

Police and Crime Panel for Lancashire

Minutes of the Meeting held on Monday, 25th January 2016 at 6.30pm in Cabinet Room 'C', The Duke of Lancaster Room, County Hall, Preston.

Present:

Chair

Councillor Alistair Bradley, Chorley Borough Council

Committee Members

Councillor Ben Aitken, Fylde Borough Council
Councillor Roger Berry, Wyre Borough Council
Councillor Robert Boswell, Preston County Council
Councillor Paul Elms, Ribble Valley Borough Council
Councillor Julie Gibson, Lancashire County Council
Councillor Peter Gibson, Wyre Borough Council
Councillor Michael Green, South Ribble Borough Council
Councillor Tony Harrison, Burnley Borough Council
Councillor Andy Kay, Blackburn with Darwen Borough Council
Councillor Brendan Hughes, Lancaster Borough Council
Councillor Ivan Taylor, Blackpool Borough Council
Councillor David Whipp, Pendle Borough Council
Councillor Kevin Wright, West Lancashire Borough Council
Paul Richardson, Independent Co-opted Member
Altaf Baghdadi, Independent Co-opted Member

Also in attendance

- Clive Grunshaw, Police and Crime Commissioner for Lancashire
- Steve Freeman, Chief Finance Officer, Office of the Police and Crime Commissioner
- Ian Dickinson, Office of the Police and Crime Commissioner
- Suzanne Halliwell, Office of the Police and Crime Commissioner
- David Fairclough, Director of HR, Legal & Corporate Services, Blackburn with Darwen Borough Council
- John Bremers, Senior Projects Consultant, Blackburn with Darwen Borough Council
- Phil Llewellyn, Executive and Councillor Support Manager, Blackburn with Darwen Borough Council

1. Welcome and Apologies

The Chair welcomed all present to the meeting.

Apologies had been received from Councillors Terry Hill, Adrian Lythgoe, Liz Oades, Ian Moran and Miles Parkinson.

2. Appointment of Vice Chair of Panel

The Chair asked if any nominations for the position of Vice Chair which was currently vacant as a result of Alyson Barnes no longer being on the Panel.

No nominations were received so the Chair advised that the position would be left open until the next meeting where nominations would be sought again.

3. Minutes of the Meeting held on 12th October 2015

The Minutes of the Meeting held on 12th October 2015 were agreed as a correct record.

4. Declarations of Interest

There were no Declarations of Interest submitted.

5. Public Questions

No Public Questions had been submitted.

6. Police and Crime Commissioner's Budget 2016/17

A report was submitted which set out the latest financial position for the Police and Crime budgets in Lancashire for 2016/17 and proposals in relation to the precept. The Commissioner also delivered a presentation which highlighted the key aspects of the report and his budget proposals.

Included in the report was the current financial position that reflected the changes in the level of resources, additional cost pressures, reductions in the cost base and the identification of additional savings. The report set out;

- The Medium Term Financial Strategy (MTFS) that covers the 4 year period from 2016/17 – 2019/20
- The revenue budget for 2016/17
- The Council Tax proposal for 2016/17
- The proposed capital investment programme for 2016/17 and future years
- The Commissioner's reserves strategy

In addition the report set out the advice of the Commissioner's Chief Finance Officer on the robustness of the budget and the adequacy of the level of reserves as required by section 25 of the Local Government Act 2003.

The Police and Crime Commissioner's Medium Term Financial Strategy (MTFS) for the period 2016/17 to 2019/20 was framed in the context of the provisional financial settlement for Lancashire published on 17th December 2015.

In the period 2010/11 to 2016/17 core funding for Lancashire had fallen by £50.1m (22%). This included the reduction in 2016/17 (compared to 2015/16) of £1.031m as announced by government on 17th December 2015 in the provisional finance settlement.

At this stage it was assumed in the MTFS that government funding would reduce by 2% per year from 2017/18 to 2019/20.

In the 2015/16 budget report presented to the panel in January 2015 the panel was advised that further savings of £19.8m up to 2017/18 were required.

The Commissioner had extended the MTFS to cover the period to 2019/20 and has identified a revised funding gap of £32.724m for that period to reflect the latest available information.

