

NORTH HERTFORDSHIRE DISTRICT COUNCIL



A

**MEETING OF THE HERTFORDSHIRE POLICE AND CRIME
PANEL**

will be held in the

**COUNCIL CHAMBER, BOROUGH OFFICES, CHURCHGATE,
CHESHUNT, EN8 9XQ**

On

THURSDAY, 2ND FEBRUARY, 2023 AT 6.00 PM

Agenda Part I

Item	Page
1. AGENDA AND REPORTS	(Pages 3 - 176)



MEETING OF HERTFORDSHIRE POLICE AND CRIME PANEL

Tuesday 2 February 2022 – 6 pm

Broxbourne Council
Bishops' College,
Churchgate, Cheshunt
Hertfordshire EN8 9XQ

AGENDA

1 WELCOME BY CHAIR

2 APOLOGIES

3 MINUTES OF THE MEETINGS OF 17 NOVEMBER 2022 *(attached)*

If members of the public have any comments on the draft minutes, please email pcp@broxbourne.gov.uk

4 MATTERS ARISING FROM MINUTES

5 QUESTIONS TO THE PANEL FROM THE PUBLIC

Questions are to be sent to pcp@broxbourne.gov.uk by 26 January 2023, seven days in advance of the meeting to allow for a quicker and more complete response. *(20 minutes are permitted)*

6 QUESTIONS TO THE POLICE AND CRIME COMMISSIONER FROM THE PUBLIC

Questions are to be sent to pcp@broxbourne.gov.uk by 26 January 2023, seven days in advance of the meeting to allow for a quicker and more complete response. *(20 minutes are permitted)*

7 (1) THE PROPOSED POLICE AND CRIME COMMISSIONER'S PRECEPT 2023/24
(2) REPORT ON POLICE PRECEPT CONSULTATION 2023/24
(Reports attached)

(a) Public questions on the proposed precept/precept consultation *(20 minutes are permitted)*

(b) Panel consideration and questions on the proposed precept/precept consultation.

8 COMMUNITY SAFETY AND CRIMINAL JUSTICE DELIVERY PLAN (FOR INFORMATION)

9 AOB

10 Date of Next meeting 22 June 2023 **Page 3** **St Albans City and District Council**

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MEETING OF THE HERTFORDSHIRE POLICE AND CRIME PANEL

Thursday 17 November 2022- 6:00pm

Hertfordshire County Council

MINUTES

(Please note the minutes are a brief summary of the discussion and not intended to be verbatim)

Members Present: Cllr P Choudhury (Vice Chair) - Hertsmere Borough Council
Cllr J Taylor - St Albans City and District Council
Cllr R Trigg - Welwyn Hatfield Borough Council
Cllr R Fernando – East Herts District Council
Cllr R Ranger – Hertfordshire County Council
Mr Malcolm Ramsay – Independent member
Cllr J Hollywell – Stevenage Borough Council
Cllr G Adeleke – Dacorum Borough Council

Also Present: Mr David Lloyd, Police and Crime Commissioner
Mr Lewis Cocking, Deputy Police and Crime Commissioner
Mrs N Boateng, Clerk to the Police and Crime Panel
Mr Ibrahim Balta, Deputy Clerk to the Police and Crime Panel
Mr Elliot Free, Solicitor Apprentice, Broxbourne Council

1. WELCOME

Cllr Choudhury welcomed everyone to the PCP meeting.

2. APOLOGIES

Apologies received from Cllr Monaghan, Mr Ian Laidlaw-Dickson, Cllr North, and Cllr Nelmes.

The Panel sadly noted Mr Ian Laidlaw-Dickson's resignation from the Panel due to ill health, the Panel expressed its thanks to Mr Laidlaw-Dickson for his many years of service, it was expressed that his commitment and expertise on Policing would be missed. The Panel wished Ian all the best for the future.

3. MINUTES OF THE MEETINGS HELD ON 23 JUNE 2022

The minutes were agreed.

4. MATTERS ARISING FROM THE MINUTES

None.

5. PUBLIC QUESTIONS TO THE PANEL

The Panel received the following question from the public:-

As the Panel moves towards consideration of the Commissioner's next annual budget proposal may I put to the Panel questions regarding a previously approved budget?

Post Covid it was reported that the Chief Constable awarded all of his officers and staff a Covid service bonus. How much was the total cost and was this payment funded by Govt/some other source or, was it drawn from the annual budget for that year?

If the latter, and it was not a specific heading in the Pre-Covid budget submission agreed by the Panel, is the Panel satisfied that the Commissioner's then budget proposal (presumably for 'contingencies') was in hindsight appropriate/sufficiently justified and if not, will it seek ways to make scrutiny more robust in future?

Colin Woodward

The response to all public questions are attached at appendix one.

6. PUBLIC QUESTIONS TO THE POLICE AND CRIME COMMISSIONER

Four questions were received from the Public for the Police and Crime Commissioner; the questions are reproduced below:-

- a) *Does the Police and Crime Commissioner really believe that demonstrations raising an important political point whilst inconveniencing the travelling public would not be attended by the media, as he claimed on an LBC interview that the said media were encouraging the demonstrations? Does he want to shoot the messenger?*

Duncan Jones

- b) *The arrest of journalists covering the Stop Oil Protests on trunk roads and motorways within Hertfordshire force area by its officers is well documented both online and on the mainstream news. As a former colleague of David Lloyd's I am appalled at this unethical use of Police powers in a disproportionate fashion and I would like to know how David intends to scrutinise Hertfordshire Police action on behalf of the public not only in Hertfordshire but across the country.*

Arfon Jones (Police and Crime Commissioner for North Wales 2016 – 2021)

- c) *The quarter two budget monitor report states that "Prevention First – underspend of £2.347m due to 55 officer vacancies and 2 Staff vacancies against a budgeted establishment of 70 officers and 16 Staff. It is unlikely these posts will be filled during the current financial year due to reduced intake numbers of student officers and other departments taking priority over recruitment resources."*

How is the Prevention First programme being delivered with that level of vacancies? I would also like the Panel to comment on whether the action from their meeting in June for a briefing on Prevention First had been delivered.

John Hale

- d) *The Commissioner will be aware of the 43 Recommendations and 5 Areas for Improvement in the recent HMICFRS report, "Inspection of Vetting, Misconduct & Misogyny in the Police Service". Given his commitment and actions to rapidly raise the establishment of Herts Constabulary to its highest ever level does he agree with HMICFRS that, "it is too easy for the wrong people to join and stay in the Police", and how concerned is he that this applies to Hertfordshire? Will Herts Constabulary be able to meet in full the 43 Recommendations and Areas for Improvement within the proscribed timescales?*

Does the Force carry out pro-active intelligence collection, on "prejudicial and improper behaviour" or, is it reliant on cases being drawn to its attention?

Is there an Annual Counter Corruption Strategic Threat Assessment and if so, are staff and officers made aware of the assessed threats?

Has Herts Constabulary adopted Annual Integrity Reviews?

Colin Woodward

The response to all public questions are attached at appendix one.

Mr Ian Laidlaw-Dickson

Before responding to the Public questions, DL paid tribute to Mr Ian Laidlaw-Dickson, thanking him for his contribution and service to the Police Authority and the County. He also said that he thought Hertfordshire was a safer place because of the work Ian had done. DL indicated that he felt he had lost one of his most valuable friends and advisors. DL wished Ian all the best for the future.

7. HMIC INSPECTION OF CUSTODY REPORT – PCC UPDATE

DL advised it was an unannounced inspection. The report said it was a good inspection. An action plan in response to the report is in place.

Cllr Hollywell referred to a high profile case where a woman was required to wear anti-rip clothing.

DL explained the safety reasons for the use of anti-rip clothing, such as the avoidance of self-harm. Anti-rip clothing was used as routine, we have taken on board the report recommendations and it is now only used when necessary.

Cllr Taylor, referred to the arrest of the journalist and asked what DL could do to overview and scrutinise wrongful arrests.

DL explained an enquiry into what happened regarding the journalist's arrest was being conducted by a Chief Constable from another force. DL referred to the Panels in place that review stop and search, force and complaints.

Cllr Ranger asked whether there was a gold standard HMIC template.

DL considered the HMIC approach to be reasonable, he explained they have a series of things they broadly look for, there are no specific templates or questions.

8. QUARTER TWO BUDGET MONITOR

DL took the Panel through the report.

Cllr Choudhury asked about the underspend on vacant posts and when DL anticipated officers would be in post and trained.

DL advised the Panel the force was continuing to recruit and he was confident the recruitment numbers needed would be achieved by March.

Cllr Taylor asked whether DL had concerns over vacant posts and inexperienced officers.

DL referred to the successful recruitment and training over the last three years and indicated he was confident the recruitment target would be met.

Cllr Ranger asked about the vetting process for new officers and whether this would affect recruitment numbers.

DL explained the vetting requirements were necessary to ensure the high standards of the recruits, as we want officers who are beyond reproach.

Cllr Taylor asked how much had been invested in leadership training.

DL The college of Policing is adopting the Army's approach to leadership training, which includes training for leadership at an early stage.

Ian Rooney referred to the new senior leadership development programme.

Cllr Adeleke, asked for clarification on the Chief Constable overspend referred to in paragraph 3.3.1.

DL explained that this related to when things had gone wrong, such as public liability and vehicle insurance.

9. ANY OTHER BUSINESS

The Panel asked a pre-prepared question on recruitment. The question and answer are at appendix one.

Cllr Taylor asked whether DL had concerns about cross border influences (with reference to the Met Police).

DL my concern is not with the met, but with one or two officers in the met. He expressed concern about the public losing confidence in policing due to isolated cases. DL indicated he had no reason to believe the culture was seeping across the border.

Cllr Adeleke asked whether DL was content with the level of satisfaction of officers and how this is was monitored.

DL advised a survey is undertaken annually by the University of Durham, the outcome is usually positive. The Federation also conduct an annual survey that focuses on pay and conditions; the satisfaction response to this tends to be lower. As with most of the public sector, we do not have the ability to do anything nationally on pay.

**10. DATE OF NEXT MEETING – 2 FEBRUARY 2023 AT 6 PM VENUE – BROXBORNE
BOROUGH COUNCIL**

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Meeting	Police & Crime Panel (PCP)
Date	2 February 2023
Title	Proposed Precept for 2023/24
Submitted By	The Police and Crime Commissioner for Hertfordshire (PCC)
Purpose of Report	To notify the Hertfordshire PCP of the PCC's proposed precept for 2023/24 and to enable it to review the proposal.
Recommendation	That the PCP endorses the PCC's proposed precept increase of 6.7% per annum (£15.00) bringing the total policing element of Council Tax for a typical Band D property and equivalent to £238.00 per year.
Financial Implications	Included in the body of the report
Risk Implications	Failure to apply sound financial management principles over the medium-term may threaten the organisation's financial sustainability.
Legal Implications	The PCC is a precepting authority for the purposes of the Local Government Finance Act 1992 and must set the Council Tax precept in accordance with the requirements of that Act as well as the further requirements of the Police Reform and Social Responsibility Act 2011.
Equalities Impacts	66% of chargeable dwellings are in council tax bands A to D and so will pay an extra £15 or less per annum ¹ . There are Local Council Tax Support (LCTS) schemes available in all districts to provide financial assistance to both pensioners and those of working age in paying their council tax. The Government has made total additional funding of £1.53m available across the Hertfordshire billing authorities.
Freedom of Information Exemption Section if Applicable	Not exempt under Freedom of Information Act 2000.

Executive Summary

This report outlines the budget and financial impact of the 2023/24 precept option on which the Police and Crime Commissioner (PCC) has consulted, namely, to increase council tax by 6.7% per annum at Band D (£15.00)². The table below shows the calculation for the council tax requirement for 2023/24, in accordance with section 42A of the Local Government Finance Act 1992.

Table 1.

	£m
Net Budget 2022/23	244.340
Standstill costs	9.392
Savings	-7.178
Investment & Growth	6.092
Net Budget 2023/24	253.646
Less Home Office Settlement Grants	-141.770
Less Additional Core Grant	-0.456
Less Collection Fund surplus	-0.400
Council Tax Precept Requirement for 2023/24	110.494
Estimated number of band D properties (No.)	464,259
2023/24 Band D Precept requirement £ p.a.	238.00
Current Band D Precept (2022/23) £ per annum	223.00
Increase required £ per annum	15.00
Increase required % per annum	6.73%

As can be seen above, over 76% of the standstill costs have been offset by savings. The resulting council tax bands are shown in the table below:

Table 2.

Band	Proportion of Band D charge	2022/23 Charge £	2023/24 Charge £	Precept increase £			
				per annum	per month	per week	per day
A	6/9ths	148.67	158.67	10.00	0.83	0.19	0.03
B	7/9ths	173.44	185.11	11.67	0.97	0.22	0.03
C	8/9ths	198.22	211.56	13.34	1.11	0.26	0.04
D	9/9ths	223.00	238.00	15.00	1.25	0.29	0.04
E	11/9ths	272.56	290.89	18.33	1.53	0.35	0.05
F	13/9ths	322.11	343.78	21.67	1.81	0.42	0.06
G	15/9ths	371.67	396.67	25.00	2.08	0.48	0.07
H	18/9ths	446.00	476.00	30.00	2.50	0.58	0.08

² An increase over £15.00 would require a local referendum

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1. Commissioner's summary

Whilst recorded crime in Hertfordshire is down 9.4 per cent from 2019/20³, like other parts of the country the force faces rising complexity and challenges in the types and nature of crimes being committed and the investigation of those crimes. The Constabulary's Force Management Statement 2022/23 highlights the unprecedented demand being placed on the service and the impact of responding to calls resulting from service failure from public sector partners around 'public safety and welfare' including Missing People and Mental Ill Health.

This year's Police Grant Settlement from government has increased by £0.456m resulting in an overall settlement grant funding of £142.2m. To meet the budgetary gap, government has outlined its expectation that Police and Crime Commissioners will use the flexibility granted to increase the police element of the council tax precept by £15 (for an average Band D property⁴) for 2023/24 so that we can meet our running costs. In Hertfordshire this amounts to £271.6m in the next financial year. Policing is not immune to the pressures of wage and energy costs, but nor are households immune to the impact of inflation. A balanced approach has therefore been proposed in increasing the precept by 6.73 per cent, significantly below the rate of inflation, to recognise the impact of the Cost-of-Living crisis. Keeping council tax low has been one of the Police and Crime Commissioner's overriding ambitions and he is determined to maintain the reputation of having one of the lowest council tax precepts in the country. Even after the planned increase, Hertfordshire's precept is likely to remain the fifth lowest in England and Wales.

Increasing the precept £15 for an average household equates to an increase of just less than 28p a week or £1.25 a month for Band D properties, 19p a week or 83p a month for a Band A property. Most Hertfordshire residents live in properties banded A to D. This will raise an additional £7 million in income which, alongside core government funding, represents a 4 per cent increase in the total police budget. The revenue generated will help the force to continue delivering the best possible service and respond to what the public tell me they want: record numbers of police officers in our communities. By the end of March 2023, the Constabulary are on target to have 2,380⁵ officers in post, over 300 more officers than we had in 2019. This budget will consolidate the substantial officer growth and support our efforts to improve police legitimacy by embedding a culture of transparency,

³ Year to date figure for recorded crime under Hertfordshire Constabulary, from 1 April 2019 to 31 December 2022 inclusive.

⁴ The annual figure depends on the banding of the property. The 2023/24 police council tax precept would rise to £238.00 per annum for an average Band D property.

⁵ Headcount

accountability, and ethical behaviour through investment in supervision, better management training and a focus on high standards.

Our transformative Prevention First programme is already demonstrating impact and reducing demand in the system by identifying the root cause of problems and working with partners to provide long term sustainable solutions. Her Majesty's Inspectorate of Constabulary, Fire and Rescue Service (HMICFRS) forthcoming 'PEEL'⁶ assessment of Hertfordshire Constabulary will highlight the good progress that has been made to take an evidence based and data driven approach to preventing risk, harm and victimisation across the county. There is no doubt that there is more to do, and over the coming year new ways will need to be explored to reduce the calls for service coming into the system by working with our partners to identify vulnerability and intervene early.

The Police and Crime Commissioner will be looking even more closely at where the Constabulary can drive further efficiency and improved effectiveness by looking in greater detail at how the budget is spent and resources are deployed.

2. A view from the Chief Constable

This budget proposal will allow Hertfordshire constabulary to continue its focus on delivering the organisational and PCCs priorities through 2023/24.

The constabulary continues to perform well. Crime levels remain substantially below those seen prior to the pandemic, with crimes such as burglary, robbery, and vehicle crime down by up to 45%. Policing outcomes have improved as well, and we continue to compare very favourably on both these measures against forces policing areas similar to Hertfordshire. At the same time our workforce has grown as we remain fully committed to our neighbourhood style of policing. We are determined to build upon these strengths to further benefit the people of the county.

Amidst a backdrop of high inflation and modest grant increases, the constabulary continues to operate in a financially challenging environment; the £15 increase in council tax as set out in this budget proposal is essential if the constabulary is to maintain its current workforce strength and asset base whilst continuing to deliver on the priorities set out by the PCC and in the constabulary's plan on a page and control strategy.

Prevention First remains a central focus for the constabulary; this approach has the potential to transform policing in Hertfordshire and will result in fewer victims of crime and reduce overall demand. This budget will allow us to continue the programme of cultural change at the heart of Prevention First and roll out more training to frontline officers and staff to really embed this approach across the whole constabulary.

This budget will also allow the constabulary to continue to focus on the priorities set out in its control strategy with a clear focus on preventing and reducing harm for the most vulnerable as well as tackling violence against women and girls.

I recognise that there is considerable concern amongst the public about the terrible actions of some serving officers and the constabulary has worked hard over the last few years to remove that small minority of officers and staff in its ranks who have fallen well below the high standards we set. The investment in our professional standards and vetting teams contained in this budget is essential if we are to maintain our high standards and rebuild the damage this has caused to public confidence. It is non-negotiable for me that every member of the constabulary can be trusted to always live up to the high expectations the public rightly have of the police.

In common with many parts of the public sector and as identified in the most recent Force Management Statement, recruitment and retention has been a significant challenge for the

constabulary throughout 2022/23 and is likely to continue to be challenging through 2023/24. Although the constabulary is on target to meet its share of the officer growth set out by government under the Uplift programme (and will achieve the highest number of police officers in the constabulary's history as a result), without the increase in council tax set out in this budget it will prove difficult to maintain these numbers whilst simultaneously including critical areas, such as our force control room and criminal justice functions, are appropriately resourced. Whilst decisions regarding annual pay-rises are outside of the control of the constabulary, this budget will allow the constabulary to do all it can to ensure that appropriate reward mechanisms are in place and that projected pay rises for all its officers and staff are properly funded.

The capital programme set out in this budget is key if the constabulary is to continue delivering the highest levels of service to the people and communities of Hertfordshire. This capital programme will ensure that the constabulary has the right physical assets (police stations, operational bases, vehicles etc.) in place to allow all our officers and staff to interact and respond to the public in the right way at the right time. As identified in the Force Management Statement, Information Technology is also a key investment area; this capital programme will not only ensure that core systems are properly maintained but it will also provide capacity to invest in new technologies that will further enhance our capabilities, efficiency and ability to tackle criminals and prevent crime.

Whilst there many significant challenges still ahead for policing I am very optimistic that Hertfordshire constabulary understands these, and this budget is a key enabler in keeping us well positioned to meet these successfully. I am delighted that the Police and Crime Commissioner shares my vision and is willing to make the resources available to the constabulary through his proposed £15 council tax increase.

3. Background

This report meets the requirements of Schedule 5 of the Police Reform and Social Responsibility Act 2011 and the Police and Crime Panels (Precepts and Chief Constable Appointments) Regulations 2012, whereby the Police and Crime Commissioner (PCC) must notify the Panel of his proposed precept by 1 February and thereby give the panel the opportunity to review and make a report to the PCC on the proposed precept (whether it vetoes the precept or not) by 8 February.

It provides the Panel with information on the 2023/24 revenue and capital budgets and the Commissioner's recommended council tax precept increase to meet these financial commitments⁷. The PCC is responsible for setting the annual budget and council tax precept for 2023/24 and giving consideration as to whether the budget and service plans are relevant, affordable, and sustainable in the longer-term. In doing so, he must satisfy himself that services and resource allocation have been appropriately prioritised and that financial risks have been adequately addressed and covered by, for example, reserves, contingencies, and risk mitigation plans.

The decision on the level of the precept/council tax, the Revenue Budget and Capital Programme needs to be seen in the context of the funding envelope (the total of the precept and government grant), and the pressures on the policing service, for example the changing nature of crime, increasing demand, more complex investigations, and other unavoidable cost pressures such as inflation (pay and non-pay).

The decision on precept must also be seen, not as a one-off decision in relation to next year, but as part of a strategy in relation to the changing demands on policing over the short to medium-term. The precept and budget proposals within this report are made within the context of a rolling four-year financial planning cycle and integrates the resources required to deliver the Commissioner's police and crime plan. The figures contained within the report are based upon current information and the stated assumptions.

The Panel must therefore review the proposed precept notified to it and provide a report on the proposal to the Commissioner by 8 February 2023.

⁷ Subject to the final notifications on the council tax base and collection fund from the ten billing authorities.

4. The Funding Context

Despite the recent emergence from the pandemic, the economic landscape has significantly worsened since the last settlement. Most notably, inflation has climbed much higher than was predicted this time last year, with CPI reaching 11.1% by October. There has been pressure on the Government from all sides to increase departmental spending to avoid real terms cuts.

However, to address increased levels of debt, departmental cuts were considered a necessity. This led the Chancellor to cut many departmental budgets. The table below illustrates the difference between the Spending Review 2021 (SR21) and the Autumn Statement 2022 (AS22) for Home Office Revenue Departmental Expenditure Limits (RDEL).

Table 3.

RDEL (excl. depreciation)	2021-22	2022-23	2023-24	2024-25	Change
SR21	£14.6bn	£16.2bn	£16.5bn	£16.5bn	£1.9bn
AS22	£14.4bn	£14.6bn	£15.4bn	£15.5bn	£1.1bn

The National Police Chiefs Council NPCC released figures from a survey in October, which found that energy inflation is adding £100m a year to deficits. The survey also found that there were additional cost pressures of £127m for service development and other contractual inflation. This led to a request for an additional £300m in core police funding to protect the service from inflationary pressures.

Furthermore, due to the larger than expected inflation figures, there has been pressure across the public sector to offer larger pay rises than would have otherwise been expected. For 2022/23 many forces were expecting a pay award of between 2% and 3%, but in July the government announced that police officers will get a pay award of £1,900 at all pay points, worth around 5% nationally, when all ranks and pay scales are taken into account. After the announcement, the then Home Secretary announced additional funding to help cover the increased pressure on budgets of £70m in 2022-23, £140m in 2023-24 and £140m in 2024-25. This assumed that next year's pay award would drop back down to previous assumptions.

Last year the Home Office distributed approximately £70m of additional grant to cover the costs of the national insurance employer contributions increases because of the social care levy. However, figures appear to show that around £66m is being clawed back by the HO

following cancellation of the levy from 6 November 2022, leaving £74m for pay increases (£140m minus £66m).

5. Grant Settlement

The 2023-24 Provisional Settlement was announced on 14 December 2022 in a written statement by the Crime and Policing Minister and full details of the Settlement can be found on the Home Office website [here](#). The deadline for submissions to the provisional settlement is 5pm on 13 January. The main elements of the Grant Settlement are set out below:

a. Core Grant⁸

The provisional settlement sets out a net cash increase of £0.5m and resultant overall settlement grant funding of £142.226m. This total includes:

Table 4.

Pay Award 2022/23 Funding - In July 2022 the government announced acceptance of the Police Remuneration Review Body's recommendation to award a consolidated increase of £1,900 to all police officer ranks and pay points with effect from 1 September 2022. To help fund this additional cost, the Home Office set-out additional funding over this Spending Review period, which included £70m in 2022/23, £140m in 2023/24 and £140m in 2024/25.	£2.1m
Police Uplift Funding – SR 2021 included an additional £100m to support the PUP in the 2023/24 core grant.	£1.5m
Health and Social Care Levy - Funding has been removed to reflect the government's decision to abolish the Health and Social Care Levy equivalent to a 1.25% increase on employer national insurance contribution.	-£1.0m
Additional Ring Fencing - The Home Office has confirmed an increase to the element of the settlement ring fenced to PUP officer number attainment and this is shown here as a transfer to grants (see below).	-£2.1m
Net increase in core grant funding	£0.5m

b. Specific Grant - Police Uplift Programme (PUP) funding

2022/23 was the final year of the PUP, however the Home Office has committed to maintaining officer numbers in future years, and therefore the ring fencing of PUP funding has been both continued and increased into 2023/24, to encourage forces to maintain officer numbers, which for Hertfordshire is an increased headcount of 304 officer (from April 2019)⁹. Hertfordshire's share of this funding in 2023/24 is £4.1m (£2.1m additional for

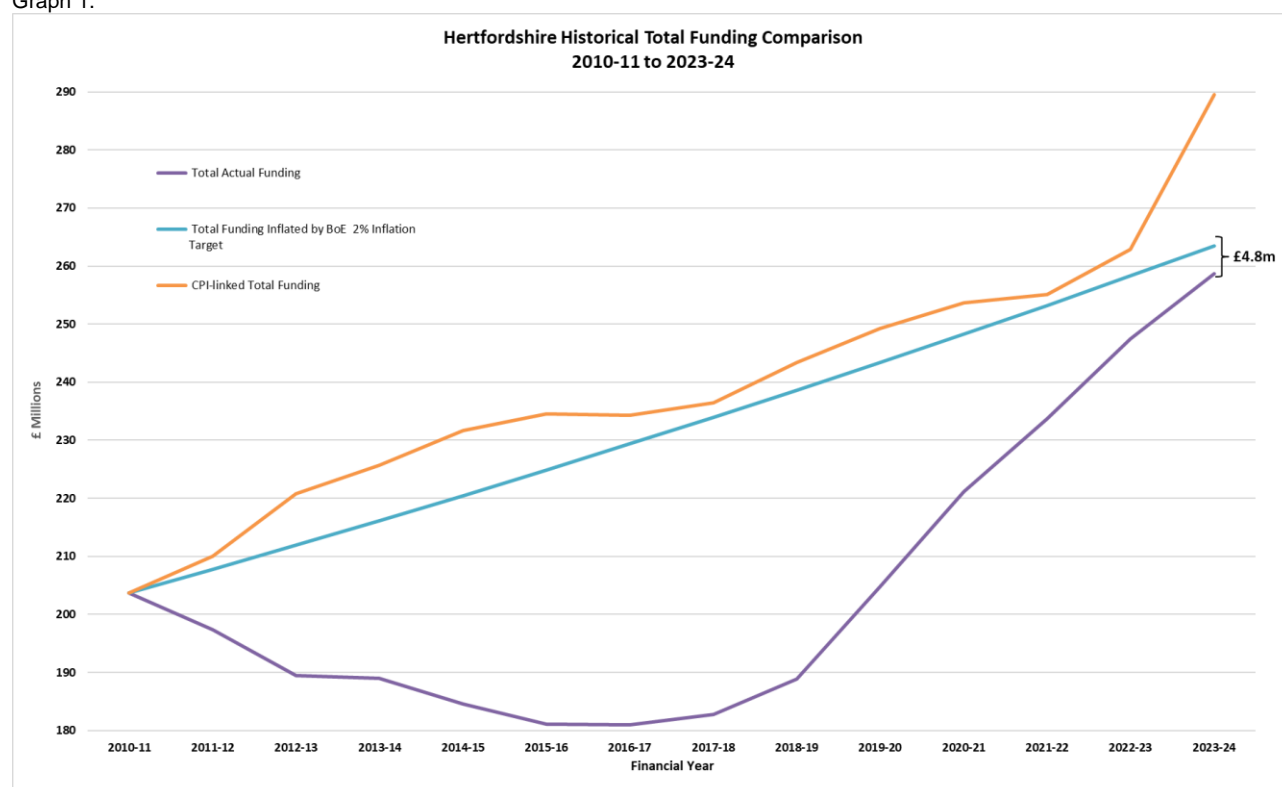
⁸ No changes to the Police Funding Formula are anticipated in 2023/24

⁹ Baseline headcount 2,077 officers

2023/24 and £2.1m from 2022/23). It is anticipated that the Home Office will confirm the mechanism for receiving this ringfenced funding in the first quarter of 2023 .

The graph below shows that despite significant increases in recent years, primarily focused on the Police Uplift Programme (PUP), Hertfordshire's overall funding has not kept pace with the Bank of England (BoE) inflationary target of 2% and remains £4.8m lower in 'real-terms'.

Graph 1.



c. Capital Grant

For the second year running the Government has decided to provide no capital funding directly to forces by way of a grant.

d. Ministry of Justice (MoJ) Grants

In addition to the Home Office funding outlined above, the PCC also receives grants from the MoJ, for the commissioning of victims' services. At this point it is assumed that Hertfordshire's 2023/24 allocation will be same as the previous year at £2.109m which comprising the following elements:

Table 5.

Grant element	Amount £m
MOJ Core budget	1.383
Independent Domestic Violence Advocates (IDVA)	0.067
Early Intervention Officer Sexual Violence/Domestic Abuse	0.256
Independent Sexual Violence Advocates (ISVA)/IDVA	0.208
Domestic Violence/Sexual Violence services	0.195
Total funding	2.109

6. Council Tax income

On the 12 December 2022 guidance was issued by the Home Office amending the council tax referendum principles (previously the Spending Review 2021 set out at £10) to £15 on a typical Band D property. The guidance also stated:

‘Precept rises should not be in place of sound financial management and we expect PCCs to exhaust all other options to reprioritise budgets, seek efficiencies and to maximise productivity of their existing resources before looking to local taxpayers for additional funding’.

a. Taxbase

The taxbase is calculated by the billing authorities by converting all properties to Band D equivalents and making assumptions about the levels of discounts to be offered and the amount of tax to be collected. The final council tax base and collection fund balance estimates for Council Tax provided by the 10 billing authorities estimate the police tax base to increase by 1.27% realising a further £1.296m of income. The table below shows a breakdown across the 10 billing authorities.

Table 6.

Hertfordshire Boroughs & Districts’ Taxbase				
Billing Authority	Tax Base	Tax Base	Change	
	2022/23	2023/24		
	No.	No.	No.	%
Broxbourne Borough Council	35,722	36,137	415	1.16%
Dacorum Borough Council	59,328	59,922	594	1.00%
East Herts District Council	62,610	63,893	1,283	2.05%
Hertsmere Borough Council	42,800	43,176	376	0.88%
North Herts District Council	49,965	50,605	640	1.28%
St Albans District Council	63,368	63,714	346	0.55%
Stevenage Borough Council	28,004	28,153	149	0.53%
Three Rivers District Council	39,260	39,545	285	0.73%
Watford Borough Council	33,891	35,247	1,356	4.00%
Welwyn Hatfield District Council	43,498	43,867	369	0.85%
TOTAL	458,445	464,259	5,814	1.27%

A summary of the additional income generated from the above taxbase change is as follows:

Table 7.

