- 2.3 The MTFS identifies the known factors affecting the organisation's financial position. It will balance the objectives of the Commissioner's Police and Crime Plan against constraints in resources allowing the Commissioner to make informed decisions. It also identifies assumptions and the risks and/or opportunities and how these affect the financial plan.
- 2.4 There are pressures on the plan including pay increases for police officers which were announced recently by Central Government. Police staff pay award is currently unknown but expected to follow officers.
- 2.5 Demand across all Public Services is increasing and with no additional resources being available there is the risk of an element of demand shift across the sector, as cuts in one organisation can have a detrimental impact on the demand of another organisation.
- 2.6 There are plans to achieve savings but in order to balance the budget reserves will be used. This was anticipated as austerity cuts were implemented in 2010 and has, therefore, been planned for.

3 Police and Crime Plan

- 2.1 The Police and Crime Plan contains the Commissioner's objectives under four strategic themes.

Police and Crime Plan – Community Safety and Criminal Justice



2.2 There is a delivery plan to ensure the actions underpinning the aims and outcomes will be delivered. Resource implications have been taken into consideration alongside opportunities and consideration that the plan will be delivered in conjunction with partner agencies.

Victims

2.3 The **Victims** Strategic Theme is a significant part of the Commissioner's "and Crime" remit and in the main is for the constabulary and partners to deliver with the Commissioner having a statutory duty to ensure an 'effective and efficient criminal justice system' championing the needs of victims within the system.

2.4 The Commissioner is responsible for commissioning services for victims and witnesses. He receives a grant from the Ministry of Justice (MoJ) in order to do this. This grant helps a number of initiatives that seek to deliver key outcomes of the Victims workstream, which would be at risk should there be a reduction in the MoJ funding, including:

- The Victim and Witness Hub providing an end to end service for all victims and witnesses of crime.
- Mental Health Nurses as Victim Pathfinders to sit alongside the Victim and Witness Hub to deal with people in mental health crisis and enable them to receive the right care at the right time.

2.5 A significant area of risk for the duration of this MTFs period is the Criminal Justice System (CJ). We have seen CJ services reducing their resources and

this is impacting both on the Victim and Witness Hub and other partners supporting people for longer, as well as short notice duty changes for court appearances impacting on policing.

Offenders

- 2.6 The **Offenders** Strategic Theme's overarching objective is that offenders are brought to justice and are less likely to re-offend. Key to this is the tackling and investigating crime which is a core policing role. It also requires an integrated approach from statutory and voluntary agencies to prevent crime.
- 2.7 Community Safety Partnerships are key partners in this and crime and disorder reduction grants will be awarded to them for projects that support this strategic theme.
- 2.8 The Cambridge and Peterborough Combined Authority is now in existence and working across the county and this may present opportunities in areas where the Commissioner can influence but not directly impact such as housing and education.
- 2.9 A key initiative in the national agenda of Criminal Justice is the implementation of virtual courts. This lessens the requirement for a person to sit at Court until called, but will enable them to give their evidence from a location elsewhere via a live link. There is a cost for the implementation of the facilities to enable this to happen but it is an invest to save initiative as it reduces the burden on staff attending court and assist in improving operational efficiencies.
- 2.10 The Police and Crime Plan has a priority action to contribute to national policing needs as set out in the Strategic Policing Requirement. This includes areas such as Counter-Terrorism and serious and organised crime. Cambridgeshire are part of the Eastern Regional Specialist Operations Unit whose work includes these areas. The Commissioner has to ensure the Chief Constable has the resources and working regionally provides resilience in this area.

Communities

- 2.11 The **Communities** Strategic Theme recognises all public service organisations are facing challenges as budgets reduce and there are often the same people with multiple and complex needs that all agencies come into contact with.
- 2.12 The constabulary has been undertaking a Local Policing Review (LPR) and this forms a significant element of the savings programme within the budget. It is intended this the review will create a sustainable policing model for Cambridgeshire and Peterborough for the next three to five years. It will support delivery of the Police and Crime Plan and enable the constabulary to respond effectively to increases in demand.
- 2.13 One of the first steps of this is to create a Demand Hub. This will bring together call handling, crime management and dispatch into one location. The

Hub aims to ensure effective, consistent and robust decision making at the first point of contact, reducing overall demand and eliminating inefficiencies. However, the co-location and recruitment of this team will increase both revenue and capital costs in the initial implementation, thus representing an upfront cost before any savings are made by the LPR.