Savings proposals of £14.002m covering the period 2016/17 to 2019/20 had been approved by the Commissioner leaving an outstanding funding gap of £18.722m to 2019/20.

This meant that the Commissioner and the Constabulary had identified a total amount of savings of £75.2m from 2011/12 to 2019/20. There remained however a further £18.7m that needed to be delivered. This meant that by 2019/20 total savings in excess of £93.9m would have been delivered since 2011/12 which was the equivalent of 31% of the 2011/12 original revenue budget.

In developing savings options the Commissioner and the Chief Constable had looked to protect front line services and drive out efficiencies wherever possible whilst maintaining service delivery. This approach together with the overall approach to managing the financial position was recently recognised as good practice by Her Majesty's Inspectorate of Constabulary (HMIC) from which Lancashire Constabulary was again rated as outstanding in the recent Police Effectiveness Efficiency and Legitimacy 'Peel efficiency' inspection. Lancashire was one of only four force areas to receive an overall rating as outstanding.

Analysis showed that whilst 50% of the savings identified had been taken out of frontline service budgets this only represented 19% of the total budget available for delivering frontline services. Operational Support and Business Support Services had however faced greater reductions and the budgets for delivering support had reduced by 53% and 44% respectively.

It had been identified that the total number of officers employed by Lancashire Constabulary would need to reduce in order to deliver policing services within the available funding in future years. However, the number of officers due to leave the force over this period was forecast to considerably exceed the reduction in numbers that were required. It was therefore appropriate to recruit new officers to maintain the level of frontline policing within the forecast financial parameters. This funding provided for the additional costs of 60 new recruits per year.

There were however a number of risks and uncertainties that would impact on the final position that were not reflected in the forecast position, and these were outlined in the report submitted. In particular in terms of Partner Funding for PCSO's – the Commissioner was committed to ring-fencing police budgets that currently fund PCSO's however the overall funding available would be dependent upon the continuation of partner funding. Some funding for PCSO's was received from partners across Lancashire and was match funded by the Commissioner. Several partners had not confirmed if

funding would be available from 2016/17 and therefore the final PCSO budget available would not be known until all partners had set their budget.

A draft capital programme was currently being developed and will be approved by the Commissioner in his budget report in February 2016. The Commissioner would also identify the funding for the capital programme as part of the decision and would consider the optimum use of the resources available to him in doing so. This would include using some of the strategic reserves that had been set aside.

The current draft capital programme was set out in the report.

The key elements of the IT strategy were:

- Replacement of Desktop and mobile equipment (£7.3m)
- New and replacement key IT systems (£8.7m)
- New and replacement IT infrastructure including networks and security (£21.8m)

The main element of the accommodation strategy was the construction of the new divisional headquarters in West Division at a forecast cost of £23.8m.

It was clear that a significant amount of the investment being made in future years would be from the Commissioner's reserves which reflected the strategy that was reported to the Panel in January 2015. This funding had been made available as a result of the financial planning that had been in place in recent years that had set aside savings that had been delivered ahead of schedule into reserves. This had been done specifically to fund the future investment needed to enable the constabulary to transition into a re-shaped service that maintained services to the citizens of Lancashire within a significantly reduced level of funding.

In terms of reserves, general reserves at this level were considered appropriate by the Commissioner's Section 151 Officer to ensure the ability of the organisation could remain a going concern should an unexpected issue occur.

There were also a number of earmarked reserves for specific purposes that were forecast to total £28.232m at the beginning of 2016/17 and these were detailed in the report.

This analysis showed that by 2019/20 the available earmarked reserves would be utilised in full to fund the investment identified in the capital programme and the costs of downsizing the organisation in respect of voluntary redundancies. These commitments would remain under scrutiny during this period and where they could be reduced the necessary action would be undertaken. The Commissioner would also seek to bring further contributions in to the earmarked reserves when possible.

It was clear, however that the Commissioner's reserves were fully committed by 2019/20 and were therefore not available to support the revenue budget in that period.

As part of the budget setting process the Commissioner was required to consider whether or not to propose any changes to Council Tax. It had been announced by DCLG that any proposal to increase Council Tax by 2% or more must be approved by a local referendum. It had also been confirmed that there would not be a Council Tax freeze grant available in 2016/2017 for Commissioners that did not increase their precept.