Taxbase Calculation	Amount
Estimated number of band D properties – 2023/24	464,259
Number of band D properties – 2022/23	458,445
Increase in tax base properties	5,814
Band D council tax rate	£223.00
Increased tax base income	£1.296m

b. Collection fund

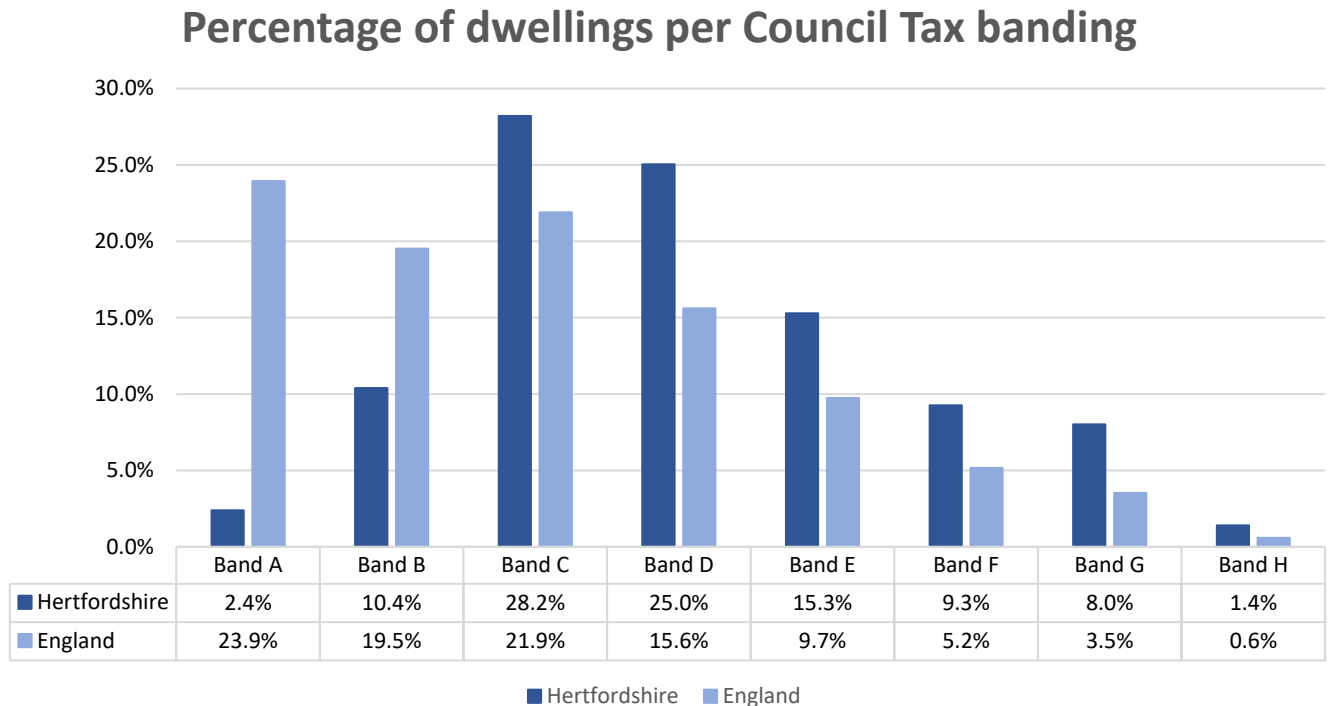
The collection fund reflects the year-to-year differences between estimated and actual collection of Council Tax because of changes in collection rate and levels of tax base growth. At the time of writing the figures have not been received from the districts and so a prudent estimate of £0.400m has been assumed, which would be a year-on-year increase of circa. £0.063m. The table below provides an illustration of the overall change between years.

Table 8.

Draft Collection Fund Surplus/(Deficit) relating to the PCC			
Billing Authority	2022/23 £	2023/24 £	Change £
Broxbourne Borough Council	264,189	-	-
Dacorum Borough Council	-107,190	-	-
East Herts District Council	58	-	-
Hertsmere Borough Council	167,699	-	-
North Herts District Council	773	-	-
St Albans District Council	164,457	-	-
Stevenage Borough Council	48,369	-	-
Three Rivers District Council	11,905	-	-
Watford Borough Council	104,845	-	-
Welwyn Hatfield District Council	-317,667	-	-
TOTAL	337,438	400,000	62,562

c. Band D Council Tax

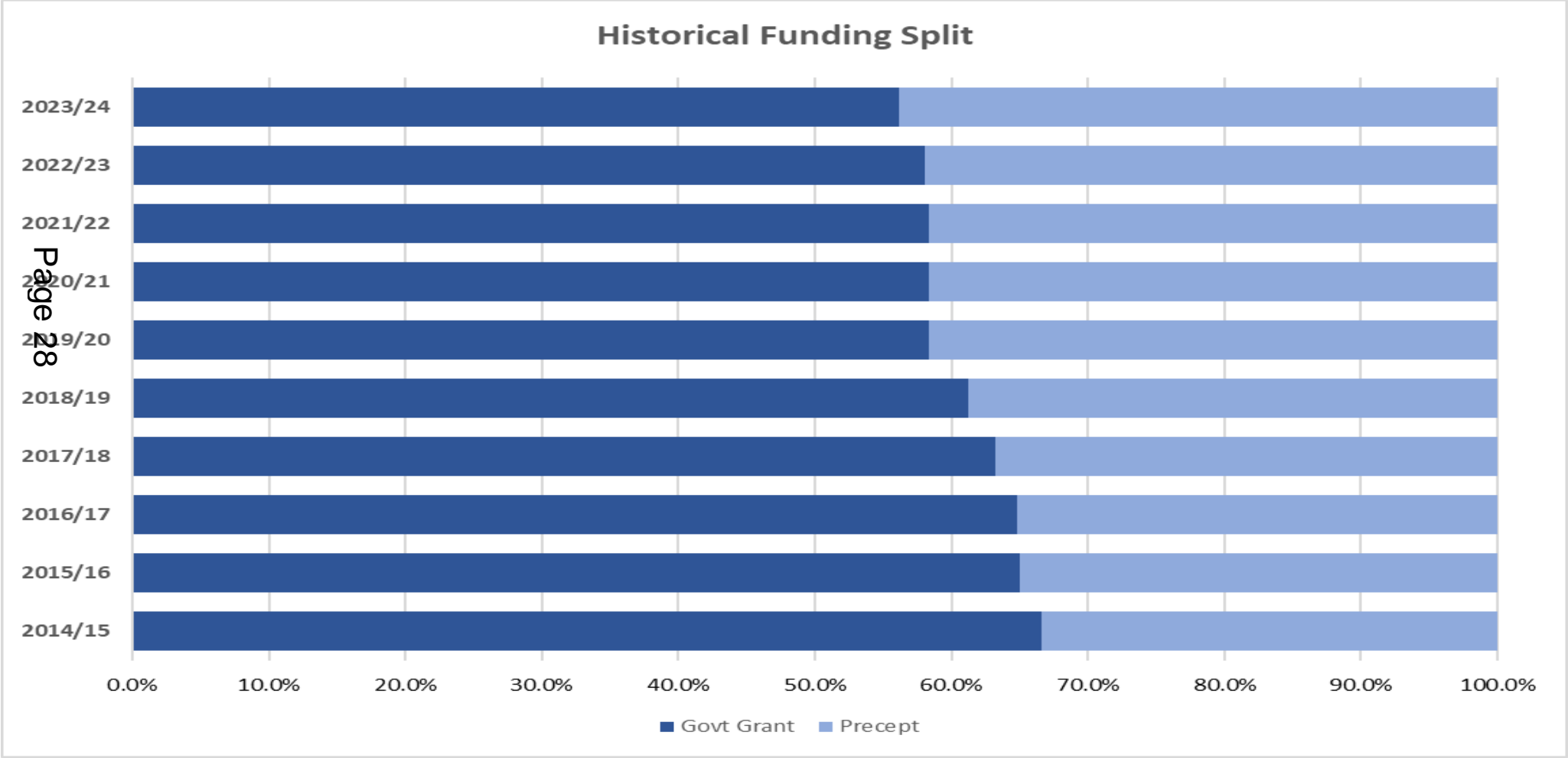
The band D council tax policing precept proposed for 2023/24 is £238.00, an increase of £15.00 or 6.73% on the comparable figure for 2022/23. The graph below shows the composition of the chargeable dwellings in Hertfordshire in comparison to the average for England.



As shown above, 66.0% of Hertfordshire's properties are in Bands A to D and so will pay £238.00 or less for the policing element of their council tax.

In 2023/24 council tax income accounts for 43.8% of the funding and the graph below shows how this has changed over the past 10 years. As can be seen the proportion of funding has shifted gradually over time by 11%, away from central government grant toward locally determined precepting¹⁰.

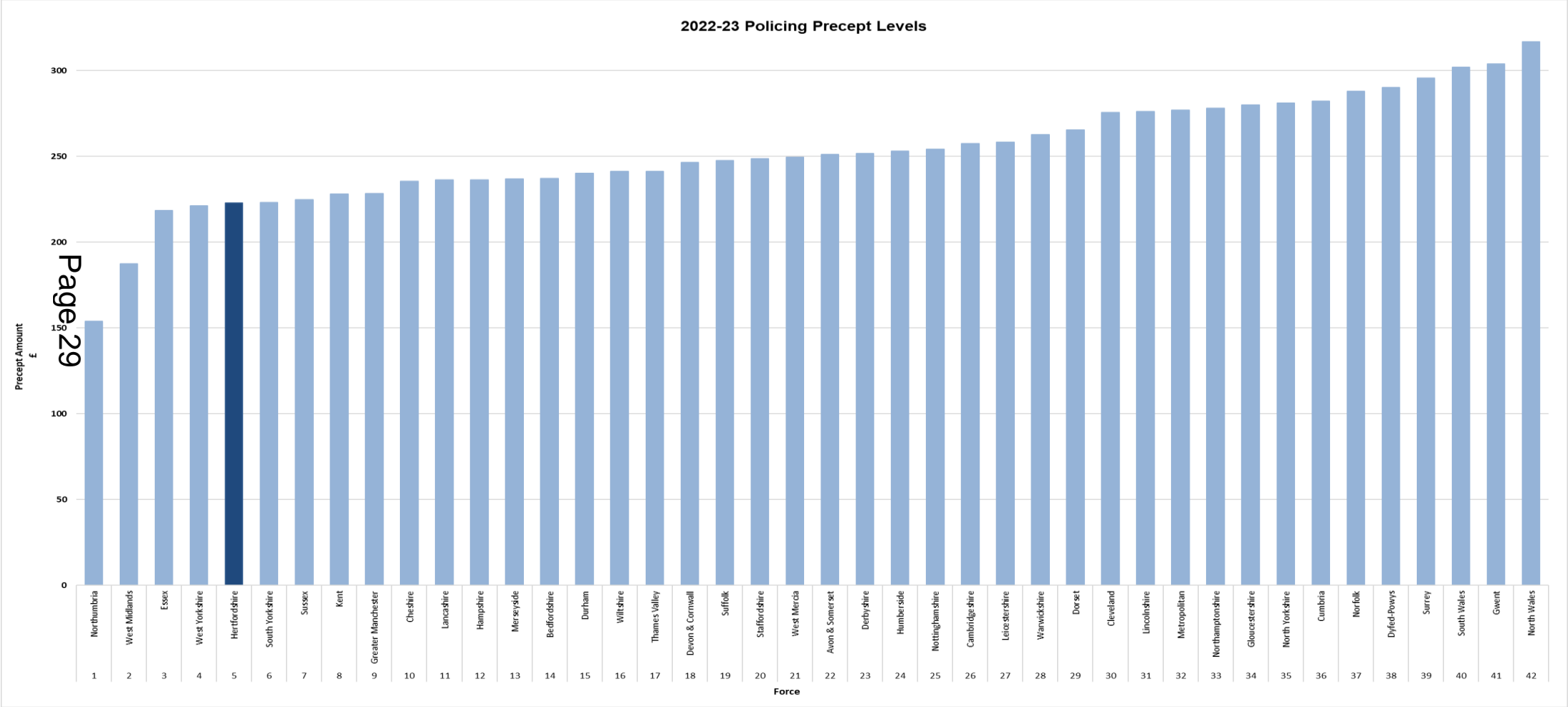
Graph 2.



¹⁰ Hertfordshire's precept was frozen between 13/14 and 15/16 and reduced in 16/17 and was compensated with council tax freeze grant of £8.2m (13/14), £8.9m (14/15) and then £10.2m from 15/16 onwards.

Hertfordshire’s current 2022/23 Band D council tax precept of £223.00 is the 5th lowest in the country and is 11.5% below the average of the 41¹¹ PCCs for England & Wales of £251.96. The graph below shows how Hertfordshire’s 2022/23 precept level compares with the other 42 precepting forces.

Graph 3.



¹¹ Average of £246.42 for 37 PCCs for England

d. Overall Increase in Council Tax Income

The net effect of tax base, collection fund surplus and the precept increase set-out above results in a £8.342m increase in council tax income for 2023/24.

Table 9.

Council Tax Element	£m
Precept increase	6.964
Tax base increase	1.296
Collection fund change	0.063
Total Council Tax increase	8.343

Further detail of the estimated precept to be received from the individual billing authorities can be found in Appendix B.

7. 2023/24 Standstill Pressures

Standstill budget pressures are those costs increases that are required to deliver the same level of service as in the current financial year. The standstill budget requirement for 2023/24 totals £9.866m and comprises the following:

Table 10.

Standstill Costs	2023/24 £m
Officer Pay	4.063
Staff Pay	3.579
Non-Pay	2.572
Capital Financing	1.256
Specific Grants	-2.100
Reserves Pressure	0.496
Total	9.866

a. Police Officer pay costs – £4.063m

The 2022/23 budget included funding for a police officer pay award of 2.5% from 1 September 2022. The final award, a set £1,900 for all ranks and spinal points equated to an 8.8% award for police constables and averaged around 6.1%. The overall additional cost of the 2022/23 pay award totalling £4.706m is included within the 2023/24 standstill budget.

Further it has been assumed that a 2.0% award will be payable from 1 September 2023 at a cost of £1.445m in 2023/24. At this stage the police pay award for 2023/24 has yet to be agreed so there is a risk of change to the current figures. The risk of change is seen as particularly high this year due to the on-going “cost of living crises” and the high degree of industrial action currently being seen across both public and private sectors. Unfunded pay awards above these levels will create an additional pressure and prompt a review of the current workforce plans.

Offsetting the above cost pressures are £1.220m of cost reductions from the government’s decision not to implement the 1.25% increase to National Insurance employer contributions and a saving of £0.868m from reducing average police pay rates which have been reviewed in light of continued student level recruitment and turnover reflecting a shorter service profile for police officers.

b. Police Staff pay costs – £3.579m

In line with the police officer pay award the police staff award was a fixed £1,900 for all grades and spinal points and as such an additional cost of £3.383m above the 2.5% budgeted in 2022/23 needs to be included within the 2023/24 budget pressures. In

addition, funding for the 2023/24 pay award at 2.0% from 1 September 2023 of £0.886m is included within the standstill budget,

Offsetting the above is the removal of cost pressures of £0.680m of cost reductions again from the government's decision not to implement the 1.25% increase to National Insurance employer contributions.

c. Non-Pay inflation - £2.572m

The UK continues to see significant headline inflation rates over the past twelve months as the economy has ramped up with both labour shortages and supply chain difficulties impacts on costs etc. The October CPI figure was 11.1% - a 40 year high. The OBR forecasts CPI in the UK to peak at around this level and then drop sharply over the course of next year and is dragged below zero in the middle of the decade by falling energy and food prices before returning to its 2% target in 2027.

The 2023/24 budget makes an allowance for 4.0% general inflation across non-pay budgets at a cost of £2.572m, of which £1.276m will be held centrally to target areas or pressure during 2023/24. It should be noted that this isn't necessarily an estimate of the rate of inflation but rather the rate by which budgets will need to increase to accommodate inflationary pressures.

d. Capital financing - £1.119m

There are a range of cost pressures faced by the PCC in order to fund the growing capital programme which includes the redevelopment of the HQ site, significant investment in ICT and the transition of the vehicle fleet to electric vehicles by 2030. It is forecast that a significant increase in external borrowing will be incurred over the next four years and as a result there will be a proportional increase in the level of interest on borrowing paid (amplified by a near threefold increase in interest rates over the last year), the PCC will be required to make higher levels of Minimum Revenue Provision (MRP) resulting from the funding of the capital programme through the Capital Financing Requirement (CFR), and finally in order to minimise the level of borrowing required, cash balances will be lower leading to a reduction in investment interest received.

e. HQ Redevelopment costs - £0.137m

The annual costs associated with the redevelopment of the WGC HQ that cannot be capitalised and so must be charged to revenue are forecast to increase by £0.137m in

2023/24 and £0.938m by 2026/27. These costs relate predominantly to decant costs including rental of alternative premises.

f. Specific Grants - £2.100m

The provisional settlement confirms that an element of overall funding equivalent to 2.8% of overall police funding will be linked to attaining and maintaining police officer numbers at PUP target levels. For Hertfordshire this equates to an increase of circa £2.1m in specific grant linked to the PUP grant.

g. Reserves – £0.496m

Application of the final balance of Covid related funding from the government.

8. Investment

The following areas of investment, primarily aimed at police officer and staff recruitment and retention (£4.410m) have been prioritised by chief officers.

Table 11.

Description	2023/24 £m
Recruitment and retention initiatives	
• South-East Allowances – Final £500 to get to £3,000	1.500
• Targeted Variable Payments to Detectives	1.560
• Police Staff Increment Changes	1.350
Balance of PUP posts – 32 FTE to get to 122	1.120
Police Staff Posts	0.562
Total Investment	6.092

The additional £1.120m relates to the extra funding required to achieve the final 32 officer growth from the 90 currently included in the budget.

The £0.562m is required to permanently establish police staff posts, that were created in 2022/23, and have been deemed necessary by the Chief Officers and includes additional detention officers (5 FTE) and vetting officers (4FTE).

In addition, in response to the difficulties in recruiting to both police officer and police staff roles the Constabulary has reviewed and invested in terms and conditions to be better able to compete in what is currently a very hard jobs market. This investment included £1.500m to increase the Southeast Allowance to £3k per full time police officer, £1.560m to fund Targeted Variable Payments (TVP) to Detectives and £1.350m in revisions to police staff pay scales.

The budget workshops held during the summer did not identify significant areas for strategic investment and as such Chief Officers are of the view that the current resource allocation between units is broadly correct.

Further analysis of the gross budget by department, unit and expenditure type can be found in Appendix A.

9. Medium-term Financial Strategy (MTFS)

The medium-term financial strategy is based on several key assumptions covering likely funding levels, inflationary increases and expenditure items:

- a) That there is no change in the Police Funding formula over the medium term.
- b) 2.0% per annum pay award is applied to all officers and police staff. Payable from 1 September each year.
- c) Annual increment growth for both police officers and police staff will be matched by the drop in increments through turnover.
- d) Non-Pay inflation applied to other areas of expenditure 4.0% in 2024/25 and 3.0% per annum thereafter.
- e) The rates of employer's national insurance employer contributions remain the same as those for 2022/23 levels across the MTFS.
- f) Employer superannuation contributions remain the same for both the Police Pension Scheme and the LGPS as in 2022/23 across the MTFS.
- g) An increase in the Council Tax Base of 1.27% in 2023/24 and 1.4% per annum thereafter.
- h) That the Council Tax collection fund will be in surplus by £0.400m in 2023/24 and over the remainder of the MTFS.
- i) That the precept will not increase after 2023/24 and will be determined for each year of the MTFS.

The table below summaries the assumptions listed above.

Table 12.

Budget element	2023/24	2024/25	2025/26	2026/27
Pay Awards	2.0%	2.0%	2.0%	2.0%
Non-Pay Inflation	4.0%	3.0%	3.0%	2.0%
Core Grant	1.73%	0.40%	0.50%	0.50%
Taxbase	1.27%	1.40%	1.40%	1.40%
Collection Fund Surplus	£400k	£400k	£400k	£400k
Min Precept increase	£15.00	£0.00	£0.00	£0.00

The standstill budget requirements for the period to 2026/27 totals £37.5m and comprises the following:

Table 13.

Standstill Costs	2023/24 £m	2024/25 £m	2025/26 £m	2026/27 £m	Total £m
Officer Pay	4.063	2.767	2.824	2.881	12.535
Staff Pay	3.579	1.794	1.571	1.616	8.547
Non-Pay	2.572	1.560	1.580	1.155	6.867
Capital Financing	1.256	1.960	3.056	4.881	11.153
Specific Grants	-2.100	-	-	-	2.100
Reserves Pressure	0.496	-	-	-	0.496
Total	9.866	8.081	9.031	10.520	37.498

The assumed changes in Government Grant levels over the medium-term are set below.

Table 14.

Grant element	2022/23 £m	2023/24 £m	2024/25 £m	2025/26 £m	2026/27 £m
Core Grant	-131.542	-131.998	-132.563	-133.281	-134.004
Council Tax Legacy Grant	-10.228	-10.228	-10.228	-10.228	-10.228
Total	-141.770	-142.226	-142.791	-143.509	-144.232
Change on previous year (£m)		-0.456	-0.565	-0.719	-0.722
Change on previous year (%)		0.35%	0.40%	0.50%	0.50%

The medium-term financial strategy reflecting the assumptions outlined above is shown in the table below.

Table 15.

Budget element	2023/24 £m	2024/25 £m	2025/26 £m	2026/27 £m	Total £m
Standstill costs	9.866	8.081	9.031	10.520	37.498
Core Grant	-0.456	-0.565	-0.719	-0.722	-2.462
Taxbase & Collection Fund	-1.359	-1.548	-1.636	-1.726	-6.264
Precept increase	-6.971	0	0	0	-6.971
Investment	6.092	0	0	0	6.092
Budget Gap	7.179	5.968	6.676	8.072	27.900

The table above shows the medium-term financial strategy based upon high level spending and income assumptions and the 17 November Autumn statement. The plan sets out a budget gap of £7.179m in 2023/24 and £27.9m by 2026/27.

The current MTFS does not include further flexibility for investment and the expectation has been set by Chief Officers that all requests for investment not meeting strategic principles must be funded through the reprioritisation of existing budget.

The main sensitivities that may affect the assumptions and the impact of a 1% variance are shown in the table below.

Table 16.

Variable	1% Variance (£m) (+/-)
Police Pay	0.788
PCSO/Police Staff Pay	0.441
Utilities	0.017
Fuel	0.013
Supplies and Services	0.275
Police Grant	-1.418
Precept	-1.036
Tax Base	-1.022

Based on the above table the main risks to the force are uncertainties in the funding settlement from central government, the PCC Precept decision, any pay award to officers and staff above the 2.0% increase assumed and finally a continuation into 2023/24 of the current high levels of inflation on no pay items.

Risks not included in the table above are those associated with national projects being delayed which may have a financial implication on the PCC and the Chief Constable. For example, the Emergency Services Mobile Communications Programme (ESMCP). Any unplanned financial implications of national projects these will be dealt with through annual budget setting process.

10. Medium-term savings proposals

The table below sets out the proposed approach to closing the budget gap over the medium term.

Table 17.

	2023/24 £m	2024/25 £m	2025/26 £m	2026/27 £m	Total £m
Budget Gap	7.179	5.969	6.678	8.074	27.900
Police Officer Pay 1% vacancy factor	-1.123	0	0	0	-1.123
Police Staff Pay 1% increase to vacancy factor	-0.513	0	0	0	-0.513
Police Officer Vacancies	-1.500	0	0	0	-1.500
PCSO Vacancies	-1.000	0	0	0	-1.000
Police Staff Vacancies	-0.800	0	0	0	-0.800
Efficiency Targets police staff & non pay (equivalent to 4% of non-pay budget)	-1.000	-1.000	-1.000	-1.000	-4.000
Removal of Transitional Account	-0.820	0	0	0	-0.820
Coroners Service	-0.104	-0.104	0	0	-0.208
7F Commercial Procurement collaboration - Business Case savings	-0.250	-0.250	0	0	-0.500
7F Projects Team	-0.068	0	0	0	-0.068
PCC grants	0	-0.750	0	0	-0.750
Net Annual Budget Gap	0	3.865	5.676	7.072	
Cumulative Budget Gap	0	3.865	9.543	16.617	

For illustrative purposes only the net budget annual gaps set about above are equivalent to the following precept increases:

Table 18.

Estimated Band D requirement £	238.00	246.21	258.10	272.71
Monetary increase required £	0.00	8.21	11.89	14.61
Percentage increase required %	0.00	3.45	4.83	5.66

Details of the proposals are as follows:

a. Vacancy Factors

Vacancy factors represent the financial impact of staff and officer turnover both in terms of vacancies carried, the appointment of new staff at lower spinal point and other reasons for which pay is made at lower rates (maternity, long-term sickness etc).

The introduction of a 1% vacancy factor for police officers in Herts only units will broadly align with BCH collaborated units and generate savings of £1.123m.

Herts units other than Custody, currently have a 4.3% vacancy factor incorporated into their Police Staff budgets. A 1% increase in vacancy factor will save an estimated £0.513m.

b. Vacancies / Force Review

Whilst vacancy factors reflect normal changes in the composition of Police Officer and Police Staff establishment actuals, the Constabulary is also carrying significant levels of Police Officer, PCSO and Police Staff vacancies due to several factors including the need to fill the recent significant increase in officer levels through PUP and precept as well as a strong jobs market. To reflect the impact of these relatively high levels of vacancies pay budgets have been reduced by a total of £3.3m in 2023/24.

c. Hertfordshire Departmental Efficiency Targets

Over the last few years, the constabulary has invested significant funds in developing an internal transformational capability (six sigma, service design, Prevention First, IT innovation etc.) as well as creating budgets to support invest to save schemes – circa £500k in the current financial year. Hertfordshire-only departments have been set an annual efficiency target to achieve for each of the next years four years. The overall target of £1m has been apportioned based each department's relative police staff and non-pay budgets (excl. PCSOs). Budget holders are expected to use all the tools and capability in the organisation to develop sustainable and well understood efficiency proposals which do not impact on delivery of outcomes.

d. Other Savings

A range of other savings have been identified across several constabulary budgets including, £820k from the removal of transitional police officer account, £208k through stopping the annual contribution to HCC for the Coroners service phased over two years, £500k from two further years of procurement savings from 7F procurement and finally £68k of savings from the rationalisation of the 7F Project team to a Network.

11. Capital Programme

The draft 10-year capital programme for the period and associated financing is detailed in the table below.

Table 19.

Capital Programme	2023/24 £m	2024/25 £m	2025/26 £m	2026/27 £m	2027/28 £m	2028/29 £m	2029/30 £m	2030/31 £m	2031/32 £m	2032/33 £m	Total £m
HQ redevelopment	20.404	36.522	6.444	0.000	0.000	0.000	0.000	0.000	0.000	0.000	63.370
HQ Interest Costs	0.893	1.972	2.027	0.000	0.000	0.000	0.000	0.000	0.000	0.000	4.892
Watford Police Station	3.650	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	3.650
Cheshunt Police Station	0.050	0.500	1.500	4.000	0.000	0.000	0.000	0.000	0.000	0.000	6.050
Firing range	1.137	5.390	0.758	0.000	0.000	0.000	0.000	0.000	0.000	0.000	7.285
Letchworth Police Station	0.000	0.000	0.000	2.000	0.000	0.000	0.000	0.000	0.000	0.000	2.000
Joint Emergency Services Academy (JESA)	0.000	0.000	0.000	6.000	0.000	0.000	0.000	0.000	0.000	0.000	6.000
Monks Wood Joint Public Order Training Facility	0.105	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.105
Sexual Assault Referral Centre (SARC)	0.150	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.150
Estates minor works	0.650	0.250	0.250	0.250	0.250	0.250	0.250	0.250	0.250	0.250	2.900
Energy Efficiency & Sustainability	0.400	0.250	0.250	0.250	0.250	0.250	0.250	0.250	0.250	0.250	2.650
Other estates	0.150	0.150	0.150	0.150	0.150	0.150	0.150	0.150	0.150	0.150	1.500
ICT	4.277	2.837	2.894	2.952	3.011	3.071	3.132	3.195	3.259	3.324	31.952
Fleet	2.446	2.578	2.717	2.780	2.836	2.893	2.951	3.010	3.070	3.131	28.412
Emergency Services Network (ESN)	0.662	2.906	2.623	0.635	0.000	0.000	0.000	0.000	0.000	0.000	6.826
Technical and Specialist equipment	0.546	0.361	0.361	0.361	0.361	0.361	0.361	0.361	0.361	0.361	3.795
Total Capital	35.520	53.716	19.974	19.378	6.858	6.975	7.094	7.216	7.340	7.466	171.537

This draft programme assumes:

- i. The completion of the redevelopment of HQ in 2025/26 at an overall project capital cost of £72.8m (balance sits in earlier years) and is subject to approval of the Final Business Case (FBC).
- ii. Capitalisation of interest costs for the HQ redevelopment project circa £4.9m which are included within the costs above.
- iii. Work to develop and occupy the new Watford police station in George Street will be complete in 2023/24 at a cost of £3.650m.
- iv. Development of a Blue Light Hub at Cheshunt in 2024/25 to 2026/27 at a cost of £6.1m.
- v. Construction of the preferred option replacement firing range at a cost of £7.3m completed by 2025/26.
- vi. Redevelopment of the North Herts estate based upon enhancement of Letchworth Police Station at a cost of circa £2.0m in 2026/27.
- vii. Investment of £0.150m in the SARC in 2023/24 on adaptation work to ensure compliance with government accreditation requirements.
- viii. Investment totalling £0.400m p.a. and £0.250m p.a. thereafter towards meeting the government mandate to reduce direct emissions by 50% (compared to a 2017 baseline) by 2032.
- ix. Tech & Specialist - annual programme for both Herts only and JPS units is provided for the planned replacement of specialist equipment, and to meet emerging equipment needs in areas such as ANPR, covert cameras, trap cars etc.

Areas excluded from the draft programme include:

- x. Potential developments at Gilston and Hemel Garden Communities due to uncertainty to the likelihood and timing of any requirement. It is anticipated developments in these areas will also attract Section 106 funding.
- xi. Other than the initial £0.105m in 2023/24, contribution towards a BCH facility at Monkswood for which the current assumption is that expenditure will be chargeable to the revenue budget.

The above draft capital programme will be funded as follows:

Table 20.

Financing	2023/24 £m	2024/25 £m	2025/26 £m	2026/27 £m	2027/28 £m	2028/29 £m	2029/30 £m	2030/31 £m	2031/32 £m	2032/33 £m	Total £m
Capital Receipts	7.931	8.682	0.000	6.728	6.208	1.994	0.000	0.000	0.000	0.000	31.543
Borrowing	27.589	45.034	19.974	12.650	0.650	4.981	7.094	7.216	7.340	7.466	139.994
Total Financing	35.520	53.716	19.974	19.378	6.858	6.975	7.094	7.216	7.340	7.466	171.537

The draft capital programme set out above is primarily funded through the Capital Financing Requirement (CFR). The CFR represents the level of capital investment that is not financed by grant, capital receipts or revenue contribution and which therefore needs to be financed either by external borrowing or internal borrowing using cash balances. The following table sets-out the anticipated level of CFR over the next 10 years.

Table 21.

Capital Financing Requirement	2023/24 £m	2024/25 £m	2025/26 £m	2026/27 £m	2027/28 £m	2028/29 £m	2029/30 £m	2030/31 £m	2031/32 £m	2032/33 £m
Opening Balance	-53.475	-78.908	-121.168	-136.870	-142.832	-135.031	-132.051	-130.698	-129.873	-130.765
New CFR	-27.589	-45.034	-19.974	-12.650	-0.650	-4.981	-7.094	-7.216	-7.340	-7.466
MRP reduces CFR	2.156	2.774	4.272	6.687	8.451	7.961	8.448	8.041	6.448	7.823
Closing Balance	-78.908	-121.168	-136.870	-142.833	-135.031	-132.051	-130.697	-129.873	-130.765	-130.408

The level of CFR is used to control the level of external debt that can be incurred since the level of borrowing cannot, other than in the short term, exceed the CFR. It is anticipated the following levels of external borrowing will be required to main a minimum working cash balance of £5m at the end of each financial year. It should be noted that borrowing is only incurred to ensure liquidity and as such is not matched against individual assets.

Table 22.

Borrowing	2023/24 £m	2024/25 £m	2025/26 £m	2026/27 £m	2027/28 £m	2028/29 £m	2029/30 £m	2030/31 £m	2031/32 £m	2032/33 £m
Opening Balance	-32.500	-52.500	-98.500	-114.500	-114.500	-114.500	-114.500	-114.500	-114.500	-114.500
New Debt	-20.000	-46.000	-16.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000
Repaid Debt	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000
Closing Balance	-52.500	-98.500	-114.500	-114.500	-114.500	-114.500	-114.500	-114.500	-114.500	-114.500

The table above shows that after 2025/26 it is not anticipated further borrowing will be required as the depletion of cash balances though the capital programme will be balanced against cash retained through MRP.

The following table sets-out the capital financing budgets resulting from the draft capital programme, capital receipt assumptions and borrowing forecasts set-out above. The incremental increase in these costs is included within the standstill pressures used to calculate the budget gap with the MTFS.

Table 23.

