

Staffordshire Police, Fire and Crime Panel

Report of the Chairman of the Police, Fire and Crime Panel

To Member Local Authorities

In accordance with agreed practice I am reporting on matters dealt with at meetings of the Staffordshire Police, Fire and Crime Panel on 28 January and 15 February 2019, at which the key reports related to the proposed Police Service Precept 2019/20 and the Proposed Fire and Rescue Service Precept 2019/20.

(NB For each Precept the Commissioner is required to submit his proposals to the Panel. The Panel has the power to veto that Precept if they consider it to be too high or too low. The veto has to be approved by two-thirds of the Panel membership (ie 8 of the 12 members). If vetoed, the Commissioner has to submit a revised higher or lower Precept depending on the Panels reasons for veto. After considering that revised Precept the Panel has no further power of veto and the Commissioner can action his revised version).

28 January 2019

Proposed Police Service Precept 2019/20

The Home Office published their Police Grant settlement figure just before Christmas, allocating £107.139million (compared to £104.936m for 2018/19). Whilst an increased figure, the Commissioner submitted that this was a cash flat allocation as it includes provision to help meet unforeseen additional contributions to the Police Pension Scheme which had been the subject of discussion with the Home Office during the Autumn 2018 period.

In addition to the Grant the Home Office announced that the threshold for a referendum on Police Precept increase was being raised to £24 per household, per annum (based on Band D property). For 2018/19 that threshold had been raised to £12 per household per annum and at that time the £12 was also to apply to 2019/20.

In December 2018, the Panel held an informal workshop/consultation event with the Commissioner on his budget proposals and options for 2019/20. At that time he indicated that before agreeing to request a £24 increase, he would need robust evidence of need and how it would be used.

Panel on 28 January 2019 received the Budget report which proposed a £24 per household, per annum increase in Precept. This would generate an additional £9.299million. Proposals for the use of that funding were - to build a sustainable base budget, maintain and safeguard policing and community services in Staffordshire and Stoke-on-Trent and make additional investment in the Police and Crime Plan.

Details were submitted of investment proposals for the £3.588 million which would be allocated to the Force. These include new systems and the implementation of the new Policing model and also the recruitment of a number of additional officers. The remainder of the £9.299million additional funding will be used to address base budget pressures.

The Panel quizzed the Commissioner on policing numbers and the areas of policing on which the Chief Constable would focus investment. In supporting the 2018/19 Precept increase the Panel had been informed that a total of 69 officers would be recruited over the 2018/20 period. The Commissioner reported on the progress of the recruitment programme acknowledging the Panels views on the importance of evidencing an increase in numbers as had been expected by the public when supporting last years increased Precept. When looking at the total policing establishment and factors affecting police numbers (such as retirements and transfers) the Panel called for clearer information from the Commissioner on Police numbers and it was agreed that a workshop event would be held to improve understanding of numbers and deployment.

The Precept/budget report was accompanied by a number of financial strategies including the Reserves Strategy. The Staffordshire Force currently has the lowest level of General Reserves of all Forces in England and Wales at approximately 1% of net revenue budget. The Panel Chairman had recently attended a seminar at which Government recommendations of 3% General Reserves level had been quoted as the safe level at which any Force would be able to respond to major incidents. The Commissioner acknowledged the need to raise the level of General Reserves but reiterated his view that they should be kept to a minimum to ensure that public money was being spent on frontline services. Consequently he proposed to increase the General Reserve to 3% at the beginning of each financial year and to maintain a minimum 2% throughout the year.

The Panel decided not to veto the Precept. They supported the budget/proposed increase in Precept of £24 per household, per annum. In doing so they noted the long term effect which low/nil Precept increases over previous years had had on the service. They are required to submit a formal report of their view to the Commissioner. That report reflected their view on the importance of the public having clear information on the use of that additional funding, particularly in relation to police numbers and the degree of police visibility expected by them.

Other issues discussed:

Progress of the IT Transformation contract with Boeing - It was agreed that the Commissioner present a report to a future Panel meeting on the £100million/10 year IT Transformation contract held with Boeing.

Questions raised by local members for Tamworth and Stoke –on-Trent – Tamworth Councillor T Clements submitted a question on the 101 Service and whether the Commissioner felt that it deterred the public from reporting crime. Replying the Commissioner reported that generally the 101 Service was performing the best it has for three years and referred to the percentage of calls received which should be directed to other agencies. At previous meetings he had acknowledged that nationally the purpose of the 101 service had not been as clearly defined for the public as might have been the case.

Stoke-on-Trent City Councillor J Garner had submitted a question on the detail of the budget report to the October 2018 Panel meeting, highlighting the forecast £15million budget gap and querying other costs quoted in the report. The Commissioner responded by referring to correspondence which he had forwarded to Panel members setting out his view and clarifying the figures.