The Commissioner proposed to increase Council Tax in 2016/17 by 1.99% which would give a Council Tax of £162.22 for a Band D property and provide additional income of £1.305m. Increasing Council Tax by 1.99% in 2016/17 would reduce the level of savings required by 2019/20 to £17.417m.

The Commissioner would examine the budget proposals and identify further savings to meet the remaining funding gap of £0.3m identified above for 2016/17. These would be confirmed as part of the decision to approve the final 2016/17 revenue budget.

The Futures team were identifying further proposals to meet the savings gap in future years that would be considered by the Commissioner over the next 12 months as part of the ongoing financial planning process.

The Commissioner had undertaken significant research and consultation with the people of Lancashire to ensure their needs were reflected with regards to the decision taken on the Council Tax precept. Further details of the consultation and market research were available at Appendix A to the report.

Panel members were asked to note that 86.5% of respondents to all surveys supported increasing the Council Tax precept by 2% or more, which was an increase on last year of more than 4%.

Respondents were also asked to rank a number of policing and crime priorities in order to help inform the budget process. The table in the appendix represented their top priorities in descending order.

The Police and Crime Panel's response to the Commissioner on the precept proposal had to be made by 8th February 2016. The Commissioner would be unable to set a precept until the end of the scrutiny process is reached and should the Police and Crime Panel veto the proposals, the Commissioner must submit a revised precept for consideration of the panel to which the Police and Crime Panel must be received by 22nd February 2016 after which the Commissioner must respond formally to the Police and Crime Panel setting out the precept for the forthcoming year.

The Chair referred to the finance seminar held in December for members of the Panel which had been very informative and helped members who attended to better understand the Commissioners budget setting process and the associated regulations and procedures.

Members of the Panel then questioned the Commissioner on his proposals in particular in relation to calculations relating to the level of reserves, and projections about the Council Tax base, how the funding gap would be dealt with, the consultation process, the effects of top-slicing of budgets, the cost of a potential local referendum, the cost of the new headquarters in Blackpool, costs relating to redundancies and new recruits, and costs to the Police of filling the gap in the support for people with mental health issues. Questions were also received in relation to the replacement of the Airwave emergency services communication system, PCSOs, the alternative budget proposals considered and a query relating to the role of a former police officer involved in the recent HMRC inspection.

The Commissioner assisted by Steve Freeman, Chief Finance Officer for the Office of the Police and Crime Commissioner (OPCC) responded to the various questions raised, with

Steve Freeman explaining in some detail the position relating to earmarked reserves and that no assumptions had been made about increases in the Council Tax base over the years, the figures in the report related to the trend. In terms of meeting the funding gap, the Commissioner advised that there were various strands but in particular investment and technology was a key approach and that a planning process was in place.

With regards to questions about the consultation process, an increase in precept up to 5% was included as a question to test public opinion, and could not be ruled out as a further option if funding difficulties were worse going forward. There were no assumptions on the level of precept going forward but forecasts had been prepared for the next four years.

The Commissioner gave examples of top-slicing of budgets, where funding received had budget pre-allocated to fund costs relating to inspections and firearms funding for example, with the Government recouping the money out of ring-fenced budgets. The Government had yet to advise what the levels of re-allocation would be.

In relation to the questions on the costs of a local referendum, the Commissioner advised that this would be over £1m for Lancashire and felt there would be no appetite for this from the public.

The costs of the new police headquarters in Blackpool were not fixed, the figures in the report were outline costs and the Chair advised that this could be an area for future scrutiny by a task group.

The Commissioner explained the costs relating to redundancy which were £3m against the £2m for new recruits, explaining that the savings which would be found in officers joining at lower grades to those that had left against the costs of those leaving and the costs of the process and training of new officers.

The Commissioner outlined the approach to how the Police and partners dealt with Mental Health, with the focus on early action and prevention, and having staff with the right experience and skills. There would be a greater cost initially but he was confident savings would be delivered.

The costs of £1.6m for replacing the Airwave emergency services communication system were referred to by the Commissioner, which would not receive additional Government funding.