Capital Financing	2023/24 £m	2024/25 £m	2025/26 £m	2026/27 £m	2027/28 £m	2028/29 £m	2029/30 £m	2030/31 £m	2031/32 £m	2032/33 £m
MRP	2.156	2.774	4.272	6.687	8.451	7.961	8.448	8.041	6.448	7.823
Interest Paid	1.023	1.627	3.153	5.588	5.588	5.588	5.588	5.588	5.588	5.588
Return on Investments	-0.100	-0.100	-0.100	-0.100	-0.100	-0.100	-0.100	-0.100	-0.100	-0.100
Total	3.079	4.301	7.325	12.175	13.939	13.449	13.936	13.529	11.936	13.311
% of NRE	1.2%	1.7%	2.7%	4.5%	5.0%	4.7%	4.8%	4.6%	4.0%	4.4%

A flat rate assumption of £100k p.a. return on investment has been included above in anticipation of liquidating the current £2.5m held in the CCLA. The above levels of Minimum Revenue Provision (MRP) are based upon the annuity method whereby MRP is calculated to reflecting the reducing value of money over time by discounting at a suitable rate. The annuity method essentially keeps MRP flat in real terms (but increasing in cash terms) over the life of the asset whereas the straight-line method keeps MRP flat in cash terms (but decreasing in real terms).

12. Office of the Police & Crime Commissioner (OPCC)

The PCC's overall net revenue budget for 2023/24 is £4.817m of which £2.301m relates to the Office of the PCC, and this represents 0.91% of Hertfordshire policing's net budget. This is below Government expectations that the running costs and day to day expenditure of PCCs should be less than 1 per cent of the total cost of policing¹².of which £2.301m relates to the Office of the PCC, and this represents 0.91% of Hertfordshire policing's net budget.

Table 30.

	2022/23 £'000	2023/24 £'000	Change £'000
OPCC Budget	2,166	2,301	135
Criminal Justice Board (CJB)	141	147	6
Victims Services	1,518	2,245	727
Road Safety Expenditure	725	725	0
PCC Grants	2,233	2,233	0
PCC Gross Budget	6,783	7,651	868
Road Safety Income	-725	-725	0
Ministry of Justice Grant Income	-1,382	-2,109	-727
PCC Net Budget	4,676	4,817	141

The OPCC and CJB budget increase of £0.141m¹³ includes £0.075m for the establishment of two additional posts within the Complaints Resolution Team and Policy Team. The remainder of the increase (£0.066m) is due to a combination of the 2022/23 nationally determined pay award of £1,900 per annum and the recruitment and retention initiative in relation to staff pay scales.

The additional £0.727m for Victims Services relates to the additional services being commissioned because of receiving extra Government funding from the Ministry of Justice.

It should also be noted that unlike the vast majority of OPCCs the cost of initial handling of police complaints is borne by the OPCC rather than the police force.

¹² Source: [Staff and budget for police and crime commissioners - GOV.UK \(www.gov.uk\)](https://www.gov.uk/government/news/staff-and-budget-for-police-and-crime-commissioners)

¹³ These figures do not include any impact of any potential 2023/24 pay awards, as these are built into the overall staff pay inflation increase

Appendix A - Revenue Budget Detail¹⁴

The 2023/24 gross to net budget and its prior year comparator are shown below:

Table 24.

Gross to Net Budget	2022/23 £m	2023/24 £m
Gross Budget	261.1	271.6
Fees & Charges	(7.7)	(7.7)
Other Grants	(7.5)	(9.6)
Local Authority PCSO funding	(0.6)	(0.6)
Reserves	(1.0)	(0.5)
Net Budget	244.3	253.2

Based on the preceding information the resultant draft budget (gross) at a portfolio level is set out below:

Table 25.

Portfolio	Gross Budget 2022/23 £m	Gross Budget 2023/24 £m	Change £m	Change %
Collaborated Beds, Cambs, Herts	52.9	55.3	2.3	4.4%
Operational Delivery	127.2	131.2	3.9	3.1%
Strategy & Prevention	35.7	36.7	1.0	2.7%
Deputy Chief Constable	3.8	4.0	0.2	4.0%
Resources	15.1	15.7	0.6	4.1%
Corporate	13.0	15.0	2.1	16.2%
Collaborated Regional	5.5	5.7	0.2	4.4%
Collaborated National	1.1	1.1	0.0	0.2%
PCC	6.8	6.9	0.2	2.3%
Total	261.2	271.7	10.5	4.0%

¹⁴ There may be arithmetic differences due to rounding

A high-level subjective analysis of the changes in the net budget is shown below:

Table 26.

Expenditure type	2022/23	2023/24	Change	Change
	£m	£m	£m	%
Police Officer Pay	131.40	136.07	4.67	3.6%
Police Officer Overtime	4.09	4.22	0.13	3.2%
Police Staff Pay	76.07	79.22	3.15	4.1%
Police Staff Overtime	0.78	0.80	0.02	3.1%
Employee Related Expenditure	2.95	3.01	0.06	2.1%
Premises Cost	8.23	8.39	0.17	2.0%
Transport Costs	3.01	3.07	0.06	2.0%
Supplies And Services	32.67	33.73	1.06	3.3%
Capital Financing	1.97	3.14	1.17	59.3%
Fees And Charges	-7.71	-7.71	0	0.0%
Specific Grants	-7.48	-9.58	-2.10	28.1%
Partner Contributions	-0.60	-0.60	0	0.0%
Net Use of Reserves	-1.04	-0.54	0.50	-47.9%
Total Net Budget	244.34	253.23	8.89	3.6%

Further detail, by department, is presented overleaf:

Table 27.

Units	Gross Budget 2022/23 £m	Standstill Spend Pressures & Technical Adjustments £m	Savings £m	Investment & Growth £m	DRAFT Gross Budget 2023/24 £m	Change £m	Change %
Protective Services - Beds lead							
Armed Policing Unit	4.2	0.1	0.0	0.0	4.3	0.2	4.1%
Protective Crime Command	0.6	0.0	0.0	0.0	0.6	0.0	5.1%
Dog Unit	1.3	0.0	0.0	0.0	1.4	0.0	3.8%
Major Crime Unit	3.8	0.1	0.0	0.0	3.9	0.2	4.5%
Operational Support Units	0.5	0.0	0.0	0.0	0.5	0.0	4.2%
Professional Standards Unit	2.4	0.1	0.0	0.1	2.7	0.2	9.9%
Civil Contingency Units	0.2	0.0	0.0	0.0	0.2	0.0	6.1%
Roads Policing Units	5.5	0.2	0.0	0.1	5.7	0.2	4.2%
Scientific Services Unit	5.2	0.2	0.0	0.1	5.5	0.2	4.7%
Sub-total Protective Services	23.6	0.8	0.0	0.4	24.8	1.2	4.9%
Operational Support - Herts lead							
Collaborated Criminal Justice	1.7	0.1	0.0	0.0	1.8	0.1	5.8%
Camera Tickets & Collisions	2.5	0.1	0.0	0.0	2.6	0.1	4.9%
Firearms Licensing	0.3	0.0	0.0	0.0	0.3	0.0	5.8%
ICT	12.7	0.2	0.0	0.1	13.0	0.3	2.3%
Delivery Management Office	0.7	0.0	0.0	0.0	0.8	0.0	5.5%
Sub-total Operational Support	18.0	0.4	0.0	0.1	18.6	0.6	3.1%

Units	Gross Budget 2022/23 £m	Standstill Spend Pressures & Technical Adjustments £m	Savings £m	Investment & Growth £m	DRAFT Gross Budget 2023/24 £m	Change £m	Change %
Organisational Support - Cambs lead							
Human Resources	8.8	0.3	0.0	0.1	9.2	0.4	4.9%
Information Management Dept	2.3	0.1	0.0	0.0	2.5	0.1	6.1%
Uniform Stores	0.1	0.0	0.0	0.0	0.2	0.0	6.9%
Police Uplift Programme (PUP) Board	0.1	0.0	0.0	0.0	0.1	0.0	5.0%
Sub-total Organisational Support	11.3	0.4	0.0	0.1	11.9	0.6	5.2%
Sub-total Collaborated Beds, Cambs, Herts	52.9	1.7	0.0	0.7	55.3	2.3	4.4%
Operational Delivery							
Local Crime Unit	25.3	0.9	-0.3	0.3	26.1	0.8	3.3%
Local Policing Command	93.3	3.3	-2.3	1.1	95.4	2.1	2.3%
Police Uplift Programme	8.7	-0.2	-1.6	2.8	9.6	1.0	11.2%
Sub-total Operational Delivery	127.2	4.0	-4.2	4.2	131.2	3.9	3.1%
Strategy & Prevention							
Non-collaborated Custody & Criminal Justice	1.6	0.0	-0.4	0.0	1.3	-0.3	-20.6%
Crime Reduction & Community Safety	0.2	0.0	-0.1	0.0	0.1	-0.1	-37.9%
Force Communications Room (FCR)	17.2	0.8	-0.4	0.3	17.9	0.6	3.7%
Operations	2.7	0.1	-0.1	0.0	2.8	0.1	3.4%
Organisational Strategy, Performance & Analysis	2.3	0.1	-0.1	0.0	2.3	0.1	3.6%
Prevention First Command	4.2	0.1	-0.1	0.1	4.4	0.1	3.5%
Transformation	0.8	0.0	0.0	0.0	0.8	0.0	3.7%
Operational Strategy	1.1	0.0	0.0	0.0	1.1	0.0	3.4%
Custody	5.7	0.2	-0.1	0.2	6.0	0.4	6.2%
Sub-total Strategy & Prevention	35.7	1.4	-1.1	0.7	36.7	1.0	2.7%

Units	Gross Budget 2022/23 £m	Standstill Spend Pressures & Technical Adjustments £m	Savings £m	Investment & Growth £m	DRAFT Gross Budget 2023/24 £m	Change £m	Change %
Deputy Chief Constable							
Corporate Communications	1.1	0.0	0.0	0.2	1.3	0.2	23.1%
Insurance	1.4	0.0	0.0	0.0	1.5	0.0	2.9%
Legal Services	1.0	0.0	-0.2	0.0	0.8	-0.1	-14.4%
Design & Print Service	0.4	0.0	0.0	0.0	0.4	0.0	1.8%
Sub-total Deputy Chief Constable	3.8	0.1	-0.2	0.3	4.0	0.2	4.0%
Resources							
Estates And Facilities	9.7	0.6	-0.2	0.0	10.1	0.4	4.2%
People & Workforce Develop	3.6	0.1	-0.1	0.1	3.8	0.2	5.2%
Finance	1.8	0.1	-0.1	0.0	1.8	0.0	1.3%
Sub-total Resources	15.1	0.8	-0.4	0.2	15.7	0.6	4.1%
Corporate budgets							
Capital Financing	2.0	1.2	0.0	0.0	3.1	1.2	58.9%
Force Account	6.3	2.0	-1.2	0.0	7.2	0.9	13.8%
Major Incidents	0.1	0.0	0.0	0.0	0.1	0.0	-16.0%
Pensions & Redundancies	1.1	0.0	0.0	0.0	1.1	0.0	0.2%
Secondments	0.5	0.0	0.0	0.0	0.5	0.0	3.8%
Staff Associations	0.5	0.0	0.0	0.0	0.5	0.0	3.7%
Uniforms	0.7	0.0	0.0	0.0	0.7	0.0	0.1%
Fleet	1.7	0.0	0.0	0.0	1.8	0.0	2.0%
Sub-total Corporate	13.0	3.3	-1.2	0.1	15.0	2.1	16.2%

Units	Gross Budget 2022/23 £m	Standstill Spend Pressures & Technical Adjustments £m	Savings £m	Investment & Growth £m	DRAFT Gross Budget 2023/24 £m	Change £m	Change %
Regional							
E R S O U (Regional)	5.1	0.2	0.0	0.1	5.3	0.2	4.7%
7F Commercial Services	0.4	0.0	0.0	0.0	0.4	0.0	0.3%
Sub-total Regional	5.5	0.2	0.0	0.1	5.7	0.2	4.4%
National							
Air Support Unit (NPAS)	1.1	0.0	0.0	0.0	1.1	0.0	0.2%
Sub-total National	1.1	0.0	0.0	0.0	1.1	0.0	0.2%
Police & Crime Commissioner							
PCC Commissioning Budget	4.5	0.0	0.0	0.0	4.5	0.0	0.7%
Office Of The PCC	2.3	0.1	0.0	0.0	2.4	0.1	5.5%
Sub-total PCC	6.8	0.1	0.0	0.0	6.9	0.2	2.3%
Grand total	261.2	11.6	-7.2	6.1	271.7	10.5	4.0%

Appendix B - Precept Summary

Table 28.

	£'000
Budget Requirement	253,232
Less Government Funding	-142,226
To be met from council tax (incl. collection fund)	111,006

To be collected from the 10 Billing Authorities as follows:

Billing Authority	2023/24 Tax Base	Precept Amount @ £238	Draft Surplus/ (Deficit) on Collection Fund*	Total Payments Due
	No.	£	£	£
Broxbourne Borough Council	36,317	8,643,494	40,000	8,683,493.60
Dacorum Borough Council	60,070	14,296,636	40,000	14,336,636.20
East Herts District Council	63,893	15,206,486	40,000	15,246,486.40
Hertsmere Borough Council	43,176	10,275,912	40,000	10,315,911.80
North Herts District Council	50,605	12,044,014	40,000	12,084,013.80
St Albans District Council	64,002	15,232,381	40,000	15,272,380.80
Stevenage Borough Council	28,153	6,700,438	40,000	6,740,437.80
Three Rivers District Council	39,401	9,377,438	40,000	9,417,438.00
Watford Borough Council	35,247	8,388,774	40,000	8,428,774.10
Welwyn Hatfield District Council	43,867	10,440,370	40,000	10,480,369.80
TOTAL	464,731	110,605,945	400,000	111,005,944.68

* Equal split for illustrative purposes

Based on the following valuation bandings:

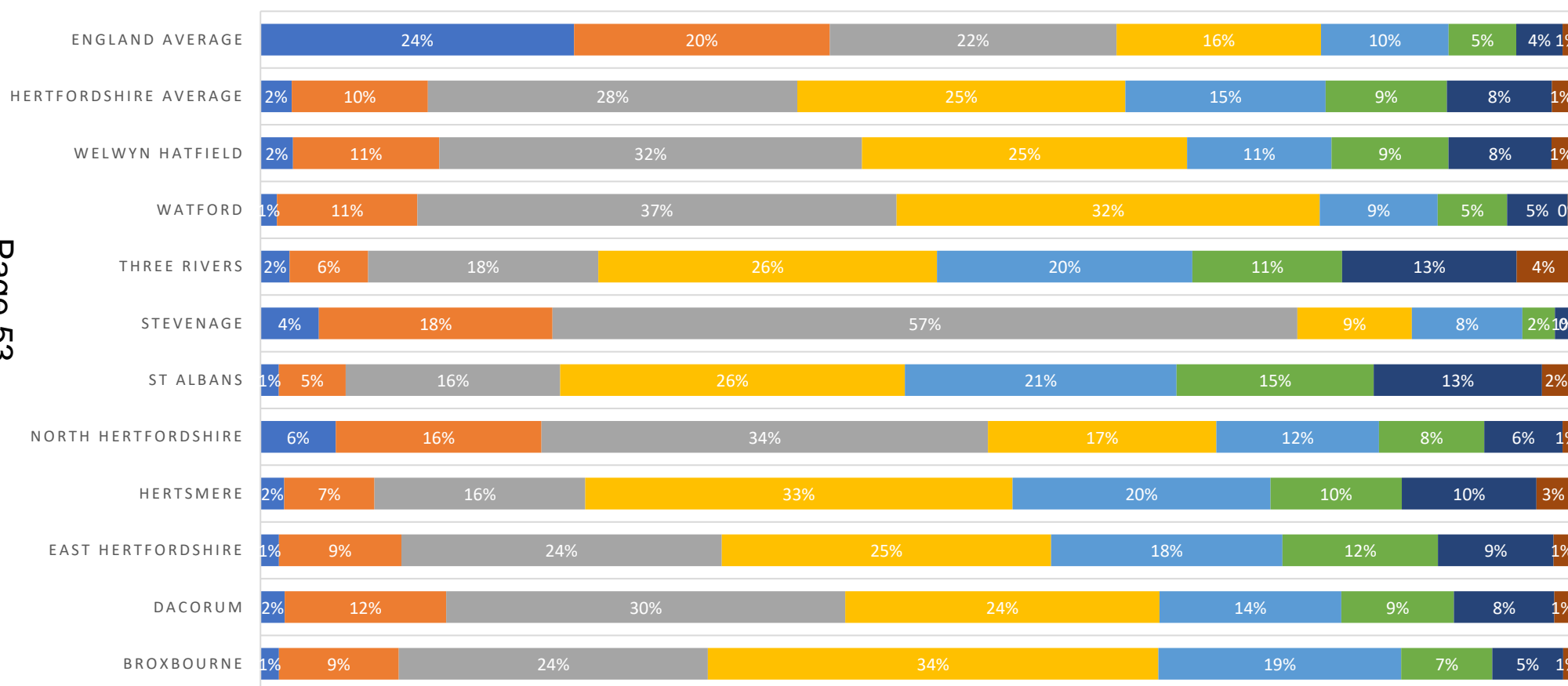
Table 29.

Band	A	B	C	D	E	F	G	H
Proportion of Band D charge	6/9ths	7/9ths	8/9ths	9/9ths	11/9ths	13/9ths	15/9ths	18/9ths
2022/23 Charge £	148.67	173.44	198.22	223.00	272.56	322.11	371.67	446.00
2023/24 Charge £	158.67	185.11	211.56	238.00	290.89	343.78	396.67	476.00
Precept increase £ per annum	10.00	11.67	13.34	15.00	18.33	21.67	25.00	30.00
Precept increase £ per month	0.83	0.97	1.11	1.25	1.53	1.81	2.08	2.50
Precept increase £ per week	0.19	0.22	0.26	0.29	0.35	0.42	0.48	0.58
Precept increase £ per day	0.03	0.03	0.04	0.04	0.05	0.06	0.07	0.08

Graph 4.

COMPARISON OF DWELLINGS % IN VALUATION BANDINGS BY BILLING AUTHORITY - NOVEMBER 2022

Band A Band B Band C Band D Band E Band F Band G Band H



Appendix C - Statutory assurances & strategies

In addition to setting the annual budget the Commissioner must ensure that the policies/strategy, set out in appendices below, are in place prior to the start of the financial year.

- Reserves Strategy
- Robustness of Estimates
- Treasury Management Strategy (TMS)
- Minimum Revenue Provision (MRP)
- Capital Strategy

RESERVES STRATEGY

The organisation must ensure a prudent minimum level is retained to deal with unexpected events. It must be recognised however, that as a complex £270m plus organisation some reserves will always be needed to address business issues and risks, including major incidents, which may require significant resources for a prolonged period.

General Reserve

The General Reserve is a statutory contingency reserve to fund unplanned and emergency expenditure, for example to meet exceptional or extraordinary policing operations and major issues Reserves are maintained by the Police and Crime Commissioner based on the following principles:

- unforeseen emergencies, such as a terrorist incident or major investigation,
- changes in the demand for policing,
- managing the timing of making savings,
- costs of national programmes,
- funding the first 1% of costs for major events in-line with Home Office grant rules;
- and uneven cashflows.

The Chief Financial Officer (CFO) is required under Section 25 of the Local Government Act 2003, to review and report on the adequacy of reserves as part of budget-setting process. In setting the 2023/24 budget the PCC's level of general reserves has been set at £12.6m (or 4.64% of the £272m gross budget), which in the CFO's view is an appropriate and prudent level; furthermore, this reserve level remains below the 5% level that requires justification to be provided to the Home Office.

To assess the adequacy of unallocated general reserves (otherwise known as general balances) during the budget setting process the advice of the two chief finance officers, should take account of the strategic, operational, and financial risks facing the organisation: both internal and external.

The table below examines how Hertfordshire currently complies with the 7 key CIPFA principles to assess the adequacy of reserves.

Table 1.

Budget assumptions	Current situation
The treatment of inflation and interest rates	<p>Hertfordshire makes full and appropriate provision for pay and price rises, as appropriate. Pay inflation is determined by the government setting police officer pay rates following advice from the Police Remuneration Review Body (PRRB) with affordability being a key consideration.</p> <p>An informed assessment is made of interest rate movements using external sources such as Bank of England (BoE), Office of National Statistics (ONS) and Office for Budget Responsibility (OBR).</p> <p>All individual expenditure and income heads in the revenue budget is prepared and published at estimated outturn prices.</p>
Estimates of the level and timing of capital receipts	We make a judicious assumption of future capital receipts. Currently there are £25.5m of planned capital receipts over the medium-term.

<p>The treatment of demand led pressures</p>	<p>The Constabulary has been able to accommodate the additional costs arising from the various major incidents without asking the PCC for additional reserve funding.</p> <p>The Constabulary has identified £11.3m of cashable savings which will be removed from the budget over the next four years (2023/24 to 2026/27).</p> <p>Some government grants are announced annually in advance and are cash limited. Any new policing pressures arising during the year will have to be funded from the organisation's own resources.</p> <p>The Commissioner has created earmarked revenue reserves to help finance potential specific, ad-hoc expenditure.</p> <p>Appropriations are made to and from these reserves on an annual basis, as required.</p> <p>Finally, general balances are used as a last resort to manage extraordinary unforeseen spending requirements.</p>
<p>The treatment of planned efficiency savings/productivity gains.</p>	<p>The Constabulary has consistently achieved its annual efficiency/savings target, with over £33m of net savings made since 2010/11.</p> <p>All savings are assessed in terms of deliverability.</p> <p>The medium-term plan anticipates a funding gap of circa. £16.6m from 2024/25 up until the end of 2026/27 if there are no council tax increase over that period.</p>

<p>The financial risks inherent in any significant new funding partnerships, collaboration, major outsourcing arrangements, or major capital developments</p>	<p>The financial consequences of working collaboratively, outsourcing arrangements or capital investment are incorporated as part of the medium-term planning process. Where relevant and quantifiable, any additional costs are incorporated in the annual revenue budget and/or capital programme.</p> <p>There is clearly a risk that local authority partners will look to withdraw funding, for example for match funded PCSOs or joint estates initiatives, as priorities change, or their own budgets are squeezed, in which case we would look to reduce the grants as an offset. Also, the continued financial viability of private sector service providers will be exposed to increased risks from inflationary and supply-chain pressures.</p>
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<p>The availability of reserves, government grants and other funds to deal with major contingencies and the adequacy of provisions</p>	<p>Hertfordshire has created several earmarked revenue reserves and provisions to meet specific expenditure items. For example, Hertfordshire maintains an insurance provision; the adequacy of which is determined annually by a firm of qualified insurance actuaries.</p> <p>The access criteria for special grants state that PCCs may be required to fund up to 1% of their net budget requirement themselves before Government considers grant aid. This applies on an annual basis. Previously Hertfordshire has successfully applied for and received grant monies for Operation Isobar; the policing of the NATO summit in December 2019.</p> <p>As part of the year-end audit process, the organisation stress-tests its balance sheet i.e., reserves, by varying several key parameters, to demonstrate to the external auditors that the organisations' ability to continue as a going concern.</p>
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The general financial climate to which the authority is subject.

The ongoing impact on the UK from the war in Ukraine, together with higher inflation, higher interest rates, uncertain government policy, and a deteriorating economic outlook, will be major influences on the organisation's ability to plan with any certainty.

The Bank of England (BoE) increased Bank Rate by 0.5% to 3.5% in December 2022.

This followed a 0.75% rise in November which was the largest single rate hike since 1989 and the ninth successive rise since December 2021.

The November quarterly Monetary Policy Report (MPR) forecast a prolonged but shallow recession in the UK with CPI inflation remaining elevated at over 10% in the near-term. While the projected peak of inflation is lower than in the August report, due in part to the government's support package for household energy costs, inflation is expected remain higher for longer over the forecast horizon and the economic outlook remains weak, with unemployment projected to start rising.

The UK economy contracted by 0.3% between July and September 2022 according to the Office for National Statistics, and the BoE forecasts Gross Domestic Product (GDP) will decline 0.75% in the second half of the calendar year due to the squeeze on household income from higher energy costs and goods prices. Growth is then expected to continue to fall throughout 2023 and the first half of 2024.

CPI inflation is expected to have peaked at around 11% in the last calendar quarter of

	<p>2022 and then fall sharply to 1.4%, below the 2% target, in two years' time and to 0% in three years' time if Bank Rate follows the path implied by financial markets at the time of the November MPR (a peak of 5.25%). However, the BoE stated it considered this path to be too high, suggesting that the peak in interest rates will be lower, reducing the risk of inflation falling too far below target. Market rates have fallen since the time of the November MPR.</p> <p>The labour market remains tight for now, with the most recent statistics showing the unemployment rate was 3.7%. Earnings were up strongly in nominal terms by 6.1% for both total pay and for regular pay but factoring in inflation means real pay for both measures was -2.7%. Looking forward, the November MPR shows the labour market weakening in response to the deteriorating outlook for growth, leading to the unemployment rate rising to around 6.5% in 2025.</p> <p>The Home Office has commenced the Police Funding Formula Review (PFFR) and the impact of Hertfordshire is unknown and the timing of the outcome is yet to be confirmed.</p> <p>Further afield, if the continuing tensions between China and Taiwan were to escalate then access to computer chips is likely to be significantly impacted inevitably leading to supply-side inflationary pressures.</p>
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The table below details the levels of reserves held by the Commissioner as of April 2023 and their anticipated use in 2023/24.

Table 2.

Reserve	Opening Balance 2022/23 £m	2022/23 use £m	In-year reallocation between reserves £m	Opening balance 2023/24 £m	Planned use 2023/24 £m	Closing Balance 2023/24 £m
Base Budget Support Reserve	10.941	0.000	-4.862	6.079	0.000	6.079
Road Safety Fund	1.994	-0.540	0.000	1.454	-0.540	0.914
Unconditional Funding Reserve	0.405	-0.405	0.000	0.000	0.000	0.000
Sexual Assault Referral Services Reserve	0.674	0.000	0.000	0.674	0.000	0.674
Covid Related Funding	0.542	-0.542	0.000	0.000	0.000	0.000
Emergency Services Network Reserve	0.262	0.000	0.000	0.262	0	0.262
Self-Insurance Fund Reserve	1.451	0.000	0.262	1.713	-1.457	0.256
Total Specific Reserves	16.269	-1.487	-4.600	10.182	-1.997	8.185
Police Fund	8.000	0.000	4.600	12.600	0	12.600
Total Reserves	24.269	-1.487	0.000	22.782	-1.997	20.785

The proposed use of reserves in 2023/24 is:

- Road Safety Funding £0.540m – continued utilisation of accumulated funds received from motorists attending the National Driver Offender Retraining Scheme (NDORS).
- Self-insurance claims reserve £1.457m – the required level and potential use of this reserve are based on actuary's central estimate of payments for Employer's Liability, Public Liability, Motor (3rd party liability) and Property claims.
- In addition to the revenue reserves listed above the Commissioner currently holds £0.204m of capital reserves and these will be fully applied by the end of 2023/24.

ROBUSTNESS OF ESTIMATES

Under Section 25 of the Local Government Act 2003 the Chief Financial Officer of the Police and Crime Commissioner is required to report on the robustness of the estimates included in the proposals above.

The estimates included within this report have been compiled by qualified financial staff within the Constabulary, in consultation with budget managers, the Chief Officer Team in both the Constabulary and OPCC and the Strategic Executive Board and have been overseen by both the Chief Finance Officer and Director of Resources.

The preparatory work on the 2023/24 budget and resultant medium-term financial strategy started in September 2022 and has since been informed by the Chancellor's Autumn Statement in November 2022 and the release of the Provisional Police Grant settlement on 16 December 2021 (which is detailed in this report).

Prior to these announcements scenario analysis was undertaken to prepare for various budget strategies informed initially by our best assumptions around the grant levels, taxbase changes and inflationary pressures. The Constabulary and Commissioner's office have worked closely together, and both have provided input, through periodic meetings, which have fed into both the revised budget preparation and the medium-term plan. This is achieved through regular dialogue between the Chief Finance Officers and, more formally, via reports to the Strategic Executive Board.

The biggest area of uncertainty is around the future cost pressures from inflation and pay increases; especially with CPI currently at 10.7% (November 2022) and expected to remain relatively high over the short to medium term. The pay inflation assumption of 2% is based upon the original CSR figures from October 2021, however, the ongoing pay disputes within the NHS, rail and postal services are likely to factor into any pay recommendations submitted by the Police Remuneration Review Body (PRRB) and subsequently accepted by Government. If these were to be above those factored into the medium-term plan, then it is the Commissioner's belief that the additionality will

be fully funded by the Government, otherwise it will have to be funded through either council tax increases and/or additional cost savings.

The PCC is reminded that his responsibility for setting the annual budget and council tax precept for 2023/24 should also take-into-account whether the budget and service plans are relevant, affordable, and sustainable in the longer-term. In doing so, he will need to satisfy himself that services and resource allocation have been appropriately prioritised and that financial risks have been adequately addressed and covered by, for example, reserves, contingencies, and risk mitigation plans.

The PCC CFO confirms that all the required statutory assurances can be made.

TREASURY MANAGEMENT STRATEGY (TMS)

1. Purpose

- 1.1. The Chartered Institute of Public Finance and Accountancy's Treasury Management in the Public Services (the CIPFA Code) requires authorities to determine the Treasury Management Strategy Statement (TMSS) before the start of each financial year.
- 1.2. This report fulfils the Office of the Police and Crime Commissioner's legal obligation under the Local Government Act 2003 to have regard to the CIPFA Code.

2. Recommendation

- 2.1. That the Treasury Management Strategy for 2023/24 and the remainder of 2022/23 is approved; and
- 2.2. That authority is delegated to the Chief Finance Officer, who in turn delegates to Hampshire County Council's Director of Corporate Operations, as agreed in the Service Level Agreement, to manage the Police and Crime Commissioner's investments and borrowing according to the Treasury Management Strategy Statement as appropriate.

3. Introduction

- 3.1. Treasury management is the management of the Police and Crime Commissioner's (PCC) cash flows, borrowing and investments, and the associated risks. The PCC has borrowed and invested sums of money and is therefore exposed to financial risks including the loss of invested funds and the revenue effect of changing interest rates. The successful identification, monitoring and control of financial risk are therefore central to the PCC's prudent financial management.
- 3.2. Treasury risk management at the PCC is conducted within the framework of the CIPFA Code which requires the PCC to approve a Treasury Management Strategy Statement (TMSS) before the start of each financial year. This report

fulfils the PCC's legal obligation under the Local Government Act 2003 to have regard to the CIPFA Code.

- 3.3. With effect from February 2022 Hampshire County Council and the PCC established arrangements for the delegation of the treasury management function under Section 18 of the Police Reform and Social Responsibility Act 2011. Under this arrangement, Hampshire County Council's Investments and Borrowing Team provide a Treasury Service which includes the management of the PCC's cash balances and investment of surplus cash, as well as the sourcing of borrowing in accordance with the agreed Treasury Management Strategy Statement. Overall responsibility for treasury management remains with the PCC. No treasury management activity is without risk; the effective identification and management of risk are integral to the PCC's treasury management objectives.
- 3.4. As part of this arrangement, Arlingclose is contracted as treasury management adviser, with a joint contract in place until the contract end date, at which point, following a procurement exercise on behalf of its partners, Hampshire County Council will contract with a treasury management adviser for a further defined duration.

4. External Context

- 4.1. The following paragraphs explain the economic and financial background against which the TMSS is being set.

Economic background

- 4.2. The ongoing impact on the UK from the war in Ukraine, together with higher inflation, higher interest rates, uncertain government policy, and a deteriorating economic outlook, will be major influences on the PCC's treasury management strategy for 2023/24.
- 4.3. The Bank of England (BoE) increased Bank Rate by 0.75% to 3.00% in November 2022, and a further 0.50% to 3.50% in December 2022.
- 4.4. The November quarterly Monetary Policy Report (MPR) forecast a prolonged but shallow recession in the UK with CPI inflation remaining elevated at over

10% in the near-term. While the projected peak of inflation is lower than in the August report, due in part to the government's support package for household energy costs, inflation is expected remain higher for longer over the forecast horizon and the economic outlook remains weak, with unemployment projected to start rising.

