

Police and Crime Commissioner

for Hertfordshire

Meeting	Police & Crime Panel (PCP)
Date	6 February 2020
Title	2020/21 budget and precept setting report
Submitted By	The Chief Financial Officer of the Police and Crime Commissioner
Purpose of Report	To propose to the Panel the 2020/21 budget and resultant precept
Recommendation	That the Panel support the PCC's proposed precept level for average (Band D) equivalent properties in 2020/21
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	Pursuant to Section 17 (6) of the Police Reform and Social Responsibility Act 2011 and Policing Protocol Order 2011 which sets out the high level financial responsibilities of the PCC and CC. Also Schedule 5 of Police Reform and Social Responsibility Act 2011 in relation to the Commissioner's issuance of a precept under section 40 of the Local Government Finance Act 1992.
Equalities Impacts	None
Freedom of Information Exemption Section if Applicable	None

1. SUMMARY

The organisation has a legal duty under Section 44 of the Local Government Finance Act 1992 to set a balanced, realistic and financially sustainable budget each year and also ensure that it has adequate reserves to remain viable, stable and effective in the medium to long term. This report sets out the budget requirement for 2020/21 to enable the setting of the precept for the forthcoming financial year.

This report sets out the precept proposal alongside the high-level budget for 2020/21 and Medium Term Financial Plan (MTFP). The budget and precept proposals that follow are aligned with the Government's commitment to increase resources within the police service, consistent with the PCC's current Community Safety and Criminal Justice Plan and strengthen the organisation's finances to be better positioned to manage the medium term.

The recent final settlement increased Hertfordshire's revenue grant funding by £10.683m, which comprises two elements; core grant of £8.119m and specific grant of £2.564m; giving a total grant of £131.424m; as shown below.

Table 1

	2019/20 £	2020/21 £	Change £
Police Grant	108,487,939	116,607,341	8,119,402
Council Tax Legacy	10,228,363	10,228,363	-
Pension Grant	2,024,752	2,024,752	-
Uplift Grant	-	2,564,022	2,564,022
Total Revenue Grant	120,741,054	131,424,477	10,683,423

In addition to grant funding the Government confirmed precept flexibility of up to £10, before a referendum is required. This would generate additional income of £4.530m. After taking into account the increase in tax base and the movement on the collection fund surplus, the total council tax income would increase by £5.814m, as illustrated below.

Table 2

	£m
Precept increase	4.530
Tax base increase	1.126
Collection fund	0.158
Total Council Tax increase	5.814

Therefore as required by Section 5 of the Police and Social Responsibility Act 2011 this report notifies the Police and Crime Panel (PCP) of the Police and Crime Commissioner's (PCC) precept proposal for 2020/21. In order to make best use of the new officers, the government has urged PCCs to use the flexibility in raising the precept by £10.00 per annum in order to maximise the additional investment in policing and this is supported by the public. The PCC is therefore proposing to increase the average (Band D) Council Tax by £10.00 per annum to a figure of £198.00. This represents a 5.32% increase on the policing element of the county's average (Band D) council tax (2019/20). The table below shows the calculation for the precepting requirement for 2020/21. This level of funding will enable Hertfordshire to go beyond considering what resources are required over the coming year, but to plan for the next 2-3 years and build up the force to deliver the benefits of this investment.

Table 3

Budget Heading	£m
Net Budget 2019/20	203.405
Standstill costs	6.538
Pressures	3.360
Savings	(1.069)
Prior Year use of reserves	3.047
Investment & Growth	2.057
Net Budget 2020/21	217.338
Less Home Office Settlement Grants	(118.716)
Less Additional Core Grant	(8.119)
Less Collection Fund surplus	(0.801)
Council Tax Precept Requirement 2020/21	89.702
2020/21 Band D Precept requirement £	198.00
Current Band D Precept (2019/20) £	188.00
Increase required £	10.00
Increase required %	5.32%

The report contains the following sections:

Section	Title
2.	Community Safety and Criminal Justice Plan and performance context
3.	2020/21 Funding Settlement
4.	Precept Proposal
5.	2019/20 Outturn
6.	Standstill costs
7.	Pressures
8.	Efficiency savings
9.	Investment & growth
10.	Office of the Police & Crime Commissioner (OPCC) domestic budget
11.	2020/21 Net budget funding requirement
12.	Reserves
13.	OPCC Grants and Commissioning budgets
14.	Capital
15.	Medium-Term Financial Plan (MTFP)
Appendices	

2. COMMUNITY SAFETY AND CRIMINAL JUSTICE PLAN AND PERFORMANCE CONTEXT

The PCC's key priorities as set out in the 2019-2024 Community Safety and Criminal Justice Plan ("the Plan") are:

- Building on Success;
- Putting victims at the centre;
- Public focus; and
- Business sense.