The Commissioner advised that there were no plans to use volunteer PCSOs in Lancashire, particularly in times of redundancy, and any involvement of citizens in policing required sensitive discussions with the Police Federation and Unions.

In relation to a question on alternative proposals to meet the £1.3m for Lancashire residents, the Commissioner advised that this was perhaps not appropriate for discussion in a public forum, but he would be pleased to respond separately. This was because any alternative options may describe different and alternative strategies for making savings impacting differently on different staff groups.

Finally, the Commissioner advised that he felt there was no conflict of interest in the role of a former senior police officer carrying out the HMIC inspection.

The Chair then asked the Panel to consider the six recommendations contained in the report. Councillor David Whipp advised he was in support of the proposals and moved an amendment to the third recommendation, replace 'consider with 'concur' (with) which was seconded by Councillor Andy Kay. The amendment was accepted.

The Panel then moved to the vote and the recommendations as amended were carried.

RESOLVED that the Police and Crime Panel –

- Note the details of the 2016/17 police finance settlement and the overall impact on Lancashire's budget;
- Note the report on the public consultation undertaken in respect of the proposed precept level;
- Concur with the Commissioner's proposal to increase the Council Tax precept by 1.99% in 2016/17;
- Make arrangements to ensure that a formal written response to the proposals is sent to the Commissioner by 8th February 2016.
- Note the proposed capital investment programme for 2016/17 and future years; and
- Note the proposed use of the Commissioner's reserves in 2016/17 and future years.

7. The Police and Crime Plan Performance Monitoring Report

A report was submitted to provide Members of the Panel with an update on progress in delivering the Police and Crime Plan (the Plan) for Lancashire 2013-2018 including a performance report in relation to the success measures contained within the Plan and a brief outline of other key commissioner activity.

This report covered the time period 26th September 2015 to 8th January 2016.

The report was presented in three sections:

Part 1 – an update on progress for each of the objectives listed in the plan.

Part 2 – a quarter 2 performance monitoring report.

Part 3 – a brief outline of the PCC's key activity in relation to role and function not captured in parts 1 and 2 of this report.

The Commissioner did not highlight any areas of his report, but asked the Panel for any questions they may have.

One Team Approach

The Commissioner was asked to elaborate on changes in different areas of the County. The Commissioner agreed to inform members of the panel on the effect of the plans for their local area.

Funding

In response to a query on the allocation of £10,000 to Ribble Valley, the Commissioner advised that this money had now been spent.

101 Performance

In terms of the statistics presented at Appendix 1 for calls handled by the 101 Service the Commissioner advised that the performance of the service was an ongoing issue, and recruitment was being addressed. The Chair asked the Commissioner to let the Panel know more about daytime peaks and troughs in calls to the service in future reports.

Flooding

The Commissioner agreed to report back on any extra staffing resources utilised as a result of the recent floods on Boxing Day.

Early Action

In response to a query about the Ribbleton pilot and any available data sets, the Commissioner advised that the early feedback was that the approach was very successful and more efficient, and he confirmed he would circulate information on this.

RESOLVED – That the request be noted.

8. Police and Crime Commissioner Decisions

A report was submitted highlighting decisions made and published by the Police and Crime Commissioner for Lancashire in the period since the last meeting of the Panel on the 12th October 2015.

Since the Panel's last meeting, the Commissioner had published 27 decisions.

In accordance with its statutory duty, the Panel had the opportunity to scrutinise and review the decisions made and published.

In response to a query to how the decisions were presented on the Commissioner's website, Ian Dickinson agreed to look at how the website reflected decisions published.

RESOLVED – That the report be noted.

9. Update on Community Engagement Strategy

A report was submitted which updated Members on the activity to date by the Commissioner's Office in terms of Community between April and the end of December 2015.

RESOLVED – That the report be noted.

10. Defending Frontline Policing Task Finish Group

The Panel received a report containing details of the work undertaken by the Task and Finish Group set up to scrutinise the work of the PCC in relation to one of his priority areas: Defending Frontline Policing.

As agreed at the last meeting in October, a short term Task and Finish Group was set up to scrutinise one of the PCC's priority areas – Defending Frontline Policing – which was one of the items agreed by the Panel for inclusion in its Forward Plan.