- 4.5. The UK economy grew by 0.2% between April and June 2022, but the BoE forecasts Gross Domestic Product (GDP) will decline 0.75% in the second half of the calendar year due to the squeeze on household income from higher energy costs and goods prices. Growth is then expected to continue to fall throughout 2023 and the first half of 2024.
- 4.6. CPI inflation is expected to peak at around 11% in the last calendar quarter of 2022 and then fall sharply to 1.4%, below the 2% target, in two years' time and to 0% in three years' time if Bank Rate follows the path implied by financial markets with a peak of 5.25%. However, the BoE has stated it considers this path to be too high, suggesting that the peak in interest rates will be lower, reducing the risk of inflation falling too far below target.

Credit outlook

- 4.7. Credit default swap (CDS) prices have followed an upward trend throughout the year, indicating higher credit risk. They have been boosted by the war in Ukraine, increasing economic and political uncertainty and a weaker global and UK outlook, but remain well below the levels seen at the beginning of the Covid-19 pandemic.
- 4.8. CDS price volatility has been higher in 2022 compared to 2021 and this year has seen a divergence in prices between ringfenced (retail) and non-ringfenced (investment) banking entities once again.
- 4.9. However, the institutions on our adviser Arlingclose's counterparty list remain well-capitalised and their counterparty advice on both recommended institutions and maximum duration remain under constant review and will continue to reflect economic conditions and the credit outlook.

Interest rate forecast

- 4.10. The PCC's treasury management adviser Arlingclose forecasts that Bank Rate will continue to rise in 2022 and 2023 as the Bank of England attempts to subdue inflation which is significantly above its 2% target.
- 4.11. While interest rate expectations reduced during October and November 2022, multiple interest rate rises are still expected over the forecast horizon despite looming recession. Arlingclose expects Bank Rate to rise to 4.25% by June 2023 under its central case, with the risks in the near- and medium-term to the upside should inflation not evolve as the Bank forecasts and remains persistently higher.
- 4.12. A more detailed economic and interest rate forecast provided by Arlingclose is attached at Appendix a.

5. Balance Sheet Summary and Forecast

- 5.1. On 31 December 2022, the PCC held £25.5m of borrowing and £10.0m of investments. This is set out in further detail at Appendix b. Forecast changes in these sums are shown in the balance sheet analysis in Table 1.

Table 1: Balance sheet summary and forecast

	31/03/22 Actual £m	31/03/23 Estimate £m	31/03/24 Forecast £m	31/03/25 Forecast £m	31/03/26 Forecast £m
General Fund CFR	40.1	53.5	78.9	121.2	136.9
Other CFR	0.0	0.0	0.0	0.0	0.0
Total CFR	40.1	53.5	78.9	121.2	136.9
Less: External borrowing ¹⁵	(25.5)	(25.5)	(25.5)	(25.5)	(25.5)
Internal borrowing	14.6	28.0	53.4	95.7	111.4
Less Balance sheet resources:	(24.3)	(22.8)	(20.8)	(20.8)	(20.8)
New borrowing or (investments)	(9.7)	5.2	32.6	74.9	90.6

- 5.2. The underlying need to borrow for capital purposes is measured by the Capital Financing Requirement (CFR), while usable reserves and working capital are the underlying resources available for investment. The PCC's

¹⁵ shows only loans to which the PCC is committed and excludes optional refinancing

current strategy is to maintain borrowing and investments below their underlying levels, sometimes known as internal borrowing.

- 5.3. The PCC has an increasing CFR due to increased spending on the capital programme but expects to be unable to fund this fully from its investment balances and therefore will be required to externally borrow over the forecast period. The increase in the Loans CFR is due to significant investment being made on several large-scale projects, most notably the redevelopment of the Headquarters, a joint firing range and a public order training facility. The total CFR also includes the impact of the introduction of the new accounting standard for leases (IFRS 16), which changes the way the PCC accounts for leases but does not affect the overall revenue budget. The overall Capital Programme is detailed in the Medium-Term Financial Strategy report which shows that capital expenditure is expected to be funded through borrowing and capital receipts.
- 5.4. CIPFA's Prudential Code for Capital Finance in Local Authorities recommends that the PCC's total debt should be lower than its highest forecast CFR over the next three years. Table 1 shows that the PCC expects to comply with this recommendation during 2023/24.

Liability benchmark

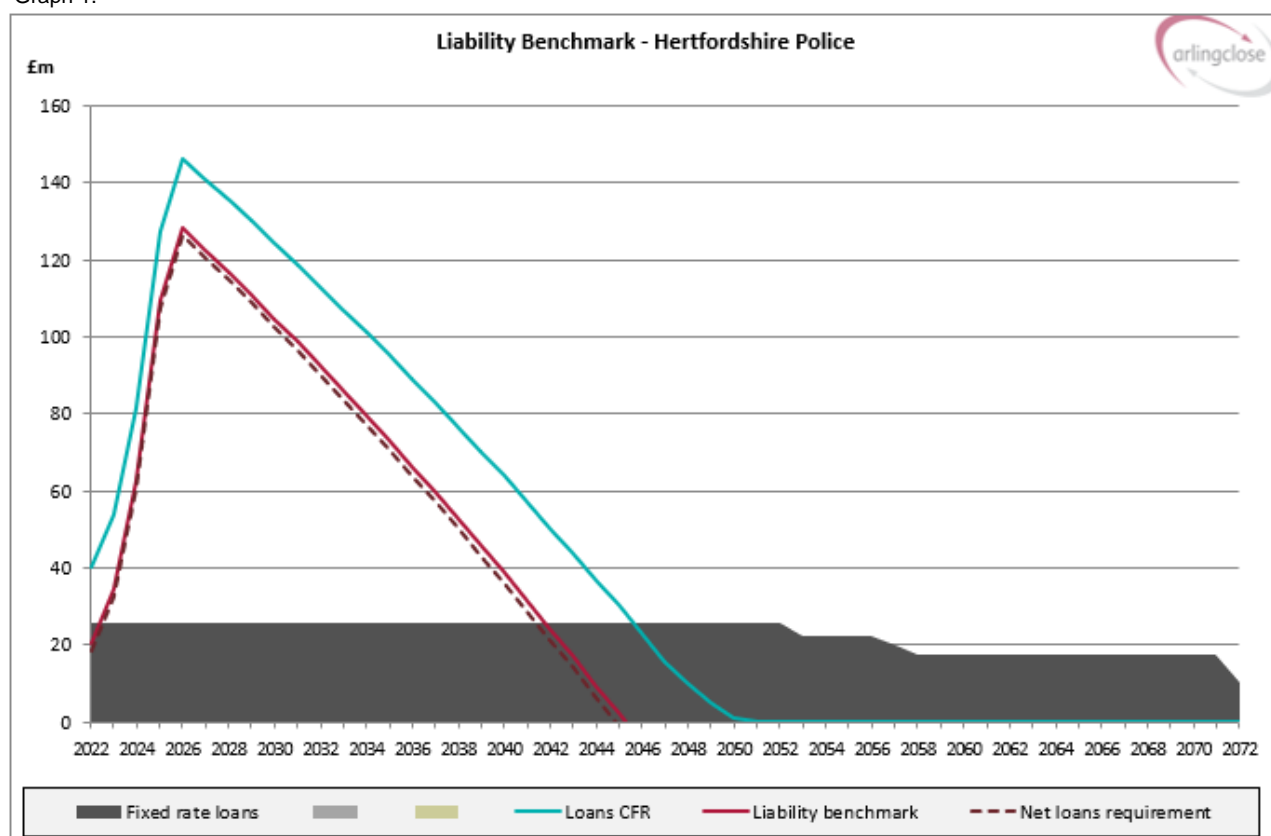
- 5.5. To compare the PCC's actual borrowing against an alternative strategy, a liability benchmark has been calculated showing the lowest risk level of borrowing. This assumes the same forecasts as Table 1, but that cash and investment balances are kept to a minimum level of £2m at each year-end to maintain sufficient liquidity but minimise credit risk.
- 5.6. The liability benchmark is an important tool to help establish whether the PCC is likely to be a long-term borrower or long-term investor in the future, and so shape its strategic focus and decision making. The liability benchmark itself represents an estimate of the cumulative amount of external borrowing the PCC must hold to fund its current capital and revenue plans while keeping treasury investments at the minimum level required to manage day-to-day cash flow.

Table 2: Liability benchmark

	31/03/22 Actual £m	31/03/23 Estimate £m	31/03/24 Forecast £m	31/03/25 Forecast £m	31/03/26 Forecast £m
Total CFR	40.1	53.5	78.9	121.2	136.9
Less: Balance sheet resources	(24.3)	(22.8)	(20.8)	(20.8)	(20.8)
Net loans requirement	15.8	30.7	58.1	100.4	116.1
Plus: Liquidity allowance	2.0	2.0	2.0	2.0	2.0
Liability benchmark	17.8	32.7	60.1	102.4	118.1

5.7. At the start of the period, 31 March 2022, the PCC had a Loans CFR of £40.1m, external borrowing of £25.5m, balance sheet resources of £24.3m and a liability benchmark of £17.8m. The difference of £14.6m between the CFR and external borrowing is internal borrowing which is where the PCC has used its own resources to fund its borrowing requirement.

Graph 1.



5.8. The liability benchmark is the lowest level of debt the PCC could hold if it used all of its balances, reserves and cash flow surpluses to fund its CFR. The

PCC expects a positive liability benchmark across the forecast period, which generally means an authority is required to take external borrowing to fund the gap between its resources and the CFR. Where the liability benchmark rises above the current borrowing level on the Liability Benchmark chart, this indicates that further external borrowing is required.

- 5.9. Due to the levels of existing external borrowing in addition to the balance sheet resources available at 31 March 2023, it is expected that an addition £7.0m of further long-term external borrowing is required to be committed to during 2023/24.
- 5.10. Based on current estimates it is expected that by 31 March 2023 the Loans CFR will rise to £53.5m, net balance sheet resources will be £22.8m and existing external borrowing totals £25.5m. Therefore, the combination of balance sheet resources and existing external borrowing are not expected to be sufficient to match the CFR, and this borrowing requirement is expected to continue to rise until 2026/27. As a result, further borrowing will be considered by the Chief Financial Officer over the coming months, if required.
- 5.11. A limitation of liability benchmarking is that the further out the forecast, the less it can be relied upon and so as time passes, the requirement to borrow may change and either may not be there for the whole period or alternatively cash flow requirements that are not known about today may become present later which may require the PCC to take additional external borrowing in the future.

6. Borrowing Strategy

- 6.1. The PCC currently holds £25.5m of loans as part of its strategy for funding previous years' capital programmes. The balance sheet forecast in Table 1 shows that the PCC may need to borrow up to £7.0m in 2023/24 to maintain an average minimum cash balance of £10m, dependent on delivery of the capital programme. The PCC may also borrow to pre-fund future years' requirements, providing total borrowing does not exceed the authorised limit for borrowing of £80.5m.

Objectives

- 6.2. The PCC's chief objective when borrowing money is to strike an appropriately low risk balance between securing low interest costs and achieving certainty of those costs over the period for which funds are required. The flexibility to renegotiate loans, should the PCC's long-term plans change, is a secondary objective.

Strategy

- 6.3. The PCC's borrowing strategy continues to address the key issue of affordability without compromising the longer-term stability of the debt portfolio. With short-term interest rates currently much lower than long-term rates, it is likely to be more cost effective in the short-term to either use internal resources where possible or to borrow short-term loans to reduce net borrowing costs (despite foregone investment income) and reduce overall treasury risk.
- 6.4. The benefits of internal and short-term borrowing will be monitored regularly against the potential for incurring additional costs by deferring borrowing into future years when long-term borrowing rates are forecast to rise modestly. Arlingclose will assist the PCC with this 'cost of carry' and breakeven analysis, and this will be used to help determine whether the PCC borrows additional sums at long-term fixed rates in 2023/24 with a view to keeping future interest costs low, even if this causes additional cost in the short-term.
- 6.5. The PCC has previously raised long-term borrowing from the PWLB and will also consider long-term loans from other sources including banks, pension funds and local authorities, and will investigate the possibility of issuing bonds and similar instruments, in order to lower interest costs and reduce over-reliance on one source of funding in line with the CIPFA Code. PWLB loans are no longer available to local authorities (including police and crime commissioners) planning to buy investment assets primarily for yield; the PCC's investment strategy does not support this activity and so will retain its access to PWLB loans.

- 6.6. The PCC may also arrange forward starting loans during 2023/24, where the interest rate is fixed in advance, but the cash is received in later years. This would enable certainty of cost to be achieved without suffering a cost of carry in the intervening period (although there are no current plans to do this).
- 6.7. In addition, the PCC may borrow short-term loans (normally for up to one month) to cover unplanned cash flow shortages.

Sources of borrowing

- 6.8. The approved sources of long-term and short-term borrowing are:
- HM Treasury's PWLB lending facility (formerly the Public Works Loan Board)
 - any institution approved for investments
 - any other bank or building society authorised to operate in the UK
 - any other UK public sector body
 - UK public and private sector pension funds (except Hampshire Pension Fund)
 - capital market bond investors
 - UK Municipal Bonds Agency plc and other special purpose companies created to enable local authority bond issues

Other sources of debt finance

- 6.9. In addition, capital finance may be raised by the following methods that are not borrowing, but may be classed as other debt liabilities:
- leasing
 - hire purchase
 - Private Finance Initiative
 - sale and leaseback

LOBOs

- 6.10. A LOBO loan is where the lender has the option to propose an increase in the interest rate at set dates, following which the borrower has the option to either accept the new rate or to repay the loan at no additional cost. The PCC held

£10.0m of LOBO (Lender's Option Borrower's Option) loans, however Barclays removed the option on both sides therefore these loans are now considered to be fixed market loans. Total borrowing via LOBO loans is limited to the current level of £10.0m.

Short-term and variable rate loans

- 6.11. These loans leave the PCC exposed to the risk of short-term interest rate rises and are therefore subject to the limit on the net exposure to variable interest rates in the treasury management indicators at section 8 of this strategy.

Debt rescheduling

- 6.12. The PWLB allows authorities to repay loans before maturity and either pay a premium or receive a discount according to a set formula based on current interest rates. Other lenders may also be prepared to negotiate premature redemption terms. The PCC may take advantage of this and replace some loans with new loans, or repay loans without replacement, where this is expected to lead to an overall cost saving or a reduction in risk. The recent rise in interest rates means that more favourable debt rescheduling opportunities should arise than in previous years.

7. Treasury Investment Strategy

- 7.1. The PCC holds invested funds, representing income received in advance of expenditure plus balances and reserves held. In the past 12 months, the PCC's treasury investment balance has ranged between £4.9m and £41.8m, and as shown in Table 1, however it is expected that balances will fall between now and 31 March 2023 as shown in Table 1.

Objectives

- 7.2. The CIPFA Code requires the PCC to invest its treasury funds prudently, and to have regard to the security and liquidity of its investments before seeking the highest rate of return, or yield. The PCC's objective when investing money is to strike an appropriate balance between risk and return, minimising the risk of incurring losses from defaults and the risk of receiving unsuitably

low investment income. The PCC aims to be a responsible investor and will consider environmental, social and governance (ESG) issues when investing.

Strategy

- 7.3. Given the increasing risk and very low returns from short-term unsecured bank investments, the PCC aims to hold investments that provide diversification through greater security and/or higher yielding asset classes during 2023/24.
- 7.4. At 31 December 2022 approximately 25.0% of the PCC's investment balances were invested so that they were not subject to bail-in risk, as they were invested in the strategic pooled property fund.
- 7.5. Of the 73.4% of investment balances that were subject to bail-in risk, 43.1% was held in overnight money market funds which are subject to a reduced risk of bail-in due to the high level of diversification within it, and 38.8% was held in overnight bank call accounts for liquidity purposes. Further detail is provided at Appendix b.

Environmental, social and governance factors

- 7.6. Environmental, social and governance (ESG) considerations are increasingly a factor in global investors' decision making, but the framework for evaluating investment opportunities is still developing and therefore the PCC does not currently include ESG scoring or other real-time ESG criteria at an individual investment level. When investing in banks and funds, the PCC will prioritise banks that are signatories to the UN Principles for Responsible Banking and funds operated by managers that are signatories to the UN Principles for Responsible Investment, the Net Zero Asset Managers Alliance and/or the UK Stewardship Code.

Business models

- 7.7. Under the new IFRS 9 standard, the accounting for certain investments depends on the 'business model' for managing them. The PCC aims to achieve value from its internally managed treasury investments through a business model of collecting the contractual cash flows and therefore, where

other criteria are also met, these investments will continue to be accounted for at amortised cost.

Investments targeting higher returns

- 7.8. In order to minimise the risk of receiving unsuitably low investment income, the PCC has continued to invest a proportion of core balances in an externally managed pooled fund investing in pooled property as part of its higher yielding strategy. This allows diversification into asset classes other than cash without the need to own and manage the underlying assets.
- 7.9. The fund operates on a variable net asset value (VNAV) basis and offers diversification of investment risk, coupled with the services of a professional fund manager; it also offers the potential for enhanced returns over the longer term but is likely to be more volatile in the short-term. The PCC's pooled fund investment is in the fund's distributing share class which pays out the income generated.
- 7.10. The CIPFA Code requires the PCC to invest its funds prudently and to have regard to the security and liquidity of its investments before seeking the highest yield. As a result, the PCC's investment targeting higher yields has been made from its most stable balances and with the intention that it will be held for at least the medium term. This means that the initial costs of any investment and any periods of falling capital values can be overcome and mitigates the risk of having to sell an asset for liquidity purposes, helping to ensure the long-term security of the PCC's investment.
- 7.11. As illustrated in the graph below, the PCC's pooled fund investment fell considerably in value during the coronavirus pandemic, reaching a low in August 2020, before recovering to a peak in June 2022. However, since then values have declined by circa.19% since this peak to December 2022; as illustrated in the graph below This means that this investment is now worth less than the initial sums invested by 4%, as shown in Table 3, demonstrating the importance of taking a longer-term approach and being able to ride out periods of market volatility, ensuring the PCC is not a forced seller at the bottom of the market.

Graph 2.

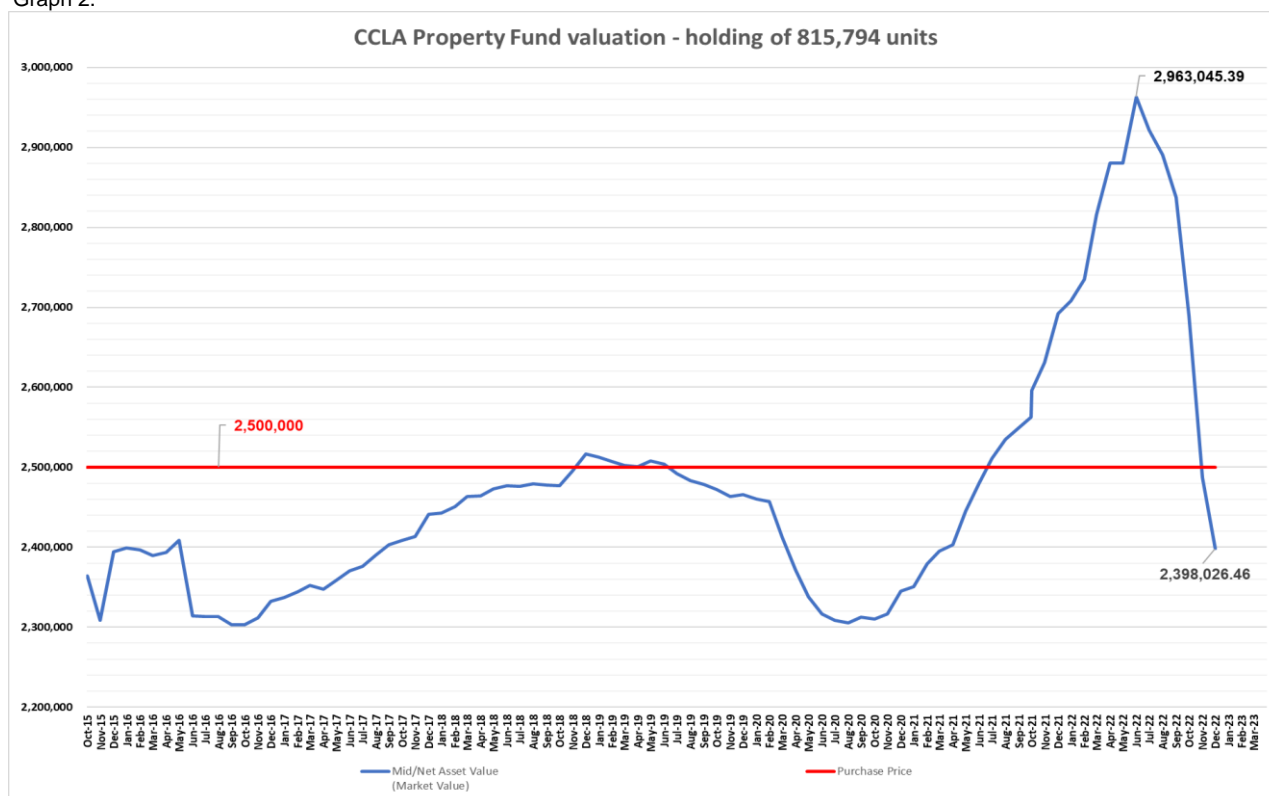


Table 3: Higher yielding investments - market value performance

	Amount invested	Market value at 31/12/2022	Gain/(fall) in capital value	
			Since purchase	One year
	£m	£m	£m	£m
Pooled property fund	2.500	2.398	(0.102)	(0.294)
Total	2.500	2.398	(0.102)	(0.294)

7.12 Ordinarily the money can be redeemed from the pooled fund at short notice¹⁶ however, the CCLA recently imposed a temporary extension to the redemption notice period 90 days to 6 months, due to current uncertainty in the property market. Therefore, this investment must be viewed as a long-term investment from core balances not required for immediate liquidity requirements. This ensures that even in times of market volatility, the PCC will not be a forced seller and will not crystallise capital losses.

7.12. The IFRS 9 accounting standard that was introduced in 2018/19 means that annual movements in the capital values of investments need to be reflected in

¹⁶ Currently requires 6 months' notice (October 2022)

the revenue account on an annual basis, although a five-year statutory override was put in place for local authorities that exempts them from complying with this requirement. This is due to expire on 31 March 2023, however the Government have recently consulted on the whether to extend, remove or make the override permanent.

7.13. The PCC's long-term pooled fund investment is expected to bring benefits to the revenue budget through higher yields than can be achieved on cash investments. As shown in Table 4, without the allocation to pooled funds the weighted average return of the PCC's cash investments would have been 1.8%. By investing in pooled funds, the weighted average return at 31 December 2022 was 2.3%, meaning the allocation to higher yielding investments has added 0.5% to the average interest rate earned by the remainder of the portfolio.

7.14. This benefit to the revenue budget is demonstrated in Table 4, using cash balances and average returns at 31 December 2022. It should be noted however that this is a snapshot at a particular point in time and balances and returns do not remain constant over the course of a year.

Table 4: Estimated annual income returns

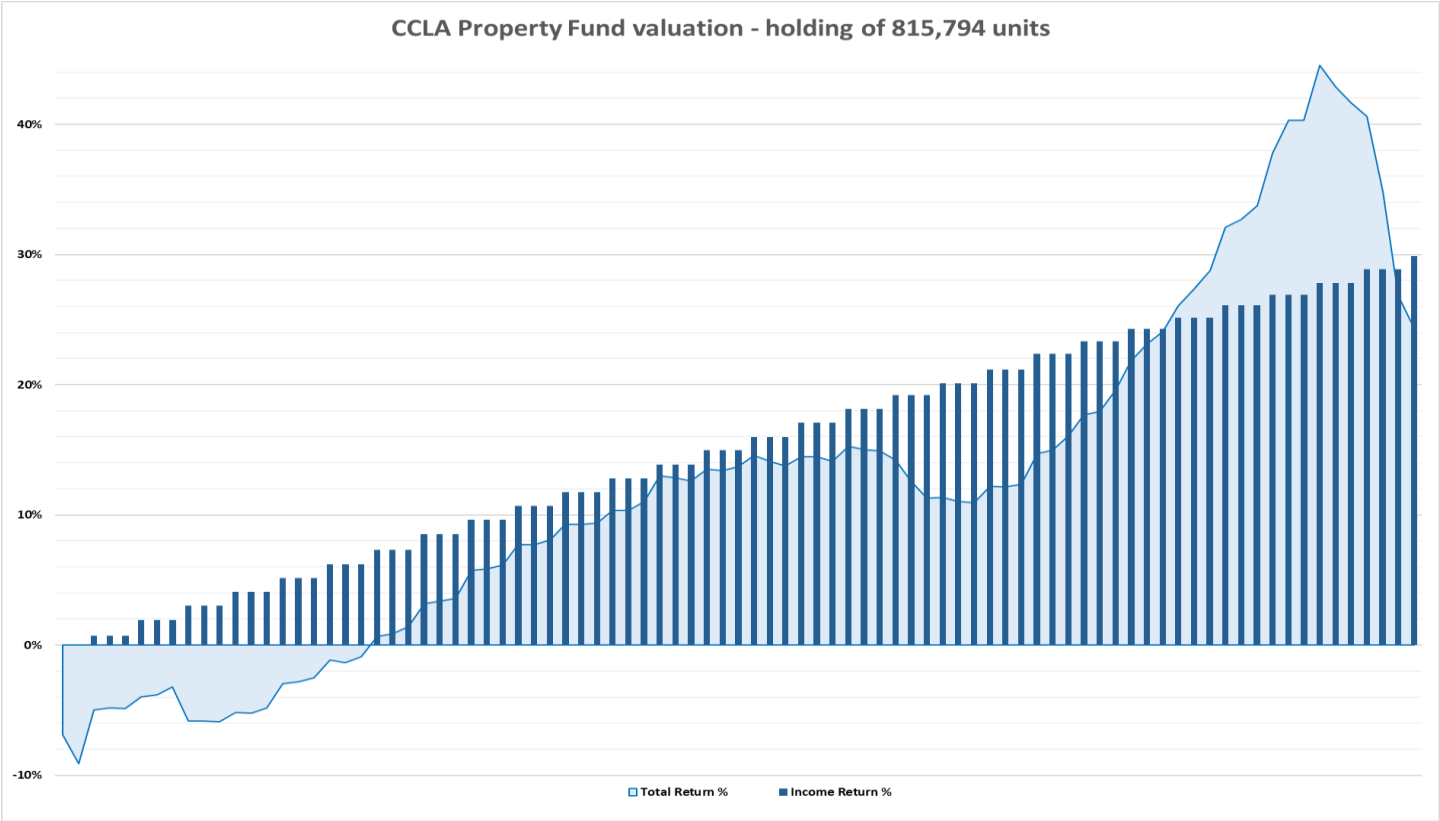
	Cash balance at 31/12/2022 £m	Weighted average return %	Estimated annual income return £
Short-term cash investments	7.5	1.8%	135,000
Investment targeting higher yields	2.5	3.7%	92,500
Total	10.0	2.3%	227,500

7.15. The performance of this investment and its suitability in meeting the PCC's investment objectives will be monitored regularly and discussed with Arlingclose.

7.16. The cumulative total return from the PCC's investment in the pooled property fund since purchase is shown in the graph below. This highlights that despite volatility in the capital value of the funds over 2022, these pooled funds have

delivered strong and steady income returns and a positive capital increase to date.

Graph 3.



Investment limits

- 7.17. The maximum that will be lent to any one organisation (other than the UK Government) will be £5m. A group of entities under the same ownership will be treated as a single organisation for limit purposes. Limits are also placed on fund managers as shown in Table 5.

Table 5: Investment limits

	Cash limit
Any single organisation, except the UK Central Government	£5m each
UK Central Government	unlimited
Any group of pooled funds under the same management	£12.5m per manager

Approved Counterparties

- 7.18. The PCC may invest its surplus funds with any of the counterparty types in Table 6, subject to the limits shown.

Table 6: Sector and counterparty limits

Sector	Time limit	Counterparty limit	Sector limit
The UK Government	30 years	Unlimited	n/a
Local authorities & other government entities	25 years	£5m	Unlimited
Secured investments *	25 years	£5m	Unlimited
Banks (unsecured) *	13 months	£3m	Unlimited
Building societies (unsecured) *	13 months	£3m	£5m
Registered providers (unsecured) *	5 years	£3m	£5m
Money market funds *	n/a	£5m	Unlimited
Strategic pooled funds	n/a	£5m	£12.5m
Real estate investment trusts	n/a	£3m	£5m
Other investments *	5 years	£3m	£5m

This table must be read in conjunction with the notes below:

* Minimum credit rating

- 7.19. Treasury investments in the sectors marked with an asterisk will only be made with entities whose lowest published long-term credit rating is no lower than A-. Where available, the credit rating relevant to the specific investment or

class of investment is used, otherwise the counterparty credit rating is used. However, investment decisions are never made solely based on credit ratings, and all other relevant known factors including external advice will be taken into account.

- 7.20. For entities without published credit ratings, investments may be made where external advice indicates the entity to be of similar credit quality.

Banks and building societies (unsecured)

- 7.21. Accounts and deposits, certificates of deposit and senior unsecured bonds with banks and building societies, other than multilateral development banks. These investments are subject to the risk of credit loss via a bail-in should the regulator determine that the bank is failing or likely to fail.
- 7.22. The PCC may incur operational exposures, for example through current accounts, to any UK bank with credit ratings no lower than BBB- and with assets greater than £25 billion. These are not classed as investments but are still subject to the risk of a bank bail-in, and balances will therefore be kept low. The PCC's operational bank account is with National Westminster¹⁷ and aims to keep the overnight balances held in current accounts positive, and as close to zero as possible. The Bank of England has stated that in the event of failure, banks with assets greater than £25 billion are more likely to be bailed-in than made insolvent, increasing the chance of the PCC maintaining operational continuity.

Registered providers (unsecured)

- 7.23. Loans and bonds issued by, guaranteed by or secured on the assets of registered providers of social housing and registered social landlords, formerly known as housing associations. These bodies are regulated by the Regulator of Social Housing (in England), the Scottish Housing Regulator, the Welsh Government and the Department for Communities (in Northern Ireland). As

¹⁷ A+ (Fitch), A1 (Moody's) and A (S&P) ratings – November 2022

providers of public services, they retain the likelihood of receiving government support if needed.

Markets in Financial Instruments Directive

- 7.24. The annual variations in the PCC's cashflows mean that there are times that the balance will fall below £10m, which means that some financial institutions (including the PCC's treasury advisors Arlingclose) will not accept it as a professional client. Where it can act as a professional investor, providers of financial services, including advisers, banks, brokers and fund managers, will allow the PCC access to a greater range of services but without the greater regulatory protections afforded to individuals and smaller companies. The impact of its advisor having to treat the PCC as a retail investor, is highlighted below for the relevant types of investments.
- 7.25. The retail advice provided by the PCC's treasury advisor (Arlingclose) will not extend to 'designated investments', which are outlined below. Through the treasury management service supplied by Hampshire County Council, the PCC will have access to information on appropriate options for these types of investments, which are shared amongst all partners. The CFO will agree suitable investment counterparties, based on this information for the following sectors.

Government

- 7.26. Loans, bonds and bills issued or guaranteed by national governments, regional and local authorities and multilateral development banks. These investments are not subject to bail-in, and there is generally a lower risk of insolvency, although they are not zero risk. Investments with the UK Government are deemed to be zero credit risk due to its ability to create additional currency and therefore may be made in unlimited amounts for up to 30 years.

Secured investments

- 7.27. Investments secured on the borrower's assets, which limits the potential losses in the event of insolvency. The amount and quality of the security will

be a key factor in the investment decision. Covered bonds and reverse repurchase agreements with banks and building societies are exempt from bail-in. Where there is no investment specific credit rating, but the collateral upon which the investment is secured has a credit rating, the higher of the collateral credit rating and the counterparty credit rating will be used. The combined secured and unsecured investments with any one counterparty will not exceed the cash limit for secured investments.

Money market funds

- 7.28. Pooled funds that offer same-day or short notice liquidity and very low or no price volatility by investing in short-term money markets. They have the advantage over bank accounts of providing wide diversification of investment risks, coupled with the services of a professional fund manager in return for a small fee. Although no sector limit applies to money market funds, the PCC will take care to diversify its liquid investments over a variety of providers to ensure access to cash at all times.