15 February 2019

Proposed Fire and Rescue Service Precept 2019/20

The Commissioner presented the proposed Fire and Rescue Service Budget/Precept for 2019/20 which showed a net revenue budget requirement of £40.936million of which £26.247million would be funded from the Precept. This equated to a 2.99% (£2.20 per annum) increase on the previous year's Precept. This was below the inflation rate being built into budgets and therefore did not provide a real cash increase. He reported that during formal consultation on the Precept, 61% of respondents supported an increase in funding for the Fire and Rescue Service. The remainder of the budget would be funded from a combination of Settlement Funding (including a reduced Revenue Support Grant), Business Rates Top-up grant and 1% share of Business Rates.

The Commissioner explained that 2019/20 was the final year of a four year funding arrangement agreed between the former Fire and Rescue Authority and the Home Office under which grant allocations had been guaranteed in return for the delivery of an Efficiency Plan to enable a £4.8million reduction in the Revenue Support Grant. The proposed Budget/Precept was therefore a continuation of the former Fire and Rescue Authority's four year financial plan with minor amendments to help facilitate his proposals for the Service in future.

The Efficiency Plan required savings of £0.5million in 2019/20 the measures to achieve which included savings of £0.2million achieved from a review of the Prevention and Protection Programme (including Safe and Well visits). The Panel discussed in detail the operation of the Prevention and Protection Programme, the criteria used to target visits to those at most risk, breadth of information obtained from participants and the links with other agencies. The Commissioner reported that, subject to fulfilling the requirement to prioritise funding for the Response Service. He wished to expand this area of work, potentially in conjunction with Staffordshire Police.

Reference was made to the uncertainty around public sector funding, including that for Fire and Rescue Services, post 2019/20. A Comprehensive Spending Review was due to be undertaken in 2019 along with a Fair Funding Review. The Commissioner stressed the importance of securing funding arrangements for a minimum of 3 years to allow for service planning and development. He reported that along with fellow Fire and Rescue Service Commissioners he was pursuing involvement in national level discussions on funding and other issues affecting the Service, such as pay negotiations.

The Commissioner also submitted his Medium Term Financial Strategy (MTFS) to 2023/24 which included an assumed increase in the budget gap to around £3million by 2023/24. The accuracy of all assumptions depended on the outcome of the Comprehensive Spending Review. He detailed the main areas of risk in the budget, including increased employer contributions to the Firefighters' Pension Scheme and the amount allocated for pay awards which did not equate to the 17% increase currently being sought for Firefighters. Referring to the costs of the PFI contracts under which 21 of the 33 Fire Stations in the County had been funded, the

Commissioner indicated that a review of their terms had shown them to be generally favourable to the Service but that he wished to discuss with the Contractors the Terms relating to the use of the Stations with a view to facilitating greater collaboration between the Police and Fire and Rescue Services.

The Commissioner detailed the levels of Reserves provided in the MTFs which included a £1million allocation for future Integration, Collaboration and Change Programme. No potential savings from collaboration had been included in the 2019/20 Budget.

The Commissioner also submitted his Capital Strategy and Capital Programme 2019/20- 2021/22 and his Treasury Management Strategy. The Capital Strategy reflected a reduced level of debt and lower interest payments which resulted for decisions to directly fund components of the Capital Programme. Details were given of areas of major investment. The Treasury Management Strategy detailed the methods employed in managing cash, borrowing and investments and the associated risks in accordance with Guidance issues by CIPFA.

The Panel resolved not to exercise the veto, supporting the proposed Budget/Precept for 2019/20. The Panel has to formally report its decision to Commissioner and publish that report and the Commissioner's reply. Members decided to include in the report a request for more information on the Prevention/Protection workstreams as the Commissioner had identified a £0.2million saving from that service whilst indicating his wish to expand this area of activity.

Other Issues discussed:

Fire and Rescue Service Statement of Assurance 2017/18 The Fire and Rescue Authority (now the Commissioner) is required to produce an annual Statement of Assurance to evidence the financial, governance and response arrangements for the period covered. The report related to the Service prior to the Commissioner taking governance responsibility.

The Panel considered the 2017/18 report which summarised the legislative background within which the Service operated and managed its financial affairs and detailed activity undertaken under each of the 3 Priorities of the Service during 2017/18 namely Education and Engagement, Community Safety and Well Being and, finally, Planning, Resilience and Response.

Locality Deal Fund 2019/20- The Commissioner was questioned on the allocation of Locality Deal funds to District and Borough Councils as it was understood that proposed allocations for 2019/20 were reduced by 25% contrary to the Commissioner's previous indication that funding levels would be maintained.

Responding the Commissioner reported that a review of the use of the Locality Deal funding had shown that approximately 25% was being allocated by authorities to schemes which duplicated or overlapped with schemes run by a neighbouring authority. Consequently 25% of the total allocation would be withheld for allocation to joint schemes proposed by authorities in order to maximise the overall benefit of the funding.

For more information on this meeting or on the Police and Crime Panel in general please contact Julie Plant (01785 276135 e mail Julie.plant@staffordshire.gov.uk) or Helen Phillips (01785 276143 or helen.phillips@staffordshire.gov.uk)

Details of Panel meetings are issued to contact officers in each of the District/Borough Councils in the County and Stoke-on-Trent City Council for posting on their own web sites.

Stephen Sweeney

Staffordshire Police, Fire and Crime Panel Chairman

Staffordshire County Council