- 2.14 A key risk, both operationally and financially is the recruitment and retention of police officers, ensuring we retain officers, effectively recruit and ensure a diverse workforce that is representative of the community it serves. The College of Policing is introducing a graduate scheme and an apprentice scheme, which should facilitate and help manage this risk but the full details are not fully known/understood nor are any potential cost implications at this stage.

Transformation

- 2.15 In the face of complex economic and social pressures, we must think and act differently and continue to transform the way we work through collaboration and new technology. In order to achieve this the **Transformation** Strategic Theme brings these strands together.
- 2.16 The Medium Term Financial Strategy is the document that brings the initiatives under the transformation theme together and demonstrates how they will be delivered.
- 2.17 We have a well-established Collaboration with Bedfordshire and Hertfordshire and any identified areas of risk and potential further savings are included in this plan. Additionally joint collaboration is now established on a 7Force Basis and one of the first areas of business to review is procurement.
- 2.18 A Local Business Case regarding the future governance of the Fire service was submitted to the Home Secretary in October 2018 containing a proposal for the creation of a new Police, Fire and Crime Commissioner for Cambridgeshire, with the Commissioner assuming responsibility for the Fire Service. The outcome of this is expected in spring 2018 and if approved will allow for the speeding up of the joint estates working and realise savings within the life of this strategy, as well as revenue savings generated through improved and more streamlined governance arrangements across the two services.

4 Police Funding

- 4.1 There are two principle sources of funding available to the Police and Crime Commissioner for the delivery of his duties, Government Formula Grant and Council Tax.

Government Formula Grant -

- 4.2 In 2017/18 60% of the funding for the Cambridgeshire Police and Crime Commissioner was from the Police Grant, paid by the Home Office. In recent

years this grant has been reduced, as part of the Government's overall austerity programme.

4.3 The current MTFs has assumed that this reduction in grant will continue, with an anticipated 1.28% reduction in grant year in the period 2018/19 to 2020/21. This equated to a reduction of £3m over this period.

4.4 The current pressures on policing across the country as well as specifically in Cambridgeshire (see demand section) has resulted in lobbying of Government to relax the current funding constraints and to increase the funding available to PCC's.

4.5 The Chancellor of the Exchequer's budget statement is on November 22nd 2017 and this will give the first indication of the direction of travel the new Government is taken, with regard to the overall austerity agenda and specifically to the police service.

Council Tax

4.6 The Council Tax is driven by two elements, the Band D equivalent rate and the Council Tax base. The current band D rate in Cambridgeshire is £186.75 (2017/18). The current rules restrict the Commissioner to increasing the Council Tax to a maximum of 2% unless they want to undertake a referendum. A 2% increase in 2018/19 will raise council tax to £190.47 per band D property and £1.027m in total income.

4.7 The second element of council tax is the council tax base, which is the total number of band D equivalent properties in the area. This is calculated by the District Council's and is driven by house building in the area. Due to the anticipated growth across the county, the council tax base will increase by an estimated 1.8% in 2018/19, 1.9% in 2019/20 and 2% in 2020/21 and 2.1% in 2021/22. As a result the estimated Council Tax income will increase by £1.043m in 2018/19.

5 Demand

5.1 The pressures on policing have been widely discussed in the national media.

5.2 Some of these pressures are caused by short term demand, such as seasonal fluctuations in calls for service. Others are more long term demands such as population growth.

Short Term Demands

5.3 Demand on policing in Cambridgeshire has increased which has caused significant strain on frontline resources. Calls for service have increased which is in line with national trends.

5.4 The Constabulary has undertaken a review of the Local Policing model and to ensure it is fit for purpose for the future. The new model will support delivery

of the police and crime plan and allow the Constabulary to respond effectively to increases in demand.

5.5 In order to effectively manage demand, a Demand Hub will be created which will ensure effective, consistent and robust decision making at the first point of contact, reducing overall demand and eliminating inefficiencies.

5.6 In conjunction the Hub, the constabulary have launched a new website which is anticipated will reduce demand as users will be able to submit information, look for advice and guidance and also apply online for some things.

Long Term Demands

5.7 Cambridgeshire continues to be one of the fastest growing counties in terms of population and this is set to continue. However Cambridgeshire Constabulary is one of the lowest funded police forces in the country, per head of population, resulting in a constant threat of under resourced policing services.

5.8 The recently elected Mayor of Cambridgeshire and Peterborough Combined Authority ambitions include accelerating house building rates and increasing the size of the local economy which in turn could increase demands on policing.