Strategic pooled funds

- 7.29. Shares or units in diversified investment vehicles consisting of bond, equity and property investments. These funds offer enhanced returns over the longer term but are more volatile in the short term and allow the PCC to diversify into asset classes other than cash without the need to own and manage the underlying investments. This sector also includes cash plus funds which are also a type of pooled fund, but are used for short-term funds, with a lower risk appetite. Because strategic pooled funds have no defined maturity date but are available for withdrawal after a notice period; their performance and continued suitability in meeting the PCC's investment objectives will be monitored regularly.

Real estate investment trusts (REITs)

- 7.30. Shares in companies that invest mainly in real estate and pay the majority of their rental income to investors in a similar manner to pooled property funds. As with property funds, REITs offer enhanced returns over the longer term,

but are more volatile especially as the share price reflects changing demand for the shares as well as changes in the value of the underlying properties.

Other investments

- 7.31. This category covers treasury investments not listed above, for example certificates of deposit (CDs), unsecured corporate bonds and company loans. Bank issued CDs and unsecured bonds will be subject to bail-in risk whereas non-bank companies will not but can become insolvent placing the PCC's investment at risk.

Risk assessment and credit ratings

- 7.32. Short and long-term credit ratings from the three main providers (Fitch Ratings, Moody's and Standard and Poor's) are obtained and monitored by the PCC's treasury advisers, who will notify changes in ratings as they occur. Where an entity has its credit rating downgraded so that it fails to meet the approved investment criteria then:
- no new investments will be made,
 - any existing investments that can be recalled or sold at no cost will be, and
 - full consideration will be given to the recall or sale of all other existing investments with the affected counterparty.
- 7.33. Where a credit rating agency announces that a credit rating is on review for possible downgrade (also known as "negative watch") so that it may fall below the approved rating criteria, then only investments that can be withdrawn on the next working day will be made with that organisation until the outcome of the review is announced. This policy will not apply to negative outlooks, which indicate a long-term direction of travel rather than an imminent change of rating.

Other Information on the security of investments

- 7.34. The PCC understands that credit ratings are good, but not perfect predictors of investment default. Full regard will therefore be given to other available information on the credit quality of the organisations in which it invests,

including credit default swap prices, financial statements, information on potential government support and reports in the quality financial press and analysis and advice from the PCC's treasury management adviser. No investments will be made with an organisation if there are substantive doubts about its credit quality, even though it may otherwise meet the above criteria.

- 7.35. When deteriorating financial market conditions affect the creditworthiness of all organisations, as happened in 2008 and 2020, this is not generally reflected in credit ratings, but can be seen in other market measures. In these circumstances, the PCC will restrict its investments to those organisations of higher credit quality and reduce the maximum duration of its investments to maintain the required level of security. The extent of these restrictions will be in line with prevailing financial market conditions. If these restrictions mean that insufficient commercial organisations of high credit quality are available to invest the PCC's cash balances, then the surplus will be deposited with the UK Government, via the Debt Management Office, or invested in government treasury bills for example, or with other local authorities. This will likely lead to investment returns falling but will protect the principal sum invested.

Liquidity management

- 7.36. The PCC has due regard for its future cash flows when determining the maximum period for which funds may prudently be committed. Historical cash flows are analysed in addition to significant future cash movements, such as payroll, grant income and council tax precept. Limits on long-term investments are set by reference to the PCC's medium term financial position (summarised in Table 1) and forecast short-term balances. The Chief Finance Officer will continue to review cashflows and overall reserves and balances throughout the financial year.
- 7.37. The PCC will spread its liquid cash over at least four providers (e.g. bank accounts and money market funds) to ensure that access to cash is maintained in the event of operational difficulties at any one provider, except in cases of extreme market stress whereby the PCC will be able to invest all of its liquid cash in one provider only, being the Debt Management Office (DMO).

8. Treasury Management Prudential Indicators

- 8.1. The PCC measures and manages its exposures to treasury management risks using the following indicators.

Interest rate exposures

- 8.2. The following indicator shows the sensitivity of the PCC's current investments and borrowing to a change in interest rates. Fixed rate investments maturing during the year are assumed to be variable for the remainder of the year.

Table 7: Interest rate risk indicator

	31 December 2022 £m	Impact of +/-1% interest rate change £m
Sums subject to variable interest rates		
Investment	7.5	+/- £0.8m
Borrowing*	0.0	+/- £0.0m

*The Commissioner currently has fixed rate borrowing and no re-financing of maturing debt is planned, therefore any change in interest rates will have a nil effect.

Maturity structure of borrowing

- 8.3. This indicator is set to control the PCC's exposure to refinancing risk. The upper and lower limits on the maturity structure of fixed rate borrowing will be:

Table 8: Maturity Structure of Borrowing

	Upper	Lower
Under 12 months	65%	0%
12 months and within 24 months	35%	0%
24 months and within 5 years	35%	0%
5 years and within 10 years	35%	0%
10 years and within 20 years	65%	0%
20 years and within 30 years	65%	0%
30 years and above	100%	0%

- 8.4. Time periods start on the first day of each financial year. The maturity date of borrowing is the earliest date on which the lender can demand repayment.

Principal sums invested for periods longer than a year

- 8.5. The purpose of this indicator is to control the PCC's exposure to the risk of incurring losses by seeking early repayment of its investments. The limits on the long-term principal sum invested to final maturities beyond the period end will be:

Table 9: Price risk indicator

	2023/24	2024/25	2025/26	2026/27
Limit on principal invested beyond a year	£5m	£5m	£5m	£5m

9. Prudential Indicators - Borrowing

Gross Debt and the Capital Financing Requirement

- 9.1. In order to ensure that over the medium-term debt will only be for a capital purpose, the PCC should ensure that debt does not, except in the short term, exceed the total of capital financing requirement in the preceding year plus the estimates of any additional capital financing requirement for the current and next two financial years. This is a key indicator of prudence and is shown in Table 10.

Table 10: Gross Debt and the Capital Financing Requirement

	31/03/23 Revised £m	31/03/24 Estimate £m	31/03/25 Estimate £m	31/03/26 Estimate £m
CFR	53.5	78.9	121.2	136.9
Debt				
Borrowing	32.5	60.1	105.1	125.1
Leases	2.0	1.7	1.6	1.5
Total Debt	34.5	61.8	106.7	126.6

- 9.2. Total debt is expected to remain below the CFR during the forecast period. External debt is expected to remain below the CFR because of the PCC's borrowing strategy, whereby it has used internal borrowing (the use of internal cash balances) to fund capital expenditure in place of borrowing money from external sources.

Affordable Borrowing Limit

- 9.3. The PCC is legally obliged to set an Authorised Limit for the maximum affordable amount of external debt. In line with statutory guidance, a lower 'Operational Boundary' is also set as a warning level should debt approach the limit. The Operational Boundary is based on the PCC's estimate of the most likely (i.e. prudent but not worst case) scenario for external debt. It links directly to the PCC's estimates of capital expenditure, the capital financing requirement, and cash flow requirements, and is a key management tool for in-year monitoring.

Table 11: Affordable Borrowing Limits

	2022/23 Revised £m	2023/24 Estimate £m	2024/25 Estimate £m	2025/26 Estimate £m
Authorised Limit:				
Borrowing	73.5	98.9	141.2	162.8
Leases and other long-term liabilities	7.0	6.7	6.6	6.5
Authorised Limit	80.5	105.6	147.8	169.3
Operational boundary:				
Borrowing	63.5	88.9	131.2	152.8
Leases and other long-term liabilities	7.0	6.7	6.6	6.5
Operational Boundary	70.5	95.6	137.8	159.3

10. Related Matters

- 10.1. The CIPFA Code requires the PCC to include the following in its TMSS.

Policy on Use of Financial Derivatives

- 10.2. In the absence of any explicit legal power to do so, the PCC will not use standalone financial derivatives (such as swaps, forwards, futures and options). Derivatives embedded into loans and investments, including pooled funds and forward starting transactions, may be used, and the risks that they present will be managed in line with the overall treasury risk management strategy.

Markets in Financial Instruments Directive

- 10.3. The PCC has opted up to professional client status with its providers of financial services, including advisers, banks, brokers and fund managers,

allowing it access to a greater range of services but without the greater regulatory protections afforded to individuals and smaller companies. Given the size and range of the PCC's treasury management activities, the Chief Financial Officer believes this to be the most appropriate status.

11. Financial implications

- 11.1. The budget for investment income in 2023/24 is £0.1m, whilst the budget for debt interest paid in 2023/24 is £1.1, which is based on the expected fixed interest costs of the current debt portfolio. If actual levels of investments and borrowing, or actual interest rates, differ from that which is forecast, performance against budget will be correspondingly different.

12. Other Options Considered

- 12.1. The PCC could elect to bring all treasury management activity in-house. This option has been rejected as the arrangement with Hampshire County Council's Investments and Borrowing team provides significant resilience and economies of scale.
- 12.2. The CIPFA Code does not prescribe any particular treasury management strategy for local authorities to adopt. The Chief Financial Officer believes that the above strategy represents an appropriate balance between risk management and cost effectiveness. Some alternative strategies, with their financial and risk management implications, are listed in Table 14.

Table 12: Alternative strategies and their implications

Alternative	Impact on income and expenditure	Impact on risk management
Invest in a narrower range of counterparties and/or for shorter times	Interest income will be lower	Lower chance of losses from credit related defaults, but any such losses may be greater
Invest in a wider range of counterparties and/or for longer times	Interest income will be higher	Increased risk of losses from credit related defaults, but any such losses may be smaller

Table 12: Alternative strategies and their implications

Alternative	Impact on income and expenditure	Impact on risk management
Borrow additional sums at long-term fixed interest rates	Debt interest costs will rise; this is unlikely to be offset by higher investment income	Higher investment balance leading to a higher impact in the event of a default; however long-term interest costs may be more certain
Borrow short-term or variable loans instead of long-term fixed rates	Debt interest costs will initially be lower	Increases in debt interest costs will be broadly offset by rising investment income in the medium term, but long-term costs may be less certain
Reduce level of /borrowing	Saving on debt interest is likely to exceed lost investment income	Reduced investment balance leading to a lower impact in the event of a default; however long-term interest costs may be less certain

Appendix a - Arlingclose Economic and Interest Rate Forecast December 2022

Underlying assumptions:

- UK interest rate expectations have eased following the mini-budget, with a growing expectation that UK fiscal policy will now be tightened to restore investor confidence, adding to the pressure on household finances. The peak for UK interest rates will therefore be lower, although the path for interest rates and gilt yields remains highly uncertain.
- Globally, economic growth is slowing as inflation and tighter monetary policy depress activity. Inflation, however, continues to run hot, raising expectations that policymakers, particularly in the US, will err on the side of caution, continue to increase rates and tighten economies into recession.
- The new Chancellor dismantled the mini-budget, calming bond markets and broadly removing the premium evident since the first Tory leadership election. Support for retail energy bills will be less generous, causing a lower but more prolonged peak in inflation. This will have ramifications for both growth and inflation expectations.
- The UK economy is already experiencing recessionary conditions, with business activity and household spending falling. Tighter monetary and fiscal policy, alongside high inflation will bear down on household disposable income. The short- to medium-term outlook for the UK economy is bleak, with the BoE projecting a protracted recession.
- Demand for labour remains strong, although there are some signs of easing. The decline in the active workforce has fed through into higher wage growth, which could prolong higher inflation. The development of the UK labour market will be a key influence on MPC decisions. It is difficult to see labour market strength remaining given the current economic outlook.
- Global bond yields have steadied somewhat as attention turns towards a possible turning point in US monetary policy. Stubborn US inflation and strong labour markets mean that the Federal Reserve remains hawkish, creating inflationary risks for other central banks breaking ranks.
- However, in a departure from Fed and ECB policy, in November the BoE attempted to explicitly talk down interest rate expectations, underlining the damage current market expectations will do to the UK economy, and the probable resulting inflation undershoot in the medium term. This did not stop the Governor affirming that there will be further rises in Bank Rate.

Forecast:

- The MPC remains concerned about inflation but sees the path for Bank Rate to be below that priced into markets.
- Following the exceptional 75bp rise in November, with a further 50bp rise in December, Arlingclose believes the MPC will slow the rate of increase at the next few meetings. Arlingclose now expects Bank Rate to peak at 4.25%.
- The UK economy likely entered into recession in Q3, which will continue for some time. Once inflation has fallen from the peak, the MPC will cut Bank Rate.
- Arlingclose expects gilt yields to remain broadly steady despite the MPC's attempt to push down on interest rate expectations. Without a weakening in the inflation outlook, investors will price in higher inflation expectations given signs of a softer monetary policy stance.
- Gilt yields face pressures to both sides from hawkish US/EZ central bank policy on one hand to the weak global economic outlook on the other. BoE bond sales will maintain yields at a higher level than would otherwise be the case.

The table below shows Arlingclose's current interest rates forecasts:

	Current	Dec-22	Mar-23	Jun-23	Sep-23	Dec-23	Mar-24	Jun-24	Sep-24	Dec-24	Mar-25	Jun-25	Sep-25
Official Bank Rate													
Upside risk	0.00	0.25	0.50	0.75	1.00	1.00	1.00	1.25	1.50	1.75	1.50	1.25	1.25
Arlingclose Central Case	3.00	3.50	4.00	4.25	4.25	4.25	4.25	4.00	3.75	3.50	3.50	3.50	3.50
Downside risk	0.00	0.25	0.50	0.75	0.75	0.75	0.75	0.75	1.00	1.00	1.00	1.00	1.00
3-month money market rate													
Upside risk	0.00	0.25	0.50	0.75	1.00	1.00	1.00	1.25	1.50	1.75	1.50	1.25	1.25
Arlingclose Central Case	3.00	3.90	4.40	4.40	4.40	4.35	4.30	4.25	4.00	3.75	3.75	3.75	3.75
Downside risk	0.00	0.25	0.50	0.75	0.75	0.75	0.75	0.75	1.00	1.00	1.00	1.00	1.00
5yr gilt yield													
Upside risk	0.00	0.60	0.70	0.80	0.90	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00
Arlingclose Central Case	3.36	3.65	3.90	3.90	3.90	3.90	3.80	3.70	3.60	3.50	3.40	3.30	3.20
Downside risk	0.00	0.70	0.90	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00
10yr gilt yield													
Upside risk	0.00	0.60	0.70	0.80	0.90	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00
Arlingclose Central Case	3.46	3.70	3.75	3.75	3.75	3.70	3.70	3.70	3.70	3.70	3.70	3.70	3.70
Downside risk	0.00	0.70	0.90	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00
20yr gilt yield													
Upside risk	0.00	0.60	0.70	0.80	0.90	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00
Arlingclose Central Case	3.88	4.00	4.00	4.00	4.00	4.00	3.90	3.90	3.90	3.90	3.90	3.90	3.90
Downside risk	0.00	0.70	0.90	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00
50yr gilt yield													
Upside risk	0.00	0.60	0.70	0.80	0.90	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00
Arlingclose Central Case	3.24	3.40	3.40	3.40	3.40	3.40	3.30	3.30	3.30	3.30	3.30	3.30	3.30
Downside risk	0.00	0.70	0.90	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00

PWLB Standard Rate (Maturity Loans) = Gilt yield + 1.00%

PWLB Certainty Rate (Maturity Loans) = Gilt yield + 0.80%

UKIB Rate (Maturity Loans) = Gilt yield + 0.60%

Appendix b - Existing Investment & Debt Portfolio Position at 31 December 2022

Treasury investment position

Investments	30/09/2022 Balance £m	Net movement £m	31/12/2022 Balance £m	31/12/2022 Income return %	31/12/2022 Weighted average maturity years
Short term investments					
Banks and building societies:					
- Unsecured	(3.7)	6.8	3.1	0.8%	0.07
Money Market Funds	16.3	(13.9)	2.4	3.1%	0.00
Government:					
- DMO	3.0	(2.0)	1.0	1.8%	0.02
- UK Treasury Bills	1.0	0.0	1.0	2.0%	0.02
	16.6	(9.1)	7.5	1.8%	0.03
High yield investments					
Pooled funds:					
- Pooled property*	2.5	0.0	2.5	3.7%	N/A
	2.5	0.0	2.5	3.7%	N/A
TOTAL INVESTMENTS	19.1	(9.1)	10.0	2.3%	0.03

*The rates provided for pooled fund investments are reflective of annualised income returns over the year to 31 December 2022 based on the market value of investments 12 months earlier.

Treasury management position

	31/12/2022 Balance £m	31/12/2022 Rate %
External Borrowing	25.5	3.5%
Investments	(10.0)	2.3%
Net Debt	15.5	

MINIMUM REVENUE PROVISION (MRP) POLICY STATEMENT

Background

The organisation is required to pay off an element of the accumulated General Fund capital spend each year (the CFR) through a revenue charge (the minimum revenue provision - MRP), although it is also allowed to undertake additional voluntary payments if required (voluntary revenue provision - VRP).

The Local Government Act 2003¹⁸ requires the organisation to have regard to the Ministry of Housing, Communities and Local Government's Guidance (MHCLG) on Minimum Revenue Provision ("the Guidance"); most recently issued in February 2018. The broad aim of the MHCLG Guidance is to ensure that capital expenditure is financing is commensurate with the period over which the capital expenditure provides benefits.

MHCLG regulations require the Strategic Executive Board (SEB) to approve an MRP statement each year. A variety of options are provided to authorities, so long as there is a prudent provision.

In December 2021 CIPFA published updated versions of both The Prudential Code and the Treasury Management in the Public Services and the only significant change, in relation to MRP, is the new requirement for a local authority to provide a prudent MRP on its commercial borrowing, which is sometimes used for forward lending to their local authority trading companies (LATCs). This does not currently apply to the Hertfordshire Commissioner's borrowing.

What is a Minimum Revenue Provision (MRP)?

The England, Northern Ireland and Wales capital finance regulations and associated statutory guidance¹⁹ place a duty on local authorities to charge to the revenue account a minimum revenue provision (MRP) that is deemed to be prudent. The Minimum Revenue Provision is a charge that Councils which are not debt free are required to make in their accounts for the repayment of debt (as measured by the underlying need to borrow, rather than actual debt). The underlying debt is needed to

¹⁸ Section 21(1A) of the *Local Government Act 2003*

¹⁹ Statutory Instrument 2008 No. 414, *Local Authorities (Capital Finance and Accounting) (England) (Amendment) Regulations 2008*. Statutory guidance on minimum revenue provision guidance issued by the secretary of state in 2018 under Section 21(1A) of the *Local Government Act 2003*.

finance the capital programme. Capital expenditure is generally expenditure on assets which have a life expectancy of more than one year e.g. buildings, vehicles, machinery etc. It is therefore prudent to charge an amount for the repayment of debt over the life of the asset or some similar proxy figure, allowing borrowing to be matched to asset life. Setting aside an amount for the repayment of debt in this manner would then allow for future borrowing to be taken out to finance the asset when it needs replacing at no incremental cost. The manner of spreading these costs is through an annual Minimum Revenue Provision, which was previously determined under Regulation, and is now determined by Guidance.

MCHLG Options

The guidance provides four ready-made options for calculating the MRP. These are likely to fulfil most scenarios. However, the guidance does allow the use of an alternative approach if an authority can demonstrate that it is consistent with the statutory duty to make a prudent provision.

There are restrictions on the use of options one and two (they can only be used for supported borrowing), and option three – based on asset life – has proved the most popular method in practice. Local authorities are required to have their MRP policies approved by full council or equivalent prior to the start of the financial year.

The statutory guidance on the minimum revenue provision issued by the former MHCLG in February 2018 made some key changes to the way MRP is calculated, these included:

- disallowing a nil MRP charge to a revenue account, except where the CFR is nil, or negative or previous years' overpayment(s) are being used to offset the current year's charge;
- clarity that the MRP charge to a revenue cannot be negative;
- disallowing the charge for MRP in respect of investment properties to be linked to depreciation, since these assets are not depreciated;
- confirmation that a change in MRP policy cannot be applied retrospectively and therefore cannot give rise to an 'overpayment' in relation to previous years;
- introducing a maximum useful life of 50 years for MRP purposes, except where a longer life is supported by an opinion from a suitably qualified professional adviser or by the term of a lease or PFI contract; and

- requirement to separately disclose in-year and cumulative overpayments (i.e. amounts in excess of the prudent minimum) that can be used to reduce the charge in later years.

The regulations set out four alternative options for making a prudent provision and it is necessary that the organisation adopts one of these when making MRP. Each of the four options is set out below:

Options 1 (Regulatory method) and **Option 2** (CFR method) are essentially the same as the 4% reducing balance approach and may only be used in relation to capital expenditure incurred before 1 April 2008. So

Options 3 (Asset Life method) and **Option 4** (Depreciation method) are both broadly based upon making MRP in line with the expected life of the asset. The Asset Life Method (Option 3) makes MRP over the asset life in either equal instalments or using an annuity approach. It provides a steady and predictable funding requirement at the point the asset enters service and is the method that needs to be used for capitalised expenditure and expenditure which is capital in accordance with regulations (e.g. software licenses).

Whereas Option 4 makes MRP in accordance with depreciation rules. Since the organisation's depreciation policy is to use the straight-line method of depreciation, initially MRP under options 3 & 4 would be identical. However, in the longer-term Option 4 is potentially a less predictable approach than Option 3, as the level of MRP may be accelerated because of asset revaluations, which in turn will lead to accelerated funding pressures on the revenue budget. In addition, this option requires the establishment of a notional revenue provision and the consideration of residual values in the MRP calculation but provides no additional benefits over Option 3. Both these options result in the organisation making MRP on new assets only after they enter service in line with the current budget assumptions.

Change in methodology

Although the current equal instalments methodology provides certainty and uniformity in the level of charges to the revenue account, it does not however recognise the time value of money i.e. the effect of inflation. For example, an MRP charge of £100 in 50 years' time would be equivalent to £37.15 today and conversely

£100 today would be worth £269.16 in the future²⁰. Therefore, to address this anomaly, it is recommended that moving forward the Annuity approach of Option 3 is adopted.

A key consideration when using this methodology is determining the annuity rate to be used and fortunately the treasury advisors (Arlingclose) provide their clients with a forecast each year (see Appendix a.2), which are broadly aligned to the current PWLB certainty rates and so these will be used in the first instance. In the absence of this information, then a proxy rate of 2% will be used (the current Bank of England inflation target) as this provides certainty in high inflation environment that is currently being experienced (see Appendix a.1)²¹ and mitigates any potential impact from the 'base effect'²².

Application

All eligible capital expenditure, incurred prior to 31 March 2022, continues to be subject to MRP under the Option 3 (Asset Life) method, and thereafter that the Option 3 (Annuity) approach is adopted i.e., with effect from 1 April 2022.

Under this policy, the total amount of MRP paid remains the same over the total life of the assets. However, the result is a reduction to the amount charged to revenue in the short to medium term, as illustrated in the Appendix b and in accordance with the regulations this new methodology will not be applied retrospectively.

Under both approaches capital expenditure financed by borrowing will not incur an MRP charge until the year after the capital expenditure occurs. Therefore, capital expenditure incurred during 2022/23 will not be subject to an MRP charge until 2023/24. The current MHCLG guidance permits that, for significant assets, MRP may be delayed until the asset becomes operational; for example, the HQ redevelopment project and land purchased for the construction of an asset for a specific service use.

MRP on expenditure not related to fixed assets, but which has been capitalised by regulation or direction, will be charged over a period not exceeding 20 years, in accordance with the Guidance.

²⁰ 2% inflation assumption

²¹ CPI 10.7% - November 2022

²² <https://blog.ons.gov.uk/2021/05/19/beware-base-effects/>

The useful life on assets will normally be charged over a period not exceeding 50 years, except where the organisation has an opinion, from an appropriately qualified professional adviser²³, that an asset will deliver service functionality for more than 50 years²⁴. MRP on purchases of freehold land will be charged over 50 years.

Recommendation

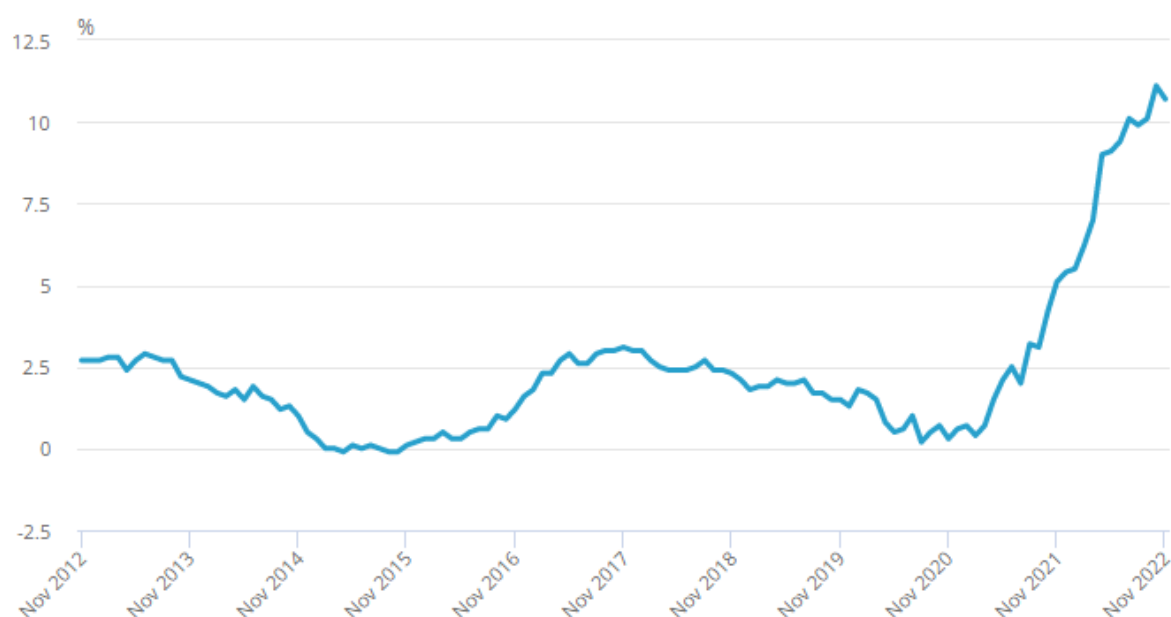
That the Police & Crime Commissioner approve the policy as set out.

²³ For example, an RICS qualified land and property valuer

²⁴ Para. 42 of Statutory Guidance on MRP

Appendix a – Annuity information

1. Historical CPI



Source: Office for National Statistics – Consumer price inflation

2. Arlingclose rate forecasts²⁵

Forecast annuity rates

These rates can be used for annuity MRP budgets for 2023/24 and future years. Use the correct row for the year of capital expenditure and the correct column for the asset life.

Years	5	7	10	12	15	20	25	30	35	40	45	50
2022/23	3.80	3.85	3.85	3.90	3.90	4.05	4.20	4.30	4.30	4.30	4.25	4.20
2023/24	5.00	4.85	4.85	4.70	4.85	5.00	5.05	5.10	5.10	5.05	5.00	4.90
2024/25	5.05	4.95	4.80	4.75	4.95	5.10	5.10	5.10	5.15	5.05	5.00	4.90
2025/26	5.15	4.90	4.85	4.75	5.05	5.15	5.15	5.15	5.15	5.10	5.00	4.85
2026/27	4.90	4.60	4.75	4.80	5.05	5.15	5.15	5.15	5.15	5.05	5.00	4.80
2027/28	4.70	4.70	4.90	4.90	5.15	5.20	5.20	5.15	5.15	5.05	4.95	4.80

The rates for 2022/23 are the average PWLB certainty rate so far this financial year plus an assumption that today's rate remains unchanged for the rest of the year. Rates for future years are based on the current PWLB certainty rate adjusted for the market forecast change in gilt yields.

²⁵ Technical Update – October 2022

Appendix b – Illustration of the Equal instalment versus the Annuity methods

Example 1				Example 2			
Principal £'000	50,000			Principal £'000	10,000		
Rate	5.0%			Rate	5.0%		
Asset Life	50			Asset Life	30		
Year	Annuity	Equal Instalment	(Decrease) /Increase	Year	Annuity	Equal Instalment	(Decrease)/ Increase
1	239	1,000	(761)	1	151	333	(183)
2	251	1,000	(749)	2	158	333	(175)
3	263	1,000	(737)	3	166	333	(167)
4	276	1,000	(724)	4	174	333	(159)
5	290	1,000	(710)	5	183	333	(150)
6	305	1,000	(695)	6	192	333	(141)
7	320	1,000	(680)	7	202	333	(132)
8	336	1,000	(664)	8	212	333	(122)
9	353	1,000	(647)	9	222	333	(111)
10	371	1,000	(629)	10	233	333	(100)
11	389	1,000	(611)	11	245	333	(88)
12	408	1,000	(592)	12	257	333	(76)
13	429	1,000	(571)	13	270	333	(63)
14	450	1,000	(550)	14	284	333	(50)
15	473	1,000	(527)	15	298	333	(35)
16	497	1,000	(503)	16	313	333	(20)
17	521	1,000	(479)	17	329	333	(5)
18	547	1,000	(453)	18	345	333	12
19	575	1,000	(425)	19	362	333	29
20	604	1,000	(396)	20	380	333	47
21	634	1,000	(366)	21	399	333	66
22	665	1,000	(335)	22	419	333	86
23	699	1,000	(301)	23	440	333	107
24	734	1,000	(266)	24	462	333	129
25	770	1,000	(230)	25	485	333	152
26	809	1,000	(191)	26	510	333	176
27	849	1,000	(151)	27	535	333	202
28	892	1,000	(108)	28	562	333	229
29	936	1,000	(64)	29	590	333	257
30	983	1,000	(17)	30	620	333	286
31	1,032	1,000	32	Total	10,000	10,000	0
32	1,084	1,000	84				
33	1,138	1,000	138				
34	1,195	1,000	195				
35	1,255	1,000	255				
36	1,317	1,000	317				
37	1,383	1,000	383				
38	1,452	1,000	452				
39	1,525	1,000	525				
40	1,601	1,000	601				
41	1,681	1,000	681				
42	1,765	1,000	765				
43	1,854	1,000	854				
44	1,946	1,000	946				
45	2,044	1,000	1,044				
46	2,146	1,000	1,146				
47	2,253	1,000	1,253				
48	2,366	1,000	1,366				
49	2,484	1,000	1,484				
50	2,608	1,000	1,608				
Total	50,000	50,000	0				

CAPITAL STRATEGY REPORT 2023/24

Introduction

The Chartered Institute of Public Finance and Accountancy (CIPFA) Prudential Code (2021) requires the production of a capital strategy to demonstrate that capital expenditure and investment decisions are taken in line with desired outcomes and take account of good stewardship, value for money, prudence, sustainability, and affordability.

This capital strategy report gives a high-level overview of how capital expenditure, capital financing and treasury management activity contribute to the provision of local public services along with an overview of how associated risk is managed and the implications for future financial sustainability.

Decisions made this year on capital and treasury management will have financial consequences for the Organisation for many years into the future. They are therefore subject to both a national regulatory framework and to local policy framework, summarised in this report.

Objectives

The key objectives of the Capital Strategy are to:

- Provide a framework that requires new capital expenditure to be robustly evaluated, ensuring that capital investment delivers value for money and is made in accordance with the Hertfordshire corporate, financial and asset management strategies, matching their visions, values and priorities.
- Set out how Hertfordshire identifies, prioritises, delivers and manages capital programmes and projects. This includes outlining the governance framework from initiation to post project review.
- Ensure that the whole life cost of capital expenditure is evaluated, including borrowing, maintenance and disposal costs.
- Ensure that all capital expenditure and related borrowing cash flows are affordable, prudent and sustainable.
- Identify the resources available for capital investment over the planning period and any restrictions on borrowing or funding.

Capital Expenditure and Financing

Capital expenditure is where the Organisation spends money on assets, such as property or vehicles, that will be used for more than one year. In local government this includes spending on assets owned by other bodies, and loans and grants to other bodies enabling them to buy assets.

In 2023/24, the Organisation is planning capital expenditure of £35.5m as summarised below:

Table 1: Prudential Indicator: Estimates of Capital Expenditure in £ millions

	2021/22 actual	2022/23 forecast	2023/24 budget	2024/25 budget	2025/26 budget
TOTAL £m	14.5	17.5	35.5	53.7	20.0

The main capital projects include the HQ redevelopment, joint firing range and public order training facilities. In accordance with the Prudential Code, the Organisation will not incur capital expenditure on investments.