David Whipp, Roger Berry, Paul Elms and Tony Harrison were appointed to serve on the Task and Finish Group. Initial key lines of enquiry (questions) were identified and shared with the Commissioner. The Task Group met with PCC's officers to further discuss these areas and receive responses on 5th January 2016.

The initial key lines of enquiry were attached at Appendix One of the report submitted, with the response from the Commissioner attached as Appendix Two. The notes of the meeting held on 5th January 2016 and actions arising were also circulated to the Panel.

Councillor David Whipp reported on the scrutiny process undertaken, and thanked the Commissioner for the information provided. The Task and Finish Group felt that there was a need for the Commissioner to scrutinise the Chief Constable further on standards across Lancashire, looking at busy areas v non busy areas and on levels of satisfaction. The Task Group also felt that scrutiny over a longer period would be useful to capture a fuller snapshot, and that it would be helpful to come back in six months and assess the impact of the One Team approach.

In terms of the process for Task and Finish Group Members, it was felt that an initial planning meeting would have been of benefit and a session at the end of the process to decide what to feedback would have been useful, and that these extra steps in the process could be considered for future Task and Finish Groups.

The Chair and Panel members thanked the Task and Finish Group and the PCC and officers for their support and agreed that the Defending Frontline Policing Priority should be regularly reviewed, and this should be picked up again in next year's work programme.

RESOLVED –

- 1) That the report be noted; and
- 2) That the Task and Finish Group report back in six months and twelve months time on the scrutiny of the Defending Frontline Policing Priority and that this be recorded in the Forward Plan for 2016/17.

At this point of the meeting David Fairclough reminded the Panel that the Police Complaints process was due to be considered by the Task and Finish Group to report back in March, and outlined the proposed process. He asked for nominations and Andy Kay and Julie Gibson confirmed they would be happy to join the group in addition to Tony Harrison and Terry Hill who had already confirmed. The Task and Finish Group Members would receive further information by email in due course.

11. Members Expenses and Allowances

The Panel received a report which reviewed and clarified to Members allowances and expenses that could be claimed.

The matter was last considered at the Panel meeting on 7th April 2014. In that report expenses were referred to as being travel, subsistence, loss of earnings and conference / training costs. Unfortunately the reference to loss of earnings had caused some confusion.

Councillors were already compensated for loss of earnings by the Allowances systems operated by each Constituent Council, so a claim could not be made for "loss of earnings" as an expense item.

Each constituent Council set the allowances for its members who sat on the Panel. Recent guidance had highlighted the scrutiny role of the Panel and as a result the Panel had set out its forward plan for the year ahead and identify areas it would wish to scrutinise in more detail. This would mean more meetings of the Panel and its sub-groups than originally envisaged. It was suggested that Members may wish to draw this to the attention of their Constituent Councils when they review allowances for panel members.

In terms of SRAs for Chairs of Panels, it was down to the relevant authority to consider paying an SRA if their Member had been appointed as Chair of the Panel. A number of authorities did provide the Panel Chair with a SRA equivalent to their Chairs of Scrutiny Committees.

As previously reported on 7th April 2014 a letter circulated to all Leaders of Constituent Councils from the Home Office dated 23rd January 2012 stated that there would be £53,000 for support and training costs. In addition, up to £920 would be made available per member of the panel (including additional co-optees) for actual incurred expenditure to fund expenses. There was no requirement to pay allowances to co-opted members and it was left to authorities to decide if they should be paid.

Following discussions it was agreed that the processes relating to Members Expenses and Allowances remain the same and that the clarification relating to the loss of earnings was noted.

RESOLVED – that the report be noted.

12. Complaints Sub-Committee and Monitoring of Complaints

David Fairclough confirmed that no new complaints had been received.

13. Urgent Business

There were no items of urgent business.

14. Date of Next Meeting

The next scheduled meeting of 9th February 2016 would now not take place due to the decision taken regarding the budget today, and therefore the next meeting would be held

on 8th March 2016 at 10:00am – Meeting Room A, Town Hall, Blackburn. Phil Llewellyn to email the Panel to confirm the above meeting arrangements and update the website.

SignedChair
2016