5.9 Research shows that over the next 20 years a 23% increase in population is forecast. Of this the 18-24 age group is expected to increase by 4.8% and this age group currently accounts for 50% of demand. Current funding and expenditure estimates do not take into account this potential future growth in demand but it represents a significant risk to the future financial stability of the Cambridgeshire Constabulary.

5.10 An ageing population could also increase demand as the elderly tend to be more vulnerable which could increase demand.

5.11 Public sector partners are also facing increasing demands on their services alongside reductions in budgets. In some areas of work we are seeing partners shrinking and policing seeing an increase in demand as it becomes the service of last resort.

5.12 Increasingly national initiatives are being cascaded at a force level to implement and fund. Examples include the Airwave replacement, the College of Policing professionalisation programme and the complaints reform. At the same time no additional funds are forthcoming to implement these but the police settlement grant gets 'top sliced' to fund national initiatives.

5.13 Demand on policing is changing. There are different crime types emerging. Child Sexual Exploitation and Cybercrime to name just two have seen major increases in reporting. Yet this type of crime is 'hidden' and visible policing will not deter these types of crimes.

6 Productivity

6.1 It is essential for any organisation to ensure it is as productive as it can be, in order to ensure that the resources it uses to provide a service are being used as efficiently as possible. This counts for all resources, whether they be staff, buildings or equipment.

6.2 Throughout the period of the MTFP the Commissioner and Chief Constable are looking to improve the operational productivity of the Constabulary through:

- Human Resources – through the local policing review whereby the Chief Constable looks to deploy officers in the most effective manner.
- ICT – The constabulary has a continual programme of investing in technology to improve the efficiency and effectiveness of its officers. This will continue but it is critical that these investments are targeted and have a clear benefits realisation programme that can be measured and delivered.
- Fixed Assets – the Commissioner has a clear programme for asset rationalisation to ensure the efficient use of buildings, working with partners and disposing of redundant buildings.

6.3 Whilst productivity efficiencies do not always bring about cashable savings, they are essential to ensuring an efficient and effective organisation and are a key tool in managing the pressures of increasing demand.

7 Inflation

7.1 Current inflation rates are contained within the MTFP (Appendix A) but there is currently a period of growing inflation, CPI is 3% in September 2017, which brings about pressure and risks to the budget.

7.2 For the past few years the Government has set a public sector pay cap, including police, of 1%, which to date the future year plans have been based on. 2017/18 has seen the Government divert from this approach and currently it is anticipated that future year pay awards will be at least 2%.

8 Savings

8.1 The MTFP contains a savings plan in order to bridge the current funding gap over the four year period. The savings plan comes under 3 primary headings:

- Local Policing – this covers savings for those budgets directly under the sole control of the Chief Constable. Savings here include the local policing review, the primary savings target, plus supplies and services and transport saving as a result of better procurement outcomes, aided by the 7Force procurement.
- Estates Strategy – The Commissioner has a clear estates strategy that is looking to dispose of properties no longer required, collaborate with

partners, particularly Fire, for joint occupation of buildings and using the estate for income generation through regeneration.

- Collaboration – as discussed in the transformation section of the Police and Crime Plan, collaboration both across the BCH partnership and 7Forces is key to finding efficiencies across the organisation.

9 Partnership Working

9.1 The Commissioner has a Commissioning and Grants Strategy which sets out the approach taken to provide funding for local interventions, innovation, projects and victim support services to deliver the shared outcomes of the Police and Crime Plan.

9.2 The Commissioner may award a Crime and Disorder Reduction Grant to any person; for securing, or contributing to securing, crime and disorder reduction. The proposed grants for 2018/19 are awarded to community safety partnerships and other local bodies in support of achieving the Police and Crime Plan objectives.

9.3 The Ministry of Justice transferred responsibility for commissioning support services for victims of crime to Police and Crime Commissioners. These services are provided using a mixture of grants and commissioning.

9.4 The Commissioner also awards grants to support casualty reduction and support in the county.

9.5 The Commissioner commenced a Youth and Community Fund during 2017/18 and this will continue to support youth and community groups to deliver activities to divert young people away from offending and reduce the vulnerability of young people. Details of the fund can be found on the Police and Crime Commissioner's website.

9.6 The 2018/19 grants are attached at Appendix XX.

10 Risks

10.1 Key risks associated with this MTFs are discussed throughout this document but are:

- Funding – both cuts in direct grants and lack of growth in Council Tax.
- Demand – both short and long term and the changing nature of crime
- Cuts elsewhere in the public sector, bringing about demand shift onto the police.
- Legislative changes bringing more responsibilities without the necessary funding