Governance: Service leads submit bids annually to include projects in the organisation's capital programme. Bids are collated by corporate finance who calculate the financing cost. All bids are appraised based on a comparison of strategic priorities against financing costs and makes recommendations to the Strategic Executive Board (SEB).

The capital project proposals are prioritised with reference to a business case and considered against the following factors:

- Legal requirements – unavoidable projects i.e., mandated, statutory or contractually obliged,
- Strategic alignment – alignment to the Police and Crime Plan, the Force Management Statement (FMS) and the Constabulary's Strategic Assessment,
- Interdependencies – with other projects and or strategies and plans,
- Risk – of not doing the project and whether this is within tolerable levels,
- Cashable savings – the return on investment (ROI) measured against the initial outlay, where this is appropriate to consider

- Deferability / complexity –The level of resource commitment, internally and externally and time critical deadlines,
- Non-cashable benefits – other benefits such as service improvements and efficiency / productivity benefits
- Mitigation – future cost avoidance

The final capital programme is then presented to the SEB each year for approval.

All capital expenditure must be financed, either from external sources (government grants and other contributions), the Organisation's own resources (revenue, reserves and capital receipts) or debt (borrowing, leasing and Private Finance Initiative). The planned financing of the above expenditure is as follows:

Table 2: Capital financing in £ millions

	2021/22 actual £m	2022/23 forecast £m	2023/24 budget £m	2024/25 budget £m	2025/26 budget £m
External sources	0.2	0.0	0.0	0.0	0.0
Capital receipts	5.4	2.0	7.9	8.7	0.0
Revenue resources	0.2	0.8	0.0	0.0	0.0
Debt	8.7	14.7	27.6	45.0	20.0
TOTAL	14.5	17.5	35.5	53.7	20.0

Debt is only a temporary source of finance, since loans and leases must be repaid, and this is therefore replaced over time by other financing, usually from revenue which is known as a minimum revenue provision (MRP).

Alternatively, proceeds from selling capital assets (known as capital receipts) may be used to replace debt finance. Planned MRP and use of capital receipts are as follows:

Table 3: Replacement of prior years' debt finance in £ millions

	2021/22 actual £m	2022/23 forecast £m	2023/24 budget £m	2024/25 budget £m	2025/26 budget £m
Minimum revenue provision (MRP)	4.7	1.1	2.2	2.8	4.3
Capital receipts	5.4	2.0	7.9	8.7	0.0
TOTAL	10.1	3.1	10.1	11.5	4.3

The Organisation's cumulative outstanding amount of debt finance is measured by the capital financing requirement (CFR). This increases with new debt-financed capital expenditure and reduces with MRP and capital receipts used to replace debt. The CFR is expected to increase by £29.9m during 2023/24. Based on the above figures for expenditure and financing, the Organisation's estimated CFR is as follows:

Table 4: Prudential Indicator: Estimates of Capital Financing Requirement in £ millions

	31.3.2022 actual	31.3.2023 forecast	31.3.2024 budget	31.3.2025 budget	31.3.2026 budget
TOTAL CFR £m	40.1	53.5	78.9	121.2	136.9

Asset disposals: When a capital asset is no longer needed, it may be sold so that the proceeds, known as capital receipts, can be spent on new assets or to repay debt. Repayments of capital grants, loans and investments also generate capital receipts.

The Organisation plans to receive £13.5m of capital receipts in the coming financial year as follows:

Table 5: Capital receipts receivable in £ millions

	2021/22 actual £m	2022/23 forecast £m	2023/24 budget £m	2024/25 budget £m	2025/26 budget £m
Asset sales	0.0	0.0	13.5	0.0	0.0
Loans etc repaid	0.0	0.0	0.0	0.0	0.0
TOTAL	0.0	0.0	13.5	0.0	0.0

Treasury Management

Treasury management is concerned with keeping sufficient but not excessive cash available to meet the Organisation's spending needs, while managing the risks involved. Surplus cash is invested until required, while a shortage of cash will be met by borrowing, to avoid excessive credit balances or overdrafts in the bank current account. The Organisation is typically cash rich in the short-term as revenue income is received before it is spent, but cash poor in the long-term as capital expenditure is incurred before being financed. The revenue cash surpluses are offset against capital cash shortfalls to reduce overall borrowing.

Due to decisions taken in the past, the Organisation currently has £25.5m borrowing at an average interest rate of 3.93% and £7.5m treasury investments at an average rate of 1.9%.

Borrowing strategy: The Organisation's main objectives when borrowing is to achieve a low but certain cost of finance while retaining flexibility should plans change in future. These objectives are often conflicting, and the Organisation therefore seeks to strike a balance between cheaper short-term loans and long-term fixed rate loans where the future cost is known but higher.

The Organisation does not borrow to invest for the primary purpose of financial return and therefore retains full access to the Public Works Loans Board.

Projected levels of the Organisation's total outstanding debt (which comprises borrowing, PFI liabilities, leases and transferred debt) are shown below, compared with the capital financing requirement (see above).

Table 6: Prudential Indicator: Gross Debt and the Capital Financing Requirement in £ millions

	31.3.2022 actual £m	31.3.2023 forecast £m	31.3.2024 budget £m	31.3.2025 budget £m	31.3.2026 budget £m
Debt (incl. PFI & leases)	25.5	32.5	52.5	98.5	114.5
Capital Financing Requirement	40.1	53.5	78.9	121.2	136.9

Statutory guidance is that debt should remain below the capital financing requirement, except in the short-term. As can be seen from table 6, the Organisation expects to comply with this in the medium term.

Liability benchmark: To compare the Organisation's actual borrowing against an alternative strategy, a liability benchmark has been calculated showing the lowest risk level of borrowing. This assumes that cash and investment balances are kept to a minimum level of £5m at each year-end. This benchmark is currently £5.9m and is forecast to fall to £5.7m over the next three years.

Table 7: Borrowing and the Liability Benchmark in £ millions

	31.3.2022 actual £m	31.3.2023 forecast £m	31.3.2024 budget £m	31.3.2025 budget £m	31.3.2026 budget £m
Outstanding borrowing	40.1	53.5	78.9	121.2	136.9
Liability benchmark	17.8	32.7	60.1	102.4	118.1

The table shows that the Organisation expects to remain borrowed above its liability benchmark.

Affordable borrowing limit: The Organisation is legally obliged to set an affordable borrowing limit (also termed the authorised limit for external debt) each year. In line with statutory guidance, a lower “operational boundary” is also set as a warning level should debt approach the limit.

Table 8: Prudential Indicators: Authorised limit and operational boundary for external debt in £ millions

	2022/23	2023/24	2024/25	2025/26
	limit	limit	limit	limit
	£m	£m	£m	£m
Authorised limit – borrowing	73.5	98.9	141.2	162.8
Authorised limit – PFI and leases	7.0	6.7	6.6	6.5
Authorised limit – total external debt	80.5	105.6	147.8	169.3
Operational boundary – borrowing	63.5	88.9	131.2	152.8
Operational boundary – PFI and leases	7.0	6.7	6.6	6.5
Operational boundary – total external debt	70.5	95.6	137.8	159.3

Treasury investment strategy: Treasury investments arise from receiving cash before it is paid out again. Investments made for service reasons or for pure financial gain are not generally considered to be part of treasury management.

The Organisation’s policy on treasury investments is to prioritise security and liquidity over yield, that is to focus on minimising risk rather than maximising returns. Cash that is likely to be spent in the near term is invested securely, for example with the government, other local authorities or selected high-quality banks, to minimise the risk of loss. Money that will be held for longer terms is invested more widely, including in bonds, shares and property, to balance the risk of loss against the risk of receiving returns below inflation. Both near-term and longer-term investments may be held in pooled funds, where an external fund manager makes decisions on which particular investments to buy and the Organisation may request its money back at short notice.

Table 9: Treasury management investments in £ millions

	31.3.2022 actual £m	31.3.2023 forecast £m	31.3.2024 budget £m	31.3.2025 budget £m	31.3.2026 budget £m
Near-term investments	19.8	18.3	16.3	16.3	16.3
Longer-term investments	2.5	2.5	2.5	2.5	2.5
TOTAL	22.3	20.8	18.8	18.8	18.8

Risk management: The effective management and control of risk are prime objectives of the Organisation's treasury management activities. The treasury management strategy therefore sets out various indicators and limits to constrain the risk of unexpected losses and details the extent to which financial derivatives may be used to manage treasury risks.

Governance: Decisions on treasury management investment and borrowing are made daily and are therefore delegated to Hampshire County Council officers²⁶, who must act in line with the treasury management strategy approved by the PCC at the Decision-Making Meeting (DMM), with quarterly reports on treasury management activity being presented to DMM on a quarterly basis. The joint audit committee is responsible for scrutinising treasury management decisions.

Commercial Activities

With central government financial support for local public services declining, in 2015 the Organisation invested £2.5m in commercial property purely or mainly for financial gain. Total commercial investments are currently valued at £2.4m with the largest being the Church Charity Local Organisation (CCLA) Local Organisation Property Fund providing a net return after all costs of 4%.

Risk management: With financial return being the main objective, the Organisation accepts higher risk on commercial investment than with treasury investments. The

²⁶ The Chief Finance Officer retains overall responsibility

principal risk exposures include expiry of the IFRS9 statutory override²⁷, a reduction in dividends received and a fall in capital value. These risks are managed by regular meetings with the fund manager and monthly monitoring of performance. In order that commercial investments remain proportionate to the size of the organisation, and to ensure that plausible losses could be absorbed in budgets or reserves without unmanageable detriment to local services, these are subject to an overall maximum investment limit of £5m.

Governance: Decisions on commercial investments are made by solely by the Commissioner in line with the criteria and limits set out in the investment strategy. Property and most other commercial investments are also capital expenditure and purchases will therefore also be approved as part of the capital programme. Both the Monitoring Officer and Chief Finance Officer are responsible for ensuring that adequate due diligence is carried out before investment is made and where deemed appropriate independent and expert advice and scrutiny will be sought.

Table 10: Prudential indicator: Net income from commercial and service investments to net revenue stream

	2021/22 actual	2022/23 forecast	2023/24 budget	2024/25 budget	2025/26 budget
Total net income from service and commercial investments (£m)	0.1	0.1	0.1	0.1	0.1
Proportion of net revenue stream	<0.1%	<0.1%	<0.1%	<0.1%	<0.1%

Liabilities

In addition to debt of £25.5m detailed above, the Organisation is committed to making future payments to cover its Local Government (LGPS) pension fund deficit (valued at £107.9m – 2021/22).

Governance: Decisions on incurring new discretionary liabilities are taken by either the PCC or Chief Constable in consultation with their respective Chief Finance

²⁷ Section 21 of the Local Government Act 2003 override of International Financial Reporting Standard 9 (IFRS 9)

Officer. The risk of liabilities crystallising and requiring payment is monitored by corporate finance and reported if new liabilities are deemed material i.e., exceeding £0.5m, in which case they are reported to the SEB for approval/notification as appropriate.

Revenue Budget Implications

Although capital expenditure is not charged directly to the revenue budget, interest payable on loans and MRP are charged to revenue. The net annual charge is known as financing costs; this is compared to the net revenue stream i.e., the amount funded from Council Tax, business rates and general government grants.

Table 11: Prudential Indicator: Proportion of financing costs to net revenue stream

	2021/22 actual	2022/23 forecast	2023/24 budget	2024/25 budget	2025/26 budget
Financing costs (£m)	1.9	2.0	3.1	4.3	7.3
Proportion of net revenue stream	0.8%	0.8%	1.2%	1.7%	2.7%

Sustainability: Due to the very long-term nature of capital expenditure and financing, the revenue budget implications of expenditure incurred in the next few years will extend for up to 50 years into the future. The Chief Finance Officer is satisfied that the proposed capital programme is prudent, affordable, and sustainable because the level of capital financing is expected to remain below 5% of net revenue expenditure.

Knowledge and Skills

The Organisation employs professionally qualified and experienced staff in senior positions with responsibility for making capital expenditure, borrowing and investment decisions. Where Organisation staff do not have the knowledge and skills required, use is made of external advisers and consultants that are specialists in their field. The Organisation currently employs Hampshire County Council as treasury managers and Arlingclose Limited as treasury advisers. This approach is more cost effective than employing such staff directly and ensures that the Organisation has access to knowledge and skills commensurate with its risk appetite.

MEETING	Police and Crime Panel
DATE	02 February 2023
TITLE OF REPORT	Report on Police Precept Consultation 2023-2024
SUBMITTED BY	Dr Amie Birkhamshaw, Assistant Chief Executive, OPCC
PURPOSE OF REPORT	To inform the panel of the results of the public consultation on the police element of the council tax precept for 2023/24.
DECISION(S) REQUIRED	To note the content of the report on the public's feedback on the proposed policing precept element of council tax precept for 2023/24 to increase by 28p a week (£15.00 per annum) for an average Band D, equivalent to £238.00 per annum.
FINANCIAL IMPLICATIONS	To discuss in conjunction with the 2023/24 Budget Report
RISK IMPLICATIONS	None identified
LEGAL IMPLICATIONS	None noted at this time
EQUALITIES IMPACTS	None identified
FREEDOM OF INFORMATION EXEMPTION SECTION IF APPLICABLE	Not Exempt

1). Introduction and Background

- 1.1 Police and Crime Commissioners have a legal duty to consult with residents, and those persons or organisations who appear to the PCC to be representative of those subject to non-domestic rates in their area on the police element of the Council Tax precept. Following the pre-budget discussion on 21 December 2022, the Commissioner wrote an Open Letter to the residents of Hertfordshire, outlining his proposal to increase the policing element of the precept for an average (Band D) equivalent by £15 per annum or 6.73 per cent on the comparable figure for 2023/24, rising to £238.00 per annum.
- 1.2 The Open Letter outlined the Commissioner's strategy to increase the efficiency of the service and ensure the public get value for money. It noted the need to meet the cost increases of running a larger service, and the added pressure of rising wage and fuel costs, but acknowledged the current financial pressures on

households. It therefore proposed a rise of 6.73 per cent, significantly below the rate of inflation to recognise the impact on the cost-of-living crisis. It noted that raising the precept by the flexibility allowed by the government would generate £7 million in income, which, alongside core government funding, represents a 4 per cent increase in the total police budget. This would enable the Constabulary to consolidate the substantial officer growth, improve police legitimacy through investment in supervision and better management, and further deliver on the Prevention First programme ambitions.

- 1.3 Table 1 shows the calculation for the budget and precepting requirement for 2023/24 across all household bandings A - H. Under the proposal, each household would see a weekly increase of between 19p and 58p.

Table 1: Proposed Precept increase by Household Bands A - H (2023-24)

Band	Proportion of Band D charge	2022/23 Charge £	2023/24 Charge £	Precept increase £			
				per annum	per month	per week	per day
A	6/9ths	148.67	158.67	10.00	0.83	0.19	0.03
B	7/9ths	173.44	185.11	11.67	0.97	0.22	0.03
C	8/9ths	198.22	211.56	13.34	1.11	0.26	0.04
D	9/9ths	223.00	238.00	15.00	1.25	0.29	0.04
E	11/9ths	272.56	290.89	18.33	1.53	0.35	0.05
F	13/9ths	322.11	343.78	21.67	1.81	0.42	0.06
G	15/9ths	371.67	396.67	25.00	2.08	0.48	0.07
H	18/9ths	446.00	476.00	30.00	2.50	0.58	0.08

2) Table 2: Overall results of the precept consultation

Voting	Count	Percentage
Agree	1308	54%
Disagree	929	37%
Neutral	214	9%
Total	2451	100

- 2.1 The public survey was open for 25 days between 22 December 2022 to 15 January 2023. The survey was available to be completed online, via email or through a paper version. 2,460 people responded to the online survey with many others providing detailed views via email. The responses to the survey highlighted that people agreed with the PCC's proposed precept increase and showed a relative strength of that opinion. Over 2,300 respondents provided an explanation as to their voting preference. A fuller summary of the survey results can be found in Appendix A.
- 2.2 For the first time this year, respondents were asked to specify which districts they lived enabling some analysis of voting patterns. The table below shows the spread of respondents from each of the 10 districts and boroughs against voting preference. Whilst the population of each of the 10 districts and boroughs varies, we can see that the lowest number of responses was received from residents living in Stevenage Borough (111) compared to East Herts (394)¹. Table 3 also shows that across the 10 districts, the voting preferences was broadly similar with on average 54 per cent in agreement, 37 per cent in disagreement and 9 per cent neutral.
- 2.3 Going forward, this information will enable future consultations to direct and target community engagement activity within specific districts. Analysis of the free text responses will also enable further analysis to identify if there is any correlation to opinions on police officer visibility with feelings of safety.

Table 3: Number of respondents by district and voting preference

District/Borough	Responses	Agree (%)	Disagree (%)	Neutral (%)
Broxbourne	210	52	38	10
Dacorum	295	54	36	10
East Herts	394	51	40	9
Hertsmere	236	61	30	9
North Herts	297	48	45	7
St Albans	316	60	32	8

¹ According to the recent 2021 Census, three districts in Hertfordshire have seen the biggest growth in population. This includes [East Hertfordshire](#) which increased by around 9.0%, [Welwyn Hatfield](#) by 8.5% and [North Hertfordshire](#) at 4.8%.

Stevenage	111	54	37	9
Three Rivers	258	54	38	8
Watford	131	55	37	8
Welwyn Hatfield	215	45	43	12

- 2.4 Of the 54 per cent (1308) in favour of the proposed increase, responses broadly fell into three categories. The highest number of respondents recognised that crime levels have increased, the remit and role of the police has widened, and the workforce needs to expand to support this demand. Several respondents were in favour of the increase due to their desire to see more visible policing in Hertfordshire and called for greater numbers patrolling their neighbourhoods, taking the view that 'you get the service you pay for'. There was also a small number of respondents who suggested that the PCC should give the public the opportunity to pay more for policing than the proposed £15.00 per annum.
- 2.5 37 per cent (929) of respondents were not in favour of the proposed increase to the police element of council tax precept. Their responses can be broadly categorised around some key themes. Firstly, the current financial climate with the cost-of-living crisis was pressing on some respondent's minds and felt that that the Commissioner should not be asking for an increase at a time when people's household budgets are being squeezed. Secondly, respondents expressed concern around the proposed increase following successive increases in previous years, and thirdly that it should be the government bridging the budgetary gap, not the local taxpayer.
- 2.6 26 respondents not in favour of the proposed increase to the precept referred to the climate change protestors on the M25 and felt that the police had been too accommodating of their behaviour and should stop spending public money on 'tea and biscuits'. 52 respondents raised concerns regarding the lack of confidence in the police based on past negative experiences and felt that they do not provide the service to the public they believe they should and therefore do not warrant further investment. Several respondents felt there were still efficiencies and savings that could be driven out internally first in the Constabulary, and that these should be exhausted before an increase in precept is proposed.

- 2.7 9 per cent (214) of respondents expressed a neutral position, expressing neither support nor objection to the proposal. Some respondents stated that they were unable to agree as they did not believe that the changes and investment outlined would materialise. Other respondents noted that they would require more detailed budgetary information before they could decide. Many also took the opportunity to raise specific concerns about speeding around schools, drug offences, burglary, theft of vehicles and e-scooters in their local area.

3) BACKGROUND PAPERS

Appendix A: Response to the Police Precept Consultation 2023-2024

In December 2022, I issued an Open Letter ahead of setting the police element of Council Tax precept for 2023/24 asking the public for their opinion on the proposal. The letter underlined my strategy for how we deliver an effective and efficient police force that meets the growing demands of reported crime, protects frontline policing, and spends public money wisely.

I acknowledged in the letter the challenging financial times for households due to the impact of inflation and outlined that policing is not immune from the pressures of wages and energy costs. That a balanced approach has been proposed in increasing the precept by 6.73 per cent, significantly below the rate of inflation, to recognise the cost-of-living crisis.

I set out the budgetary gap that is presented from the government settlement and the expectation that Police and Crime Commissioners will use the flexibility granted by government to raise the police element of the council tax precept by £15 (for an average Band D property²) for 2023/24. This would represent an increase of just less than 28p a week or £1.25 a month for the average household. Most Hertfordshire residents live in properties banded A to D. Increasing the precept would raise an additional £7 million in income which, alongside core government funding, represents a 4 per cent increase in the total police budget.

I outlined in the letter how the revenue generated will help the force to continue delivering the best possible service, and respond to what the public tell me they want: record numbers of police officers in our communities. By the end of March 2023, the Constabulary are on target to have 2,380³ officers in post, over 300 more officers than we had in 2019. This budget will consolidate the substantial officer growth and support our efforts to improve police legitimacy by embedding a culture of transparency,

² The annual figure depends on the banding of the property. The 2023/24 police council tax precept would rise to £238.00 per annum for an average Band D property.

³ Headcount.

accountability and ethical behaviour through investment in supervision, better management training and a focus on high standards. Raising the precept by this figure would still maintain Hertfordshire's position as having one of the lower council tax precepts in the country. Even after the planned increase, Hertfordshire's precept is likely to remain the fifth lowest in England and Wales.

The transformative 'Prevention First' programme is already demonstrating impact and reducing demand in the system by identifying the root cause of problems and working with partners to provide long term sustainable solutions. Her Majesty's Inspectorate of Constabulary, Fire and Rescue Service (HMICFRS) forthcoming 'PEEL'⁴ assessment of Hertfordshire Constabulary will highlight the good progress that has been made to take an evidence based and data driven approach to preventing risk, harm and victimisation across the county. While recorded crime in Hertfordshire is down 9.4 per cent from 2019/20, the force faces rising complexity and challenges in the types and nature of crimes being committed, the investigation of those crimes and the impact on responding to calls resulting from partner's demand failure. Over the coming year new ways will need to be explored to reduce the calls for service coming into the system by working with our partners to identify vulnerability and intervene early.

Methodology

On 21 December 2022, the Open Letter was posted on my website, Facebook page (<https://www.facebook.com/hertspcc>) and a press release issued to the local media. It was also circulated widely on social media and retweeted by MPs and Councillors. The Open Letter received local, regional and national coverage:

- BBC: <https://www.bbc.co.uk/news/uk-england-beds-bucks-herts-64063314>
- Police Oracle, UK independent Policing news service:
http://www.policeoracle.com/news/local_and_neighbourhood_policing/2022/Dec/22/pccs-proposing-increase-to-council-tax-precept_110299.html
- Hitchin Hub: <https://hitchin.nub.news/news/local-news/herts-police-and-crime-commissioner-david-lloyd-proposes-ps15-a-year-council-tax-increase-to-maintain-countys-biggest-ever-force-164256>

⁴ 'PEEL' stands for Police, Efficiency, Effectiveness and Legitimacy.

- Bishop Stortford Independent:
<https://www.bishopstortfordindependent.co.uk/news/crime-commissioner-bids-to-increase-household-bills-for-poli-9290789/>
- Hemel Today: <https://www.hemeltoday.co.uk/news/crime/police-and-crime-commissioner-proposes-ps15-a-year-council-tax-increase-to-maintain-hertfordshire-police-force-3963417>
- In Your Area: <https://www.inyourarea.co.uk/news/herts-police-chief-proposes-15-council-tax-rise-to-keep-officer-numbers/>
- Hertfordshire Mercury front page and full page.

In addition, the Open Letter was circulated via the On-line Watch Link (OWL) network during the consultation period reaching 154,000 households in Hertfordshire who had signed up to the email service. The consultation was also shared with all Hertfordshire MPs offices, county councillors, communication departments at all district and borough councils, and the Police and Crime Panel members.

MPs Oliver Heald and MP Gagan Mohindra publicised the consultation on their websites and tweeted out: <https://www.oliverheald.com/news/public-asked-have-their-say-funding-policing-hertfordshire>



Over the course of the 25-day consultation period to 15 January 2023, my proposal was highlighted widely using social media. On Twitter (@hertspcc) and Instagram, several messages went out over the consultation period resulting in 8,439 impressions, up from 5,942 impressions last year and 328 engagements. Using a paid Facebook promotion

this year we were able to reach a wider and more diverse audience resulting in an impressive 28,944 unique users (58% women and 42% men), far higher than the 3,360 Facebook user engagement during the 2021/22 consultation.



The Chief Constable, Charlie Hall and his Chief Officers have also been consulted on my proposal and made their officers and staff aware of the proposal through an article on the Constabulary's intranet. Chief Officers agree that an increase in the precept is needed to consolidate the substantial officer growth, improve police legitimacy through investment in supervision and better management, and further deliver on the Prevention First programme ambitions to drive efficiencies.

Summary of the Public Feedback

82 of the 1308 respondents who agreed to the proposed increase in the precept, welcomed the prospect of improved visibility and availability of frontline officers across the county, and the opportunity to target issues within communities. As some commented:

"I would like to see more visible rural policing but agree that due to inflation, the police will need extra funding."

"Visible police presence is vital to public safety."

Related to this was a theme in respondents' comments around the need to identify the benefits and impacts that improved visibility will have on the crime levels and community engagement. They noted the need to ensure that tracking, monitoring and reporting is in place to be able to quantify the benefits:

"In principle I agree this increase is necessary. A much greater police presence in our neighbourhoods is essential. However, the benefits and impact must be clearly seen and monitored. I believe that part of this funding should be used to better educate officers on the psychology of creating strong community relationships and mutual trust which seems to be very low."

"As long as there is accountability and proper monitoring in place of the impact of this increase, to be reviewed annually then it is fine. the impact of spending should be communicated to all stakeholders including those paying the tax."

Whilst in agreement of the increase, some respondents also suggested how the Constabulary could look to generate income through targeting a wider range of road safety issues including those using illegal number plates and tinted windows. Other respondents said they would agree to a higher precept increase:

"I would even agree to a £20 precept this year if would get more police on the streets."

"Totally agree with increased police funding - I would agree with more than the proposed amounts."

Cost of Living Crisis

For those 929 respondents (37 per cent) who disagreed with the proposed increase, many referred to the current cost of living squeeze on household budgets and how people are struggling to pay their bills:

"In this time of recession with numerous people struggling to feed themselves this proposal is extremely irresponsible. People will struggle to pay the higher bill - they are struggling now!!"

"Whilst I understand the need for this increase, how much more can you expect of people that are choosing whether to eat or warm their properties?"

"I do not believe this is the time to be making residents pay such an increase. The cost of everything is rising at an astronomical rate, this will just hit those struggling harder than ever!"

Lack of visibility and proactivity

There were also concerns raised regarding the lack of visibility of the police following the uplift programme, poor experiences of police contact, a lack of proactiveness and the need to improve the efficiency of the Constabulary in the first instance before further funding is sought from the public.

"There are break-ins, burglaries, car thefts etc, reported on a weekly basis and will continue unless you radically change the way you operate. At a time when many are struggling to pay utility and food bills, this new increase is unacceptable, and we never see police on the be a in Stortford".

"In a cost-of-living crisis with salary increases fundamentally below inflation, all organisations need to look at cost efficiencies rather than raising taxes at this time?"

"I disagree because you don't catch any burglars, ignore e bikes and scooters driving past you. Why pay more to be more ineffective".

Policing Protests and 'Woke Policing'

26 respondents also made comments about the Constabulary's interaction with protestors on the M25 and felt that the police had been far too accommodating of their behaviour and should stop spending public money on 'tea and biscuits'.

"All we get is "woke" policing for our extra money nothing of use in tackling real crime. Stop pandering to 'minority protestors' and tackle real crime if you want support for an increase in the precept".

"I disagree with the increase because all the police forces in this country appear to have turned WOKE. Consequently, I am not willing to agree to extra money for the police force."

“Going forward I'd like to see the focusing on important problems like burglaries and violent crimes and a lot less time on politically correct activities like Pride parades etc.”

Neutral

9 per cent (217) of respondents remained neutral or indifferent with their response, with many expressing neither support nor objection to the proposal. This was for several reasons. 28 respondents felt unable to vote because they needed more information to understand how the money would be spent or more detail around officer numbers and locations that officers would be deployed to. There was also a high number of specific concerns raised by respondents which did not give voice an opinion on the precept increase. These included: speeding around school, drug offences, burglary, theft of vehicles and e-scooters.

General observations

As observed in last year's council tax precept consultation, several respondents took the opportunity to mention wider issues related to the precept process. This included a suggestion that we should seek to operate a system which rewards those who install security measures:

“In areas where properties are more expensive and have higher banding, people occupying those properties are more likely to already have security measures in place. If any increase is to take place (and I would want to see evidence of what they are going to fund), they should be charged at a flat rate per head of adult population, but reductions should be available when householders install police approved security measures (the carrot rather than the stick!!).”

All the comments provided by respondents through the precept consultation process provide helpful insights into public opinion which I will reflect on over the coming months. I would like to thank all those who took the time and trouble to feedback their thoughts on my proposal for the 2023/24 police element of the council tax precept.

MEETING	Police and Crime Panel
DATE	02 February 2023
TITLE OF REPORT	Annual Delivery Plan (March 2022- February 2023).
SUBMITTED BY	Dr Amie Birkhamshaw, Assistant Chief Executive, OPCC
PURPOSE OF REPORT	To provide the Police and Crime Panel with a progress report on delivering against the PCC's Community Safety and Criminal Justice Plan priorities.
DECISION(S) REQUIRED	To note the content of the report.
FINANCIAL IMPLICATIONS	To discuss in conjunction with the 2023/24 Budget Report
RISK IMPLICATIONS	None identified
LEGAL IMPLICATIONS	None noted at this time
EQUALITIES IMPACTS	None identified
FREEDOM OF INFORMATION EXEMPTION SECTION IF APPLICABLE	Not Exempt

Report for the Hertfordshire Police and Crime Panel, February 2023

Annual Delivery Plan (March 2022 – February 2023)

The Hertfordshire PCC continues to be one of only a few across the country to produce an Annual Delivery Plan to show transparency in the progress against each of the commitments outlined in the Community Safety and Criminal Justice Plan: Everybody's Business (2022- 2027), and track progress over the five-year period.

The priorities in the CSCJ Plan ask a range of partners across Hertfordshire to play their part in delivering on the priorities and supporting the PCC's ambitions for improvements in community safety and criminal justice across the county. Of the 147 priorities, the Constabulary are the lead agency for over half with the OPCC having responsibility for delivery of a further quarter and the remainder sit with other county partner agencies.

The Delivery Plan contains an update on the progress in delivering the actions and links to the publicly available board papers that have been submitted to the PCC's [Decision-Making Meetings](#)

and [Strategic Executive Boards](#) which are available on the PCC's website. The Delivery Plan also gives an indication of the timeframes for completion of each action and references the page number where the priority has been discussed in more detail within the CSCJ Plan.

Overall, the Delivery Plan shows that of the 147 CSCJ Plan actions:

- 33 actions are 'Complete'
- 87 actions are 'In Progress'
- 27 actions have 'Not Started'

A proportion of the 'not started' actions reflect in part that the Community Safety and Criminal Justice Plan is a five-year plan and this report updates on progress made over the last 10 months since publishing the plan on 31 March 2022. Some of the actions may not have progressed owing to a range of factors including new legislation, such as the Serious Violence Duty and Out of Court Disposals, or require additional resource, budget or data analysis before commencement. Moreover, while some actions will be recorded as complete, they may be 'ongoing' due to the requirement for monitoring or embedding within existing workstreams to ensure they become 'business as usual'.

Alongside delivering on the CSCJ Plan priorities, the Commissioner's office has also been applying for additional government funding to improve services and pilot projects or initiatives across the county, and using resources to deliver on successful bids. During 2022/23, the OPCC has received Home Office funding of £548,176 to reduce crime and the fear of crime, particularly for women and girls in Hatfield underpasses, and £581,109 to review the effectiveness of perpetrator programmes across Hertfordshire. This is in addition to the £1.38m Victims Services grant awarded to the OPCC from the Ministry of Justice to commission services for victims of crime in Hertfordshire.

Annual Delivery Plan: 'Everybody's Business'

Community Safety and Criminal Justice Plan for Hertfordshire (2022 – 2027)

This Annual Delivery Plan reports on the 147 actions outlined in the Hertfordshire's PCC's five year [Community Safety and Criminal Justice Plan: Everybody's Business 2022- 2027](#) (CSCJ) Plan, during the reporting period April 2022 to February 2023, following its publication in March 2022.

While the Constabulary and OPCC have primacy in delivering a large proportion of the actions, other community safety and criminal justice agencies including: the County Community Safety Unit (CCSU), district, boroughs and the county council, fire and rescue, health, education, Crown Prosecution Service (CPS), National Probation Service (NPS), Her Majesty Courts & Tribunal (HMCTS) and volunteers, all have a part to play in achieving shared outcomes.