The Plan sets out the changing nature of crime, harm and risk, and the increased demands on services and systems across community safety and criminal justice. In prioritising resourcing, including re-investment requirements, the Chief Constable is mindful of the five key ambitions set out in the Commissioner's Plan:

- Put Victims First: Continue to put victims first with improved services available through Beacon, our victim care centre and improvements in the criminal justice system.
- Keep Crime Low: Ensure Hertfordshire continues to be one of the safest places in the country through a continued focus on crime prevention and robust enforcement.
- Protect Local Policing: Strong neighbourhood teams with at least one major police station in each borough and district where the core local police team are based.
- Increase Officer Numbers: Ensure the right sized force and that the public have a say in how the officers are used.
- Keep Tax Low: Only charge what is required to meet the changing operational demands, continuing a focus on efficiency and effectiveness and keeping council tax charged in the lowest quartile nationally.

This budget will provide the Constabulary and OPCC with the resources better to respond to these priorities, providing the financial resilience to support the uplifted police establishment and the scope to respond to the challenges and demands. It also enables the Constabulary to plan and respond to those priorities identified in the Constabulary's Annual Management Statement (See Appendix A for Annual Management Statement and Performance Context).

3. 2020/21 FUNDING SETTLEMENT

a. National

In July 2019 the Prime Minister pledged to increase officer numbers by 20,000 by the end of 2022/23; the profiling of which is shown below:

Table 4

	2019/20	2020/21	2021/22	2022/23	Total
Split Ratio	10%	20%	40%	30%	100%
National Officer No.	2,000	4,000	8,000	6,000	20,000

On Wednesday 22 January 2020 the Government announced the police funding settlement for the next financial year (including the level of grants to be made); in accordance with Section 46 of the Police Act 1996. In this settlement the Government set out its commitment to support the police service by increasing the investment and resourcing to deliver on its commitment to recruit the 20,000 additional officers over the next three years and this represents a transformational settlement.

In the recent settlement Government set out the need to increase investment and resourcing of policing, 'Government is determined to strengthen our police service and tackle the unacceptable levels of crime, particularly violent crime, across our country. This Government will deliver on its

commitment to recruit 20,000 additional officers over the next three years to protect the public and keep our families, communities and our country safe'. 'The 2020/21 funding settlement gives the police the investment they need to deliver on that promise'.

Taking all funding from the Government and PCCs' precept raising power into account (i.e. an increase in Band D by up to £10), up to an extra £1.1bn will be available for investment for policing, giving a total of £15.2bn. This would represent an increase of 8% funding on top of 2019/20 levels and is the single biggest increase in Government investment in policing for some time. Hertfordshire's share of the grant settlement is set out in Section 3b below and the precept proposal in Section 4.

The government has signposted that it has provided funding to assist forces in 'making the relevant infrastructure improvements needed to recruit the 20,000 additional officers by March 2023'. The OPCC and Chief Constable have reviewed the spending pressures set out in Section 7 and the standstill costs in Section 6 required to provide the financial resilience to maintain delivery of a police force with 2,100 officers.

The Government has also rightly highlighted the need to continue focusing on delivering efficiencies and productivity. In support of this the Constabulary has identified scope to achieve £1.069m of efficiency savings, as set out in Section 8, which enables funding of £2.057m of new areas of investment as set out in Section 9.

The main headlines from the national funding announcement are as follows:

- £50m of the £750m retained centrally to support recruitment of officers; of the remaining £700m - £532m via un-ring-fenced core grant, £168m ring-fenced for successfully meeting recruitment targets;
- £10 precept flexibility for all PCCs, or equivalent;
- £92m (9%) increase in reallocations to over £1.1bn in 2020-21;
- Reduction of 74% to capital grant funding to PCCs.