Each action has been given a status during the reporting period and an overall timeframe for delivery. Some completed actions require ongoing monitoring to ensure they become embedded within structures and become business as usual.

Plan priority	Action	Status this reporting period	Explanation / Link to meeting papers	Timeframe for delivery / Completion	CSCJ Plan page
1	Ask the Chief Constable to develop a Prevention First Strategy for Hertfordshire, using the evidence base and what works from other areas, accompanied by an Integrated Performance Framework to enable the tracking and monitoring of impact.	In progress	The Constabulary use the National Police Chiefs Council Prevention Strategy as a framework to support delivery of Prevention First in Hertfordshire and have used this to develop their own overarching Prevention First Plan on a Page . An Integrated Performance Framework (IPF) showing the measures that are linked to Prevention First has been developed:	Ongoing	9-10

			Integrated Performance Framework The OPCC and Constabulary held a meeting on 27 January 2023 to discuss delivery of Prevention First against the strategy and specifically the metrics and measurement that underpin Prevention First to understand impact and benefits.		
2	For the Chief Constable to maximise the new investment of police officers over the next three years around the Prevention First model.	In progress	The PCC and Chief Constable held a special meeting on 27 January 2023 to discuss how the investment in Prevention First is being utilised, its impact since first being launched 2 years ago, and how data is being used to inform decisions. Prevention First was also scrutinised by HMICFRS in their recent PEEL inspection due for publication on 31 January 2023.	Autumn 2023	9-10
3	Ensure the Constabulary use a cost benefit tool to measure the impact of preventative activity.	In progress	<p>The Constabulary has commissioned a detailed theory of change logic model which will describe how the organisational investments in resources and the Prevention First focused project and pilots will lead to systemic change with both partners and the public towards a realisation of its prevention philosophy.</p> <p>Work has been commissioned by the Constabulary to develop an evaluation framework to assess performance more effectively against benchmarks. This work has been commissioned to the CPRL (Centre for Policing Research and Learning) and will identify input, process, output and outcome indicators and will provide guidance on how the Constabulary can test delivery against this developed logic model. This is expected to be completed by the end April 2023.</p>	Summer 2023	10

4	Encourage local authority partners and the police to work together with the building sector to adopt higher prevention standards.	Not started		Spring 2024	10
5	Ask the Chief Constable to adopt an 'Evidence Based Policing' approach and examine the techniques that have been used elsewhere and a plan for how they will be adopted in Hertfordshire.	In progress	A dedicated meeting was held on 27 January 2023 between the PCC and Chief Constable to discuss the progress being made to ensure an Evidence Based Policing approach and associated techniques (including hot spots policing), are applied across all areas of the organisation.	Ongoing	10-11
6	Ask the Chief Constable to trial the Hot spots Policing Model in Hertfordshire and assess the impact on crime rates across different crime types.	In progress	The hot spots policing model was initially trialled in one of the 10 districts in the county. The evaluation showed that over the pilot period, the borough of Stevenage saw a 40% reduction in arson and criminal damage and a 25% reduction in violence against the person. Following the success of the pilot, hot spots policing has been rolled out across the county with all districts expected to have the model in operation by 31 March 2023. Following this, the results of the trials will be evaluated, and any lessons learnt fed back and support continuous development.	Autumn 2023 for the evaluation	11
7	Ask the Chief Constable to examine the composition of neighbourhood policing teams, including the relationship to the Hertfordshire Harm Index and consider how resources should be managed and deployed.	In progress	Building on the Cambridge Harm Index, the OPCC developed a Hertfordshire Harm Index to enable an examination of areas in the county that have high concentrations of crime harm (as defined by the Cambridge Harm Index), and areas of high-volume crimes of low harm (including ASB). This evidence base will provide a good foundation for Chief Officers to consider how local policing resources should be	Spring 2023	11-12

			managed and deployed across the county.		
8	Encourage each of the 10 Community Safety Partnerships to use an evidence-base which combines crime data and local priorities.	In progress	As part of the PCC's commissioning light approach, Community Safety Partnerships are being encouraged to fully utilise the range of data across their partnerships to identify gaps in service provision and use that to work with partners to tender for commissioned projects.	Autumn 2023 and ongoing	51
9	Hold regular public meetings in each Community Safety Partnership to make visible to the public the local priorities for that district and monitor progress.	Not started		Autumn 2023	51
Criminal Justice					
10	Work with HM Courts and Tribunals Service (HMCTS) to improve the administration of the courts and minimise victim attrition and cases collapsing.	In progress	Analysis of the HMCTS data has shown that most cases that crack or are ineffective are not linked to the prosecution witness withdrawing support or failing to attend. Further work will be progressed with agencies to understand more about the victim journey and pinch points.	Summer 2023	14
11	Measure the quality and timeliness of prosecution case files as defined by the national file standards proxy error rate.	In progress	The Constabulary hold monthly triage meetings with the Crown Prosecution Service (CPS) to discuss trends and themes, barriers to performance, identify learning and discuss those files that have been rejected by the CPS. The dedicated File Quality Unit helps expedite the correction and speed up the process. This is reported back to Hertfordshire's Criminal Justice Board who oversee scrutiny of file quality proxy error rate.	Ongoing	13-14

12	Lobby government to expand the emergency measures they are taking to address the courts backlog including additional virtual court facilities for Hertfordshire.	In progress	Through the National Criminal Justice Board, and as the lead for the APCC, the PCC continues to raise the backlog with Ministers. Nationally there are 64,000 Crown Court cases waiting to be heard with listings until 2025. This is being compounded with a shortage of judges and not enough recorders. More than 1/3 of the Crown Court estate across the country has been closed and between 15-23% of court rooms are not being used. This is impacting Hertfordshire. During the pandemic, virtual Nightingale Courts were set up in Stevenage to help deal with the backlog of cases. This provision has ceased following the reopening of the court estate.	Ongoing	13
13	Trial a text message reminder pilot for defendants to improve first hearings attendance at court and evaluate the findings and examine whether to expand further.	Completed	The evaluation of the text messaging pilot showed a significant increase in the number of defendants attending their first hearings at court following the texting of a reminder the day before court. Following the successful pilot, the Constabulary's Administration of Justice department have rolled it out to defendants attending St. Albans Magistrates Court, Luton Magistrates Court and Stevenage Magistrates Court.		14
14	Investigate the practicalities of providing independent legal advice to vulnerable victims of crime.	In progress	There are 2 strands to this action. First there is a live strand relating to Independent Legal Advice for victims of domestic abuse. This is provided routinely through the Domestic Abuse Alliance. This provision is being monitored both by the Domestic Abuse Partnership Quality, Innovation and Commissioning sub-group, and a separate academic evaluation by Birmingham	Autumn 2024	15

			University. Initial findings indicate that demand is outstripping supply, and this will be looked at from a commissioning perspective over the course of 2023. The second strand relates to vulnerable victims more generally. The commissioning team are considering the options and benefits of either providing direct support to victim or, access to legal advice to case managers to help advise their client. This latter option is most likely the better option and links in with the ambition to embed a 'life coaching' component to the work of Case Managers.		
15	Put in place a structured training programme for Witness Care Unit staff.	In progress	Catch22 have agreed a programme of victim awareness courses and are currently finalising a video that captures victim experiences of travelling through the criminal justice system in Hertfordshire. Furthermore, whilst not specifically a structured training programme, WCU staff have been invited to spend a day alongside Victim Care staff to further enhance shared ways of working.	Ongoing	16
16	Pilot a Criminal Justice Care Coordinator and evaluate its impact.	In progress	A job description for a CJ Care Coordinator has been written and post created. Following completion of the review of the Victim Care Unit, the post will be advertised, and the impact of the post monitored.	Autumn 2024	16

17	Consider options where a vulnerable victim is being supported by a Beacon Case manager, to act as the criminal justice 'single point of contact'.	Completed	The collaborative work between Catch22 and Witness Care Unit has brought about a referral pathway enabling Case Managers to act as a SPOC where this is the preference of the victim. Over the course of the 2022/23 financial year, Case Managers have supported 112 victims who are progressing to court. It is anticipated when the CJ Care Coordinator is appointed there will be an uplift in the identification, coordination and referral of services to ensure a higher level of support for witnesses.		36-37
18	Commission a comprehensive review of the 'journey' of the rape victim through the Hertfordshire criminal justice system to identify and put right the failures and provide any additional support required.	In progress	Whilst there has been an improving picture in the level of rape prosecutions across the county, it remains persistently low. This has a significant impact on the public's confidence on the efficacy of the criminal justice system and can affect the willingness of a victim to come forward and report rape, fuelling the cycle of under reporting and further preventing positive criminal justice outcomes. Work is being scoped to track the journey of a rape victim around key touchpoints to understand failures in the system and action to be taken.	Autumn 2023	15-16
19	Encourage criminal justice partners in Hertfordshire to measure their performance from a victim's perspective rather than a system one.	In progress	The Victims and Witnesses subgroup are looking at a range of metrics and measures to consider how it feels to be a victim in the criminal justice system. This includes confidence and satisfaction with timeliness, how well they were supported, convenience of listed court date, options	Summer 2023	15-16

			available to give evidence, support received from victim or witness care, and willingness to give evidence or support a prosecution. The Hertfordshire Criminal Justice Board will seek to review their current performance dashboard over the coming months to ensure it captures what it feels like from a victim's perspective.		
20	Campaign for a change to the system based on the principle that the victim should receive their compensation as a lump sum at the time it is awarded by the court, and that it is the state's responsibility to recoup it from the perpetrator.	Not started		Spring 2024	16
21	Explore the establishment of a local Victim Support Fund, seeking contributions from the public and private sectors which can be used to provide additional financial support to victims both to provide compensation and to meet their other needs.	Not started			16
22	Ask the Chief Constable to review the Constabulary's approach to Out of Court Disposals including the scope and impact of diversionary courses, with a view to developing a fully resourced and comprehensive approach that is aligned with Prevention First principles.	In progress	The OPCC and Constabulary are holding a Strategic Planning Meeting focusing on Out of Court Disposals (OCCD) in March 2023 with a view to covering the scope and impact of diversionary courses and ensuring that complies with legislation.	Spring 2023	

23	Ensure the needs of the victim remain at the forefront of this approach and that they are consulted and engaged with at all stages of the process so that they have a voice in shaping it.	In progress	<p>The forthcoming legislative changes in March 2023 to Out of Court Disposals will place requirements on all forces. This is currently subject to a review by the Constabulary and a draft strategy is being written.</p> <p>The thematic focus on the joint Strategic Planning Meeting with the Constabulary in March 2023 is focused on OOCs.</p>	Summer 2024	16-17
24	Ensure that OOCs are embedded culturally as a proportionate response to certain levels and certain types of crime and examine good practice from other forces to support it becoming further embedded within Hertfordshire.	Not started yet – phase 2	Further to action 23 - the second phase following completion of the change review will look at behaviour and cultural change.	Autumn 2023	16 - 17
25	Refresh Out of Court Disposal principles to highlight the benefits of restorative approaches.	Not started	The new legislative requirements in Spring 2023 around OOC will set out the restorative approaches and requirements. Following this, the OOC principles will be refreshed.	Summer 2023/ Autumn 2023	16-17
26	Work with partners and use my commissioning budget to ensure that effective rehabilitative and reparative interventions are available for the police to call upon.	Completed	Hertfordshire's Perpetrator Programmes have been reviewed using feedback from key partners/stakeholders and data to help determine the key drivers of demand, and gaps in service delivery. This has resulted in adult early intervention diversionary activities being piloted and benefits assessed.		30- 31

27	Establish an evidential base to determine the appropriateness and effectiveness of diversionary activities.	Not started		Autumn 2023	16-17
28	Review the Terms of Reference for the Out of Court Scrutiny group to understand where OOCs are being applied and the effectiveness of the sanction and victim satisfaction, and understand where an OOC could have been used, but was not.	In progress	Changes to further improve the effectiveness of the OOC scrutiny panel is being worked through to ensure that it shines a light on how the workforce are engaging with using OOCs and whether OOCs are being appropriately applied as a form of disposal.	Autumn 2023	17
29	Investigate the scope and reach of both the Joint Protective Services referral model and County Community Safety Unit activities and how these could inform early intervention strategies.	Not started	This work has been scheduled onto the County Community Safety Unit's forward work programme for Autumn 2023.	Spring 2024	18
30	Extend eligibility to attend the Constabulary Prevention First academy to other statutory authority providers.	In progress	Partners and other forces are already invited to attend the Leading for Prevention Course. Work is ongoing with the HCC to map the training and learning they provide (through their well-established knowledge exchange where they have workshops, drop-in sessions). Workshop with all partners took place on 15 December 2022 to determine a partnership approach in three key areas: (1) community focus and local partnership deployability (2) data sharing (3) creation of a knowledge/ education exchange. This workshop is being	Summer 2023	18 -19

			followed up with a partnership conference being hosted jointly by HCC (Community Protection and Fire Service), Public Health, The Open University and Herts Constabulary on 22 March 2023.		
31	Ask the Chief Constable to consider the opportunities to enhance the County Community Safety Unit resources and support the creation of a Prevention First Early Intervention Hub.	In progress	The Constabulary has conducted a data maturity assessment and roadmap within which its ambition for data sharing with wider partners is considered alongside necessary steps towards that ambition. The Constabulary is holding a Prevention Conference on 22 March 2023, to which a wide group of Hertfordshire partners are invited. It will focus on how to provide a data function that examines multi agency partnership data to get upstream and identify people at the earliest opportunity.	Autumn 2023	49
32	Investigate the development of sexual abuse 'centres of excellence' across the region.	In progress	<p>This action and the response links with forensic nurse examiners priority 33 below.</p> <p>The business dynamic has changed significantly since the requirement by the Forensic Regulators Office for SARC's to achieve ISO accreditation. Initially accreditation was due to be achieved by October 2023 however due to the cost and complexities of this requirement, the deadline has been extended to 2024.</p> <p>ISO accreditation requires a 'legal entity' to be the responsible owner of processes,</p>	Autumn 2023	18-19

			documentation, governance etc. There is currently national debate whether the 'legal entity' should be the provider, or authority. Currently Hertfordshire, Bedfordshire and Cambridgeshire (BCH) are considering where the Centre of Excellence could be, and options are being explored with Essex albeit the issues around ISO constrain developing discussions further.		
33	Seek to procure forensic capability, including provision of forensic nurse examiners, on a regional basis to maximise efficiencies.	In progress	The availability of Forensic Nurse Examiners is constrained by market supply. Recruitment is an issue. Through contract monitoring it is known there is a miss-match between demand and availability. This is an issue across BCH. Consequently, 7FC are also considering as part of the procurement process above, the best ratio in terms of Forensic Nurse coverage and the most optimal delivery model taking into account restricted market supply.	Spring 2024	18-19
34	Expand the capability of the Beacon Safeguarding Hub to encompass all high harm/high risk victims of crime.	Completed	The Safeguarding Hub has been expanded and this now includes supporting victims who have been subject to organised immigration. A further uplift to staff may be required in the future to meet growing demands.		20
35	To scope the viability of introducing the drug test on arrest programme to all perpetrators	Completed	Following a successful pilot, drug testing on arrest is now routinely being undertaken for all perpetrators of domestic abuse in both		24

	arrested for Domestic Abuse where Class A drug use is suspected to be contributing to commission of the offence.		custody suites in Hertfordshire.		
36	Evaluate the effectiveness of the perpetrator programmes being piloted across Hertfordshire.	Completed	The PCC was awarded £581,109 in 2022/23 to evaluate the effectiveness of perpetrator provision in Hertfordshire. The three providers are: For Baby's Sake, The Change Project and No More. An evaluation was conducted in 2022 by HCC Public Health. The findings were inconclusive largely due to a lack of data. For Baby Sake however has demonstrated a reduction in risk for the child (from initial assessment to current status on programme) and reduction in calls to police.		30-31
37	Ensure victims of Domestic Abuse are given the opportunity to make a Victim Personal Statement and are informed about the benefits of doing so.	Completed	The Constabulary have instigated a process change where the Investigation Management Unit (IMU) will not accept a crime file unless the Victim Personal Statement (VPS) offered check box is completed on Athena. Furthermore, all victims referred to a Case Manager in Beacon are reminded of both the option, and benefits, to making a VPS. Victims also have access to the Beacon Assist App - a portal that gives access to a diary where the impact of a crime can be recorded and used to finalise a VPS.		30-31

38	Investigate the opportunities presented by Domestic Abuse Protection Notices and put in place effective measures to ensure compliance.	Not started		Autumn 2023	20
39	Improve the range of support available to victims of stalking and ensure that services do not exclude male victims or those who are subject to work-based stalking.	Completed	OPCC has funded an Independent Stalking Advocacy Caseworker (ISAC) who over a 6-month period (April to September 2022) received 15% male and 10% non-domestic abuse victims (which may or may not include work-based stalking). Due to an increased demand from Male victims stating a preference to be supported by a Male support worker, the service provider has recruited a Male ISAC. Work will now begin to look at how this provision is communicated to victims of crime.		20
40	Review the effectiveness of Stalking Prevention Orders.	Not started		Autumn 2023	20-21
41	Review the effectiveness of offender-based interventions including Out of Court disposals.	In progress	Red Snapper is a leading provider of online digital intervention programs, consisting of 21 interventions that address a wide range of themes, such as Anger Management, Emotional Wellbeing and Substance Misuse. The PCC approved funding for a year as a pilot to use these interventions for OOCs for both Adults and Youth. In the first 6 months there had been 239 referrals and 161 completions. A high level of	Autumn 2023	16- 17

			these were referrals from the Children & Young People team. The numbers have steadily increased as the resource became embedded in the force. 55% of the service users who completed the program, showed a positive shift in thinking and attitudes as measured by pre and post questionnaires. Red Snappers average is 73%, which will hoped to be achieved in the next 6 months of reporting in March 2023. A decision will be made with the Constabulary to review the effectiveness of these interventions before allocating funding for the next 6 months.		
42	Monitor and evaluate the impact of the Youth Action Panels and the 'No More Service' in diverting young people away from gang affiliation and violence activity and use the findings to shape future commissioning intentions.	In progress	As part of the PCC's commissioning light approach, proposals are being invited to extend and expand a Serious Violence Youth identification programme into 2023/24. Key Performance Indicators are being tracked and monitored around the grants awarded. The forthcoming Serious Violence duty on 31 January 2023 and potential funding will require partners to build on the good work underway by preparing a strategic needs assessment and local strategy to prevent and reduce serious violence in Hertfordshire.	Ongoing	21

43	Use the data from accident and emergency hospitals to inform preventative activities across the county.	In progress	While some progress has been made to understand the specific locations where assaults happen, two of the three Health Care Trusts will not provide the last digit of the postcode which makes it impossible to provide accurate location data. There are also delays in the Public Health Intelligence Team obtaining and analysing ambulance triage data due to a delay in Hertfordshire County Council agreeing the Information Sharing Agreement. The imminent Serious Violence Duty provides an opportunity to revisit this.	Autumn 2023/ Spring 2024	22
44	Explore opportunities to obtain data from the Ambulance Service on violence and alcohol related assaults to provide a greater understanding around violent crime.	In progress	In addition to the above, challenges exist in obtaining violence location data from the Ambulance Service which prevents being able to replicate the Cardiff model to identify the nature of injuries and thereby focus problem solving and prevention first activity around premises and localities to reduce alcohol related violence.	Ongoing	22
45	Work with partners to take a public health life course approach to tackling the systemic issues underpinning violence against women and girls.	In progress	The publication of the county VAWG strategy sets out a preventative strategy which at its heart sits a public health life course approach to understanding the wider determinants of violence to prevent and reduce violence against women and girls. All partners are coordinating work to ensure a whole systems approach.	Spring 2024	22-23

46	Work with local partners in criminal justice, education, and health to use evidence-based responses to target prevention activity around online, private, and public spaces.				
47	Support the development of a multi-agency action plan to address the root causes of violence against women and girls.	Completed	The County Council together with partners have developed a multi-agency strategy and targeted action plan around violence against women and girls which takes a whole systems approach to addressing the systemic issues causing violence against women and girls.		22-23
48	Work with schools and individuals with lived experience to educate young people about healthy relationships and consent and ensure victims can recognise abuse and report abuse.	In progress	See priority 79.	Ongoing	23-24
49	Ensure there are a range of perpetrator programmes, out of court disposals, and drug testing on arrest in place across the county to support VAWG offenders into treatment and education.	Completed	<p>Earlier this year, Hertfordshire was awarded £60k funding from the Home Office to expand the drug testing on arrest programme in both custody suites. Drug Testing on Arrest (DTOA) now includes:</p> <ul style="list-style-type: none"> • Drug testing Domestic Abuse offenders for powder cocaine • Drug testing VAWG offenders for class A drugs • Drug testing those arrested for acquisitive crimes which includes the night-time economy 		23-24

			Those naïve to treatment are given support, education and treatment as part of their conditions.		
50	Use opportunities provided by digital solutions, technology, and platforms including hotspot policing and the target, test, and track approach to reduce crime.	In progress	The OPCC has invested in geographical mapping software to provide transformative spatial insights around the distribution of crime and its relationship to people and places. Looking at crime geographically enables a more collaborative approach across agencies who can use the data to better judge the relative impact on the community and understand how those spatial areas may change in harm over time. It also informs a discussion with the Constabulary around prioritising resources and the allocation of budget. Moving forward the OPCC wishes to explore the full capability of the technology to model and predict areas of crime using artificial intelligence.	Ongoing	11
51	Ensure the evaluation of domestic abuse interventions so that as a county we understand what impact interventions have in reducing crime and improving feelings of safety.	In progress	Through the county's Domestic abuse and Violence against Women and Girls Executive Board, HCC is continuing to build their evidence base around the impact of interventions to inform service delivery and the OPCC's commissioning intentions.	Ongoing	22-23

52	Work with Hertfordshire County Council and partners to review recorded crime and public perception data to assess the benefits of turning on streetlights overnight in areas where it has been shown to impact on feelings of public safety, particularly for women and girls.	In progress	The PCC commissioned survey showed that 28% of all respondents said that more streetlights would make them feel safer. While for many residents their perception around safety in dark spaces, does not match the reality, work has been undertaken with HCC to map street lighting column data with recorded crime and fear of crime locations. This data will enable further conversations with HCC around where best to relocate existing street lighting to target areas where feelings of safety is low.	Ongoing	23
53	Support a process of independent scrutiny by women and girls, including those who are from Black, Asian, and Ethnic minority communities with lived experience to support and challenge the Constabulary's performance and practice around VAWG.	Not started	It is anticipated that a VAWG scrutiny panel will be scoped to decide on breadth and reach of the panel. It will bring in a wide and diverse range of voices including those with lived experience to ensure diversity of thought and constructive challenge.	Autumn 2023	23
54	Examine ways in which to obtain 'real time' data on drug related deaths to enable partners to be more focused and responsive to the changing patterns of drug use.	In progress	The County Community Safety Unit (CCSU) are working to establish a formalised process with Herts Police for them to provide real time surveillance on suspected drug related deaths and near misses to the Unit for dissemination to partners including drug treatment providers and Public Health. An informal process has been in place for a number of months now and Herts Police have sent reports to CCSU for immediate action with partners including getting	Autumn 2023	24

			messages out to drug users, hospitals and local healthcare providers, in particular if high strength or contaminated drugs are suspected in deaths or overdoses. Treatment providers also ensure that Naloxone, which can reverse the effects of an opiate overdose, is available to partners and users in the locality of suspected issues.		
55	Ensure that all agencies have an integrated approach that seeks to break the supply chains and drug economy by relentlessly pursuing both recreational drug users, career criminals, and organised crime groups.	Not started		Spring 2024	24
56	Raise public awareness of cuckooing to ensure that residents are aware of what it is, how to spot the signs, and report any concerns they have.	In progress	<p>The County Community Safety Unit (CCSU) have recently completed a refreshed Cuckooing Intelligence Briefing for countywide strategic Boards following a product that was originally developed in 2020.</p> <p>Recommendations for the Boards to action include:</p> <ul style="list-style-type: none"> To provide training for frontline staff that work with vulnerable adults or their properties (e.g., health visitors, fire and rescue staff, housing associations) to identify and report signs of cuckooing. 	Autumn 2023	25

			<ul style="list-style-type: none"> To develop an awareness campaign for the public to identify signs of cuckooing and encourage reporting. 		
57	Further develop the county Drug and Alcohol strategy to include how we will prevent and minimise alcohol fuelled violence.	Completed	The County Drug and Alcohol Strategy has been revised and refreshed to include a section around preventing violence by minimising alcohol.		24
58	Work with criminal justice agencies to ensure those offenders most at risk of re-offending due to their drugs or alcohol are identified, assessed, and have personalised plans in place.	In progress	As a result of the Section 31 grant, Hertfordshire now has a dedicated drug practitioner within Integrated Offender Management (IOM) team, a prison link officer and a criminal justice drug worker based in the courts, helping to share information between custody and the community. Work is progressing to ensure that when offenders go 'through the gate' they have tailored plans in place on release for services and support to reduce the likelihood of recidivism.	Autumn 2024	24
59	Ask local leaders across Hertfordshire to work together to understand more about those who come to their notice in mental health crisis and ensure pathways and interventions happen at the earliest opportunity.	Not started			25-26
60	Work with partners to reduce the number of Section 136 detentions and achieve improvements in the	In progress	The Constabulary are working in collaboration with Herts Mind Network to help people who may be on the verge of a mental health crisis	Ongoing	25-26

	outcomes of people in mental health crisis.		get support. The service which runs 365 days a year, 24 hours a day offers a crisis helpline, a crisis café and overnight stays. This service takes a person-centred approach, non-clinical setting to see the person first, not the diagnosis and has already started to reduce the number of 136 detentions and achieve better outcomes for people.		
61	Scope the options for conveying people in mental health crisis by a private ambulance.	Completed	<p>Following a successful pilot, the Constabulary have managed to secure support from the NHS to fund 'Secure Care' who will now provide a service to transport those sectioned under 136, freeing up frontline resources and achieving better outcomes for individuals.</p> <p>To date, Secure Care have cared for 132 persons in mental health crisis. They have provided 1989 hours of care which has saved 3978 hours of officer time.</p>		26-27
62	Conduct a thorough review of hate crime across the county to build a detailed view on prevalence, barriers to reporting, support available to victims, and police response to investigation.	In progress	Some initial scoping was undertaken to examine the incident of racial hate crimes compared to the non-white population % within output areas in Hertfordshire. The statistics would suggest that there is no significant cold spots or hotspots of hate crime exist at least as a result of the racial origin of the residents in an area.		27-28

63	Put in place easy and accessible reporting mechanisms across a range of public contact channels to ensure victims can receive rapid support and advice about hate crime.	Not started			27-28
64	Redouble efforts around Third-Party Reporting Centres to ensure geographical spread across the county and use the trends and themes to inform commissioning intentions and target prevention and engagement activity.	In progress	In November 2022 OPCC were advised by Citizens Advice that the funding to develop their on-line Fraud reporting tool had ended. Developers who were working on a solution to facilitate a localised reporting platform have been redeployed. OPCC are currently in negotiations to see what elements could be bought or licenced to continue this action. In the meantime, OPCC has been successful in creating a Multi-Agency Fraud Forum (MAFF). This group consists of Beacon (both Catch22 and VST), Constabulary, Trading Standards, HCC and OPCC. The purpose is to encourage multi-agency responses to fraud, ensure co-joined approaches to supporting and target hardening victims whilst making reporting a more seamless experience.		27-28
65	Create a group of hate crime 'champions' across the county to raise awareness and confidence to report crime.	Not started			28

66	Ask the Chief Constable to use the funding set aside in the 2022/23 budget to grow investigatory capacity around Fraud and Cybercrime to enhance the service provided to the public, reduce lead in times, and bring about a notable increase in criminal justice outcomes.	In progress	The OPCC agreed 12 months funding for three additional fraud investigators to enable SFCU to adopt a greater number of PIP L2 investigations. Recruitment (in an increasingly complex and challenging marketplace) is underway. Following the 12-month trial, a PIR will be undertaken to establish whether a permanent uplift is appropriate.	Summer 2023 for review of the PIR.	29
67	Consider whether there is a strong business case for piloting a small, dedicated single force team of financial investigators to focus on the volume organised crime cases to see if this impacts positively on our outcome rate and recovery of Proceeds of Crime.	Not started			29
68	Work with partners to improve education and awareness to the public on how to protect themselves from becoming victims around online shopping and action fraud; advance fee fraud; and cheque, card, and online bank fraud.	In progress	Through the multi-agency fraud and cyber county board, work has progressed to produce a communications strategy and coordinate messages to the public to make them aware of the scams and frauds circulating and how to prevent themselves from becoming a victim. This has built on the cyber essentials programme that the PCC commissioned over the last 2 years to provide a free cyber check for small businesses to reduce the likelihood of them becoming victims.	Ongoing	29

69	Ask the Chief Constable to consider building a network of cyber-fraud Single Points of Contact (SPOCs) throughout the Safer Neighbourhood Teams to ensure that the prevention messages are communicated to the public at the earliest opportunity.	In progress	Cyber Protect & Prevent Officers have created and continue to manage a SNT SPOC network. 8 of the 10 CSPs have got at least one SPOC and work is in progress to try recruit SPOCs into the remaining CSPs (Stevenage & Dacorum). In order to improve resilience across the neighbourhoods, further training is being given to additional SNT officers to bolster numbers. The Constabulary are in the process of establishing dedicated Fraud Protect Officers.	Autumn 2023	29-30
70	Encourage online banks that do not have a high street branch to sign up to the enhanced Banking Protocol.	In progress	There has been a delay in banks signing the Banking Protocol until it was rolled out nationally due to fears they might be targeted. Nationally, banks are awaiting 3 forces to sign up to the extended process. Online banks already signed up to the enhanced banking protocol include AVIVA and Monzo.	Autumn 2023	29-30
71	To scope the viability of introducing a countywide platform for victims reporting fraud to enable a simplified process and acceptance of Third-Party Reporting.	In progress	Beacon Fraud hub is now taking fraud reports. County partners and the OPCC are developing the first Multi-agency Fraud Forum (MAFF) to provide support for the 40 most vulnerable individuals targeted for a range of fraud and scams. Further work will continue to examine a more simplified process for third party reporting.	Spring 2024	30

72	Review the findings from the implementation of GPS Tagging in Hertfordshire to understand its impact on reducing breaches of conditions of bail or release, and on reoffending.	Completed	Since April 2019, the Constabulary have been using location monitoring (LM) technology (GPS satellite tracking) to support the reduction and detection of crime. The technology enables offenders to be monitored 24 hours a day using a tag that is securely attached to their ankle and can create 'exclusion zones' as part of the bail conditions. Due to the success of the initiative in reducing breaches, the Constabulary will be increasing the number of court bail devices being deployed.	Ongoing	30-31
73	Ask the Chief Constable to use crime analysis and geographical spatial mapping techniques including repeat victimisation and near repeat victimisation, to ascertain whether there are any trends in the types of residential properties or locations being targeted for burglary, and use that information to work with homeowners, responsible authorities, and community safety partners to reduce the likelihood of properties being targeted.	In progress	The OPCC Crime Analyst has used a statistical package called Python to calculate the Near Repeat code, within ArcGIS itself. A six-week sample of residential burglary will be run through QGIS for the results to be scrutinised and completed by the end of January. Following this, the findings will be reviewed, and consideration given to how this can be rolled out more widely within the Constabulary and to partners under the Prevention First work in support of work to predict locations of crime.	Spring 2023	31

74	Work with criminal justice board members to explore the opportunity to co-commission pre-release keyworkers to engage with offenders whilst in prison and on the day of release to work.	In progress	The Commissioner has been examining opportunities to commission a service that provides mentoring to ex-offenders who work in HMP Mount. It will seek to address the gap in provision for the difficult/complex individuals who leave prison disengaged or even in denial over their drug and alcohol addictions, and are not being picked up by CGL, the county's drug and alcohol service provider. The 'hard to reach' – who leave prison with untreated addictions are more likely to re-offend as a result. HMP state that about 4 individuals are released/month from either HMP Mount or HMP Bedford to addresses in Herts who fit this criterion. The service plan to start to engage 6 weeks prior to release and after release to acknowledge/address the drug use/dependency. The commissioning proposal is being considered in the next commissioning round in March.	Summer 2023	25
75	Work with Probation, Prison, and the Department for Work and Pensions (DWP) to find solutions to enable prison leavers who do not have a settled address to access support services, including the issuing of a Citizen Card as an official form of ID.	Completed	The Integrated Offender Management Team made a business case to the Innovation fund for probation through the Ministry of Justice to secure the funding to purchase citizen cards for prison leavers to enable them to set up a bank account, receive benefits from DWP with the aim to reduce recidivism.		32

76	Work with criminal justice agencies and relevant local authorities through their Community Safety Partnerships (CSPs) to ensure better awareness, coordination, and provision of appropriate accommodation for prison leavers.	Not started		Autumn 2023	32-33
77	Make full use of the Integrated Offender Management (IOM) data to provide greater insights around the effectiveness of IOM.	Completed	The Constabulary's IOM team now produce a yearly performance report based on a range of data sets to measure the effectiveness of IOM which was previously absent. The new performance dashboard enables progress to be tracked more effectively and insights drawn around areas for improvement.		32-33
78	Work with criminal justice agencies to explore how they can make best use of data platforms for offenders being managed by Multi-Agency Public Protection Arrangements.	Completed	Registered Sex Offenders and non-sexual MAPPA offenders are managed on a multi-agency platform, VISOR. Both probation and police have access to visor and manage all MAPPA subjects on this system. All information between differing probations, police forces and the like are all managed on visor. IOM non-MAPPA offenders work with probation on joint management system N-Delius which both agencies (police and probation) have access to.		33
79	Ensure stronger collaboration between the Youth Offending Service, Local policing teams including PCSOs, and the Schools and Gangs Team to ensure we maximise our engagement	In progress	Work has continued to bring together the various workstreams and services with disaffected and vulnerable young people. To complement the work undertaken by the Constabulary's Schools & Gangs Team around	Ongoing	33

	opportunities and quality of life outcomes.		early intervention/diversionary activity, the PCC commissioned Leo Powell, a county lines trainer to lead 20 county lines themed assemblies to over 2000 young people at primary/ secondary schools in Broxbourne who are at risk of gang/knife offending (including habitual knife carriers).		
80	Work with businesses to provide a stronger role in providing sponsorship and apprenticeships as part of a restorative justice approach.	Not started		Spring 2024	57
81	Work with partners to capture and review the data collected through the national Ethnic Disproportionality Tool and use it to inform decision making.	In progress	Scoping work has started with the national Youth Justice Board to examine what data is collected with the Ethnic Disproportionality Tool and how it can be collected in Hertfordshire through the Youth Offending Board.	Autumn 2023	34
82	Work with the Probation Service to ensure that the public and victims have a stronger voice on how offenders should pay back their time through Unpaid Work and review its impact in reducing reoffending.	Not started		Autumn 2023	34
83	Ensure that the Constabulary is properly funded and performing to support national efforts to counter threats and risks, to reduce crime and keep the public safe.	Completed	Each year the Chief Constable sets out in the budget setting process what he feels is required for Hertfordshire to contribute to the national strategic policing requirements.	Ongoing	55

84	Ensure that the Constabulary is tackling serious and organised crime, with a particular focus on groups involved in firearms, drugs, and exploitation including county lines, to protect vulnerable people, communities, and businesses.	In progress	The Constabulary's Serious and Organised Crime Unit works in collaboration across multiple partners to ensure they have the best intelligence available to support focusing on those offenders which prey on vulnerable people and cause harm in our communities.	Ongoing	35-36
85	Ensure the Community Safety Partnerships use their Serious and Organised Crime local profiles to help tackle these threats and use trauma informed solutions which embrace youth justice and public health learning to find solutions	Completed	Localised dashboards have been created focused on and accessible to each CSP. These are automatically updated each day and any data parameter can be searched against. More traditional local SOC profiles are being reviewed and the Constabulary aim to publish local profiles every year. In addition, the Responsible Authority Group (RAG) templates have been standardised for the CSP which will feature Serious Organised Crime (SOC) intelligence gaps identified through tasking.		35-36
86	Invest in Hertfordshire Constabulary's Serious Cybercrime and Fraud Unit to further develop its capability to respond to rising and emerging threats.	In progress	The Serious Fraud and Cyber Unit now has 9 dedicated Cyber staff with 5 of the 9 posts paid for by the NPCC National Cybercrime Programme funding programme which is protected until 24/25. The uplift in staff has increased both the force's capacity and capability to deal with serious incidents of Cyber criminality. The team keep abreast of emerging threats / trends through the TCUK network, and the regional coordinators based in the RCCU. A Fraud Triage Manager (FTM) has	Summer 2023	29

			<p>been appointed. This aids in the identification of trends / patterns from an analytical perspective.</p> <p>The OPCC has agreed 12 months funding for three additional fraud investigators to enable SFCU to adopt a greater number of PIP L2 investigations. Recruitment (in an increasingly complex and challenging marketplace) is underway. Following the 12-month trial, a post implementation review will be undertaken to establish whether a permanent uplift is appropriate.</p>		
87	Ensure the Constabulary targets those who profit from enforced labour and those who traffic for the purposes of Modern Slavery	In progress	The Serious and Organised Crime department are monitoring organised crime group activity and are working with a wide range of partners to target those gangs that are exploiting and trafficking individuals.	Ongoing	36-37
88	Expand support to victims of Modern Slavery by designating each complex exploitation case a designated victim case manager who will devise a victim care plan working alongside the investigation team.	Completed	As part of the Beacon Business Plan, Catch22 have put in a pathway in place and have expanded their provision to include supporting victims of Modern Slavery. To date the number of referrals for support has been very low and work is progressing to further identify need and awareness.		36-37
89	Review the Constabulary's workforce development strategy to ensure there is a focus on officers' motivations, behaviour, and values throughout their service.	In progress	In 2021 Hertfordshire implemented the professional development unit (PDU), consisting of an Inspector and 6 sergeants that develop and support all new officers joining the Constabulary. The PDU work alongside the organisational learning and Anglian Ruskin university to ensure all officers have a clear	Ongoing	38

			<p>understanding of the expectations placed upon them and what support they can expect. This includes outlining acceptable and unacceptable behaviour, the code of ethics and accountability. The additional support provided through the PDU creates a culture of support and trust, building higher standards and accountability. The PDU have the oversight for monitoring all new officers throughout their student phase, and can be objective when identifying unethical behaviour, to ensure a practical and uniformed approach is taken.</p> <p>In 2023, workforce development is launching a new initiative; where all officers and staff with less than 4 years' service will receive a questionnaire to identify how supported they feel and any challenges they are facing. This will then be followed up by a personal 1-1 conversation with an independent volunteer to talk through any concerns/challenges.</p>		
90	Conduct an organisation wide review around conduct issues and specifically examine those cases which do not meet the misconduct threshold within the workplace, but where the actions of officers' results in an 'uncomfortable' environment.	In progress	PSD examines cases monthly conduct type (behaviours, outcomes and performance) of individuals and uses an advanced performance management framework and tasking and coordinating process together with an annual Strategic Assessment. The latter provides a narrative on prevalence and frequency/ proportions of PSD activity the prior year and this is used to set priorities for the coming business year.	Ongoing	38-39

			Where officers investigated for conduct allegations do not meet the threshold for conduct, where there is latent risk with their presence in the organisation, they will be assessed as to whether they will be managed outside of the conduct regulations, within Operation Foxtrot – a proactive intelligence framework that seeks to ensure risks are highlighted to managers, strategy design to help teams manage the individual, and for heightened monitoring of the individual in wider reporting of their behaviour. This is an effective framework for PSD to manage the risk, for the organisation to work in conjunction with PSD to support their reintegration to policing (if suspended or restricted) and for tension monitoring to take place locally – this is best practice. Everyone is risk scored and measures either passive or proactive taken according to the risk posed.		
91	Ask the Chief Constable to review those cases where an officer has faced misconduct or gross misconduct charges but had previously come to notice and received a written warning or asked to undertake reflective practice, to understand the appropriateness of previous sanctions to change behaviour.	In progress	On receipt of a new allegation of misconduct, PSD conduct a severity assessment which is a statutory requirement. A mandatory element is to review the officers service length and their prior history of outcomes and sanctions. A holistic approach is taken to the aggravation factors. An officer's conduct history is a relevant and mandatory consideration in every case. Moving forward, the OPCC will be using data collected by the Complaints Resolution Team	Ongoing	38-39

			(CRT) to ensure that there are no officers within Hertfordshire Constabulary that has received 5-10 (or more) public complaints and have not been subject to an ongoing investigation. Through the budget 2023/24, 4 extra vetting officers will be appointed to deal with the current backlog of re-vetting of current officers.		
92	Hold the Chief Constable to account for ensuring officers and staff carry their roles in line with the standards of professional behaviours expected of all those within policing.	In progress	See priorities 90 and 91 above.	Ongoing	38
93	Ensure the Constabulary engage in a more proactive and transparent way with our communities and the media around issues relating to misconduct.	Completed	Following an external review, a restructuring of a larger Corporate Communications department is underway, overseen by a Project Board of senior officers and OPCC staff. Notice and findings of all misconduct hearings are posted on the Constabulary website and the process is delegated to a new Communications and Public Affairs Manager to enhance and coordinate coverage.		39
94	Use the recommendations from the commissioned report on the Constabulary's communications function to produce a joint strategy with the OPCC that links to business plans, monitors performance, and	Completed	A Joint Strategic Communications Board with the OPCC and Constabulary was set up and produced a joint strategy and action plan in alignment to the College of Policing's Authorised Policing Practice (APP) around strategic communications. Actions from the	Summer 2023 for completion of the recommendations from the review.	39

	demonstrates transparency and engagement.		review are being progressed.		
95	Review the impact and the cost/benefits of providing the additional complaints oversight through the OPCC that sits above and beyond the statutory responsibilities.	In progress	The internal auditors have started scoping the term of reference for a review of the costs and benefits of the Complaints Resolution Team performing	Summer 2023	39-40
96	Review the opportunities for streamlining the process between the Complaints Resolution Team and Professional Standards department.	Not started	Awaiting the results from the internal audit which will inform mapping provision.	Autumn 2023	39-40
97	Regularly dip sample CRT cases to ensure that the work is customer service orientated, reasonable, and proportionate.	In progress	An internal audit has been commissioned to examine the Complaints Resolution model introduced by the PCC and whether it is service orientated, reasonable and proportionate. Following completion of the audit, CRT cases will be dip sampled on an ongoing basis to ensure a proportionate and appropriate response to complainants.	Autumn 2023	39-40
98	Monitor the Constabulary's exercise of the Equality Duty and the delivery of its Diversity, Equality and Inclusion Strategy.	In progress	Monitoring of the Equality Duty is achieved through several separate strands. HR support a monthly Sickness Review Meeting with all Heads of Department at which cases pertaining to the Equality Act are often raised and progressed in a recorded format. In addition, HR and workforce development scrutinise	Ongoing	40

			<p>cases to ensure compliance with the Equality Act. The Constabulary also utilise OHU advice and recommendations resulting from referrals made through line managers.</p> <p>Hertfordshire's DEI Strategy is underpinned by a detailed and comprehensive Action Tracker to ensure completion of actions in accordance with the equality duty.</p>		
99	Ensure that BWV is being turned on in all circumstances where officers interact with the public unless the interaction is unlikely to result in evidence or intelligence being gathered.	Completed	New BCH BWV guidance was issued which outlines the need for all officers to turn on their BWV where it may present an evidence or intelligence gathering opportunity. Compliance with the policy is being monitored by the Constabulary and scrutiny is happening through the independent community panel.		40 -41
100	Ensure frontline officers are supplied with the latest equipment required to deliver this expansion of BWV and fund additional investment needed.	Completed	In 2022, all frontline officers were issued new D5 BWV cameras to help capture best evidence at the earliest opportunity. This includes being able to live stream incidents to the force control room using Wi-Fi.		41
101	Monitor improvements in officer use of force records so that we have an accurate picture of all use of force deployed and how it informs decision making.	In progress	The PCC's Independent Use of Force Scrutiny Panel reviews officer records and provides feedback to the Constabulary regarding the justification for the use of force and how this relates to the incident captured on the BWV. In June 2022 the PCC commissioned a health check by an independent organisation to better understand where improvements can be made	Ongoing	42

			to the panel. This will help support developments in officer training.		
102	Set up an independent Use of Police Powers external scrutiny panel to view samples of BWV.	Completed	An independent BWV scrutiny panel was set up in June 2022 focusing on key thematic areas. Following a 6 month pilot an evaluation will be carried out to understand what impact the scrutiny has had in supporting changes to officer attitude, behaviour and levels of compliance with BCH guidance.	Ongoing	42
103	In collaboration with Hertfordshire's Independent Stop and Search Scrutiny Panel, commission research to see whether there is evidence that Stop and Search as a tactic is being used in a discriminatory way in Hertfordshire.	Completed	Funding was approved by the PCC in June 2022 at a decision-making meeting to commission a 6 month research project into disproportionality. The University of Hertfordshire has been appointed to undertake the research and will report back on its findings in September 2023.	Autumn 2023	41
104	Set up a Fairness group to examine racial disparity in the criminal justice system locally and look to reduce that impact.	In progress	Scoping work has been undertaken to understand what a fairness group would examine and where it would help to shine a light around inequality.	Summer 2023	40
105	Encourage the independent Race Scrutiny and Support Panel to shine a light on issues relating to fairness in the criminal justice system, to understand where any disparity may lie in the system and how we will work as a system to reduce that impact.	Not started			42

106	Hold the Chief Constable to account for his equality and diversity duty and how he is improving the diversity of joiners and the diversity within the ranks of policing to ensure the workforce is representative of the communities it serves.	In progress	A Strategic Planning Meeting was held by the PCC with Chief Officers in November 2022 focusing on workforce development. The police uplift recruitment programme has increased the number of Black and Minority Ethnic applicants to 20%, but this is not being converted into those that pass the application and assessment process. The positive action team is reviewing what more they can do to ensure we bring diversity within policing.	Ongoing	42
107	Develop a plan of outreach and community engagement to target those communities who are less represented or trusting of police and address their specific concerns, provide necessary support, and help them come forward.	In progress	Initial work has been undertaken to better understand the social demographics of the various communities in Hertfordshire and use that as the basis and platform to build a community engagement strategy with those who are less trusting of the police.	Autumn 2023	81- 82
108	Seek reassurance that Black, Asian, and Minority Ethnic officers are not being treated disproportionately compared to White officers and ensure regular monitoring of recruitment, misconduct allegations and hearings, dismissals, and voluntary exits.	In progress	Professional Standards Department (PSD) routinely collect data and report it into the PSD Governance Board for oversight of officers. It is data which is central to the legitimacy of policing and as such is provided quarterly to the PSD External Scrutiny Panel within which there are representatives of the three forces, OPCCs, community groups, faith, race and support groups to review the data on disproportionality across protected characteristics and provide critical challenge.	Ongoing	40-42

109	Ask the Chief Constable to consider appointing a disproportionality link worker to the force's Professional Standards Department to reduce any disparities identified.	In progress	The disproportionality data reviewed by the external scrutiny panel (as above), enables internal and external stakeholders to review progress or actions within the PSD 4p Delivery Plan. This approach, the data, the transparency of it and the accountability the Head of PSD holds to the scrutiny panel is a best practice model, positively observed and commented upon by the NPCC lead for the Police Race Action Plan.	Ongoing	38
110	Ask the Chief Constable to build on the success of the feedback loop pilot and roll it out further to include other services such as officer appointments and major incidents, and to those who report crime online.	In progress	<p>Work has progressed to close the loop. The feedback mechanism has now been extended to include Transport Highways, ASB across 41 Safer Neighbourhood Teams, ASB (search no trace, attendance, no attendance). By March 2023, victims of crime updates across 10 crime types will be rolled out.</p> <p>Caller and victim feedback shows that providing consistent communication and information is a key driver of confidence and trust. Over the coming months, development will continue to look at how to fill the void of uncertainty with victims and callers. These include rich-content mobile messaging that makes use of people's mobile wallets (such as court dates, what to bring, time of appointment).</p>	Ongoing	44
111	Ask the Chief Constable to provide reassurance that they have processes in place to hear from all	In progress	Currently the Constabulary receive feedback from those they have come into contact with through the course of receiving intelligence or	Autumn 2023	44- 45

	those who come into contact with the force control room to ensure satisfaction levels and organisational excellence.		reporting a crime or non-crime incident. Using the Echo feedback channels, the Constabulary have a good indication of levels of satisfaction. What they do not		
112	Roll out victim empathy training to call handing staff to ensure they maintain the highest standards of victim care.	Completed	Call handlers in the FCR receive empathy training through various routes. This includes training from their coach and feedback via Echo which reports on public opinion and satisfaction around empathy which may lead to a formal training input where necessary.	Summer 2023 to collect data to show any changes in satisfaction from the caller around empathy.	45
113	Improve the ease and range of digital evidence able to be submitted by the public to police officers via a digital application and platform.	In progress	The Constabulary are already maximising the use of our digital applications to enable victims and witnesses of crime who contact the police to be sent a video appointment link, so the public can have a more personal interaction with an officer and sign statements remotely. Using this digital platform enables the force control room and police officers to view live video footage via the internet or mobile phone application supporting the collection of evidence. This live and recorded video can then be shared with other agencies and provides a much more efficient service to the public. The Constabulary's transformation board will examine further opportunities to improve the range of data the public can upload and the choice they have in how they interact with services.	Ongoing	84

114	Ask the Chief Constable to reassess the impact of closing police station front counters and examine how we can extend the routes by which officers are accessible to the public and the range of contact channels available including interactive kiosks / pods.	In progress	Scoping work has been undertaken to look at the feasibility of developing kiosks in police station front counters that enables the public to self-service, so they are able to report crime and intelligence and call the force control room via phone or video link. A scoping paper was presented at the October Strategic Executive Board.	Autumn 2023	46
115	Ask the Constabulary to build on existing work to address the gaps in officer and staff awareness, education, and data collection around mental ill health and suicide so that we embed clear, consistent, evidence-based standards throughout policing in welfare and wellbeing.	In progress	The Constabulary's wellbeing strategy and framework follows the Oscar Kilo Police National Wellbeing Service based around 7 strands. To date 140 frontline officers and staff within the Force Control Room (FCR) have undergone training around mental health, self-care, compassion, fatigue. There are now 100 Wellbeing Champions who have received two days of training. In April, FCR staff will receive further training around vicarious trauma and using prevention techniques to reduce PTSD, depression and anxiety.	Nest steps is to review the data. Summer 2023	43
116	Ask the Chief Constable to examine the risk factors that contribute to mental ill health and officers taking their own life in Hertfordshire.	Completed	Examination of the data shows that a high proportion of support being requested relates to home/ domestic matters which is higher than workplace support. The second biggest risk factor that contribute to officers and staff wellbeing is being under investigation by the Professional Standards Department (PSD). Work is currently live with PSD where full training has been given to help ensure support is given to victims, witnesses and offenders	Further aspects to be rolled out during 2023	44

			throughout their investigations. There are currently 12 champions within PSD who remain links with all BCH wellbeing for keeping abreast of information but also looking at their welfare and wellbeing.		
117	Evaluate the Road Safety Camera Van pilot and consider whether there is a business case for its expansion to include monitoring and advising on other forms of illegal activity including the use of mobile phones and driving while tired.	In progress	Given the demand of the RS camera vans to address public priorities around speeding and geographical spread, the number of camera vans has doubled from 2 to 4. Owing to a gap in the replacement of camera van operators, the pilot period, and subsequent evaluation of the pilot will now conclude in April 2024 to allow for a sufficient period of data to be collected.	Spring 2024	47
118	Run a public awareness campaign to support Hertfordshire road users to understand the newly amended Highway Code and encourage their compliance with it.	Not started		Autumn 2023	47
119	Work with local authorities, the local policing team, and the Cameras, Tickets, and Collisions department to ensure that we are maximising the opportunity to deploy the road safety camera vans to these locations and where it is not possible, offer an alternative intervention.	In progress	Work continues with the Camera, Tickets and Collisions department to ensure that the camera vans are fully utilised across the county and resources are coordinated with the Constabulary's CTC vans to ensure visibility to the community and addressing of public priorities.	Summer 2023	47

120	Review and evaluate the data captured on the automated DriveSafe speed camera technology to examine its impact on reducing speed.	In progress	New speed technology through Viacams has been installed in different pilot locations – Barley and Hertford Heath following successful applications to the PCC's Road Safety Fund. An evaluation looking at the impact of the speed devices on driver behaviour will be reviewed in 3 months' time once a full 12 months of data has been collected. The data is already showing promising signs of speed reduction over the monitoring period.		48
121	Deliver a series of countywide interventions that target specific higher-risk drivers (including young people who are more likely to drive fatigued) to reduce the number of accidents on Hertfordshire's roads.	In progress	A paper was taken to the PCC's Decision-Making Meeting in January 2022 outlining the literature and research to inform the design of the course. The next phase will seek to identify the target audience for the course – young drivers, shift workers etc who would most benefit from the course and beyond this, work to scope the cost and potential providers will be assessed.	Spring 2024	48
122	Encourage victims to report ASB and ensure they have clear ways to report, have access to help and support to recover, and be given the opportunity to choose restorative approaches to tackling ASB.	Completed	To meet the uplift in demand to support ASB victims, a second ASB case manager was recruited, and a review will be undertaken to assess the effectiveness of the two-year pilot. See July 2022 SEB paper for evaluation of the ASB pilot: Strategic Executive board (SEB) (hertscommissioner.org)	.	49
123	Examine what is driving ASB victim dissatisfaction and take measures to improve service delivery.	In progress	Feedback from victims of ASB through various channels including Echo has provided a valuable evidence base on how satisfied ASB	Ongoing	49

			victims are with the service they receive and what measures can be taken to improve service delivery.		
124	Take measures to help the public understand their rights and entitlements under the Community Trigger process.	In progress	A new Community Trigger protocol has been agreed across all 10 Community Safety Partnerships. The approach is proactive and where necessary, invoking a trigger on behalf of the victim once the threshold has been met. The Decision-Making Meeting paper in June 2022 on the Community Trigger outlined measures to raise public awareness around the community trigger process.	Summer 2023	50
125	Consider the opportunities available to PCCs around the Community Trigger process in enabling victims to have their case reviewed where they are unsatisfied with the response from their local authority.	Completed	A Decision-Making Meeting in June 2022 outlined the strategic options open to the PCC around the Community Trigger process in Hertfordshire. The decision was made for the PCC to adopt a strategic leadership role across the county.		50
126	Refresh the Rural Crime Policing Strategy that sets out the plans for the coming years including how it will use rural volunteers including Special Constables, local forums, and consultations to capture the scale and nature of rural crime and sets out actions for how it is going to be addressed.	In progress	The Constabulary are in the process of refreshing their Rural Crime Strategy following a reorganisation which has seen the Rural Operational Support Team (ROST) move to support the local policing command. This now provides the organisation with an opportunity to consider their strategy over the coming years and how they work with volunteers including the Rural Specials to best support the farmers and	Summer 2023	50

			landowners.		
127	Maximise the intelligence opportunities when attending a fly tipping incident so that we can identify perpetrators and stand the best chance of bringing them to justice.	Completed	Fly tipping data together with waste crime data (e.g., Cannabis plants) and environmental health data has been overlaid and mapped to understand 'hot' and 'cold' spots across the county. Intelligence around waste crime is now being recorded by the local policing team and this is leading to the better identification and targeting of organised crime groups.		51
128	Work with CSPs and local policing teams to bring about greater visibility, transparency, and accountability of their local plans and monitor their reduction through regular public meetings.	In progress	The OPCC attends each of the 10 Responsible Authority Group meetings and discusses the crime data and the routes by which the public can have a say in local priority setting, how reductions are monitored and how this is communicated through various communications channels. Each neighbourhood team utilises the online Echo channel to capture feedback on policing and the CSP uses the OWL network, and the 'You said we did' campaigns to highlight progress in achieving against the local plans and this is communicated at Street Meets, Barn meetings, at surgeries and drop-in centres.	Ongoing	51
129	Continue to look for opportunities to expand the number of volunteers to assist in sifting digital evidence which the public are making available.	Not started		Summer 2024	54

130	Set up an independent Use of Police Powers Panel to scrutinise samples of BWV and make comment on whether the use of stop and search and use of force was justified, proportionate, ethical, and whether there was an inappropriate escalation of behaviour.	Completed	A new independent community scrutiny BWV panel was created and has been in operation for six months. Paper to the PCC's Decision-Making Meeting (DMM) evaluating the panel highlights the positive impact it is having in shining a light on culture, attitudes and behaviour which is being fed into police officer training.		41- 42
131	Scope the viability of setting up a 'one front door' online portal for volunteering opportunities across local authorities and emergency services, enabling the public to have a better understanding of the breadth of opportunities available and best match their interest, skills, and experience with volunteering opportunities.	In progress	The first stage of scoping is underway with a review of the current provision of online volunteering portals and opportunities to rationalise and coordinate across public sector agencies.	Autumn 2023	54
132	Ask the Chief Constable to assess the joint police and fire Community Safety Volunteer role and if successful, roll it out countywide.	In progress	A pilot has been running during various times since 2020 due to the pandemic. More recently, the uplift has incurred delays in recruitment and vetting of volunteers. Despite this, the Constabulary have 14 volunteers and a further 14 are awaiting vetting/ training. The volunteers are becoming involved in safe and well visits, signing up people to NWH and assisting trading standards in operations. Pilot to run for another 6 months before evaluation is carried out.	Autumn 2023	54-55

133	Use Acorn and Mosaic data to provide insight into the demographics of identified 'cold spots' across the county and use this to target engagement activity.	In progress	<p>The PCC invested in ArcGIS mapping software to examine the distribution of hot spots/ cold spots of crime. Acorn demographic data has been overlaid to help inform our community engagement activity including signing up residents to Neighbourhood Watch. The release of the new census data in January 2023 allows for updated analysis to be undertaken.</p> <p>In addition, as part of evidence-based policing, the Constabulary are looking at how understanding social demographics could enhance their response to crime (being more proactive) and crime prevention tactics. For example, examining what demographic groups are most susceptible to Domestic Abuse and then map that social demographic to a household level. The system will then advise the best way of engaging with that social demographic group.</p>	Spring/ Summer 2023	55
134	Collaborate with local estate agents to issue Neighbourhood Watch and crime prevention packs to those moving into Hertfordshire or moving house within the county.	Not started		Autumn 2023	55

135	Review whether existing collaboration arrangements are improving the service to the public and at a lower cost.	In progress	The OPCC together with the Constabulary are constantly reviewing the benefits realised from the business cases around the 17 collaborated BCH units and across 7 force areas to ensure they provide the most efficient, effective and value for money service.	Ongoing	56
136	Work with emergency service to ensure under the 'duty to collaborate' that we are maximising the opportunity to make improvements around public safety, efficiency, effectiveness, and value for money.	In progress	The emergency services programme board with Hertfordshire Fire and Rescue Service and Hertfordshire Constabulary have delivered on key areas of collaboration including Missing People and drones. There is further work underway to examine the opportunities around shared estates and joint training as outlined in the Memorandum of Understanding (MoU).	Ongoing	56
137	Ensure that the Constabulary is well equipped for the required growth in areas such as cyber-crime, fraud, and digitally enabled sexual exploitation.	Not started	The Constabulary are in the process of embarking on an organisational wide review of demand across the business and areas that require growth to keep up with the changing nature of crime.	Spring 2025	35
138	Consider how collaborating with the private sector could be advantageous in addressing skills, knowledge, and capacity to meet key strategic objectives.	Not started		Spring 2024	55-56

139	Ask the Chief Constable to ensure that all business cases explore whether collaborating with the private sector would achieve better value for money, improved efficiency, and improved customer service.	In progress	The first of two papers by the Constabulary were submitted to the Strategic Executive Board in March 2022 to examine how the Constabulary collaborates with the private sector in the delivery of services and initiatives. The second paper due in May 2023 will examine how the Constabulary could achieve value for money and improved service delivery by working closer with the private sector.	Summer 2023	56- 57
140	In line with the police estates strategy, ensure that the Estates Strategy reflects the public's desire for the Constabulary to have visible, accessible, and locally based police stations, with at least one major police station in each district supplemented by smaller local police stations.	In progress	The Constabulary have an estates strategy which aligns to the ambitions and vision in the PCC's Community Safety and Criminal Justice Plan to ensure that each borough and district has a major police station and ensure the public have choice in how they want to contact the police – in person, by phone or online. Work is progressing to scope the use of kiosks in public buildings (see priority 114) to enable video conferencing between the public and the FCR call operator.	Autumn 2023	57-58
141	Ensure the police estate becomes more energy efficient and reduces its impact on the environment through a major programme of investment in new buildings and improvements or replacement of our most inefficient police buildings over the next five years.	In progress	Where possible the PCC will seek an environmental assessment on all our new build projects, such as the HQ redevelopment, with the aim of achieving an Excellent rating in BREEAM (Building Research Establishment Environmental Assessment Method) or similar. In regard to the existing estate, we recently commissioned Laser Energy to provide us with a clearer picture of our current emissions,	Ongoing	57-58

			which will provide us with an understanding of the scale and impact the challenges we will have, both environmentally and financially, in attempting to reach a net zero target. The PCC has earmarked capital funding to address environmental and sustainability issues and this budget will be updated as and when more accurate costings become available. We will also continue to apply for Government funding as it becomes available; despite being unsuccessful in our recent bid in Phase 3 of the Public Sector Decarbonisation Scheme.		
142	Investigate the viability of Hertfordshire Constabulary being an 'early adopter' of non-fossil fuel vehicles and ask the Chief Constable to develop a change programme to replace our fleet with electric vehicles which meet our operational needs.	In progress	The Commissioner is investing between £2.5m and £3.0m per annum in fleet replacement over the medium term; an increase of 40% on previous years. Initially this will allow a transition to Hybrid vehicles, as currently the availability of like for like replacement EV is limited, especially on high performance vehicles. In addition, full electric vehicles are on average 73% more expensive than the ICE alternatives and will require significant investment in the charging infrastructure across our estate, which will be incorporated in major projects such as HQ, New Watford Police Station, Firing Range and Monkswood.	Ongoing	58

143	Reduce the carbon footprint of my own team by eliminating unnecessary journeys, making more use of remote working, and making more use of non-fossil fuel vehicles.	Completed	The OPCC has fully embraced the opportunities presented by new technology including video conferencing via Teams to work remotely and reduce our carbon footprint.	Ongoing	57-58
144	Use the findings from the Hertfordshire Business Crime Strategic Needs Assessment to develop a comprehensive and consistent way to collect and map data on business crime to enable greater insights, analysis, and targeted activity, and work with business owners to look at opportunities for reducing their risk.	In progress	The OPCC are designing an interactive Power Bi dashboard based on 2022 business crime data that can be used to capture live business crime and share with the Independent Business Advisory Group (IBAG) to enable further insights around prevalence of business crime which can then be used to target crime prevention activity and understand risk factors.	Ongoing	58-59
145	Ask the Chief Constable to examine the resource requirements to offer a crime prevention service for businesses to help them understand how to reduce their vulnerabilities and design out crime.	Not started	Crime Prevention resources have recently been transitioned from the Crime Reduction Community Safety (CRCS) to within the Prevention First team. The team work closely with Police CPI, both in terms of roll out of industry standard products, national business learning packages and contribution to Safer Streets. Further opportunities will be explored as the team embeds within the new structure as to how they can offer crime prevention support and advice to existing businesses.	Spring 2024	58
146	Ensure that businesses are aware of their opportunity to complete an Impact Statement when a crime is committed against them and improve the uptake of the statements written	In progress	The Constabulary have started to examine how they can consistently ensure businesses are given the opportunity to complete an impact statement when a crime is committed. The PCC's Independent Business Advisory Group	Autumn 2023	59

	so that businesses have a stronger voice in the criminal justice system.		are supporting the communications strategy on this to ensure that businesses have an opportunity to set out the impact a crime has had on their business, which can include direct financial loss and other impacts e.g., operational disruption and reputational damage		
147	Use the principles of Prevention First to underpin my commissioning approach.	Completed	The PCC's new Commissioning Light approach uses the principles of Prevention First – to prevent crime, prevent harm, prevent offending, increase trust.		52