The table below shows the final settlement for the Police Service that was announced on the 22 January 2020 which set out a 7.5% cash increase in core grant position for 2020/21 to all forces Police Grant (including legacy council tax grants). The Home Office set an overall direct resource funding control total for policing, including assumed precept income of £13.086bn in 2020/21; a £0.950bn (7.8%) cash increase on 2019/20.

Table 5

Funding element	2019/20 £m	2020/21 £m	Change £m	Change %
Core Grant Funding	7,108	7,640	532	7.5%
Legacy Council Tax Grants	548	548	-	-
National & International City Grants (NICCs)	190	190	-	-
Precept	4,147	4,397	250	6.0%
Pension Grant	143	143	-	-
Ring-fenced uplift grant	0	168	168	-
Total Direct Resource Funding	12,136	13,086	950	7.8%
Reallocations & Adjustments ¹	1,029	1,121	92	8.9%
Revised Total Direct Resource Funding	13,165	14,207	1,042	7.9%

¹ Contains £1.121bn (8.9% increase on 2019/20) of Reallocations and Adjustments to fund national priorities, which included circa. £500m for Police technology and a further £189m on areas such as Organised Crime, Serious Violence and Safer Streets.

b. Hertfordshire

As outlined in Section 1 above, of the additional £700m, Hertfordshire will receive a total of £10.683m of Government grant linked to the recruitment of 91 additional officers (see table below), which comprises two elements, namely £8.119m of Core/General grant and £2.564m of Specific/Ring-fenced grant. Based on our recruitment plans and our understanding of the baseline as set by the Home Office it is assumed we will be able to access the full amount of the Specific Grant. This funding will be released quarterly and in arrears, but it is unclear at this stage whether this will be upon receipt of suitably evidenced expenditure or on the achievement of additional officer recruitment targets.

Table 6

Uplift officer	2019/20	2020/21	2021/22	2022/23	Total
Split Ratio	10%	20%	40%	30%	100%
Herts Officer No.(annual)	31	60	122	92	305
Herts Officer No.(cumulative)	31	91	213	305	
Year-end officer establishment target ²	2,040	2,100	2,222	2,314	
Cumulative increase in officer numbers ²	1.5%	4.5%	10.6%	15.2%	

The table above is for illustrative purposes and is based on applying the current apportionment methodology to the uplift roll-out in 2021/22 and 2022/23. Whilst it is unclear at present what basis will be used for the allocation in forthcoming years and what weighting may be applied to other forces or national requirements, the government have announced a projected increase of a further 200 officers in Hertfordshire over the subsequent 2 years. The medium-term plan shown in Section 15 is predicated on specific grant funding covering the additional officer uplift beyond 2020/21³. The government has also indicated that the totality of the funding it has provided is also to assist forces in 'making the relevant infrastructure improvements needed to recruit the 20,000 additional officers by March 2023'.

i. Core Grant

With regard to the 2020/21 funding settlement the additional general grant of £8.119m will increase the total core grant to £116.607m and it is assumed that it will be subsumed into the base core going forward into 2021/22.

In addition the settlement also 'baselined' the specific pension grant of which Hertfordshire's share is £2.024m; which is a contribution towards the increased police pension employer contribution rates that arose in 2019/20. It also confirmed that the £10.228m of ring fenced council tax legacy grant that Hertfordshire currently receives will be retained in 2020/21.

ii. Specific Grant – Uplift Funding

As part of the uplift of officer numbers, grant funding totalling £2.564m is earmarked specifically for the uplift programme. This will allow the Constabulary to increase police officer establishment by 91 by end of March 2021 to achieve its 2,100 FTE uplift target.

In light of the announcement the PCC and Chief Constable have reviewed the spending pressures set out in Section 7 and the standstill costs in Section 6 required to provide the financial resilience to maintain delivery of a police force with 2,100 officers. In order to achieve an officer establishment of 2,100 officers the Constabulary has increased recruitment in the current year and is further increasing recruitment to 225 officers in 2020/21 thereby markedly exceeding the

² Based on baseline police officer establishment of 2,009 FTE as at 31 March 2019

³ To date there has been no confirmation of the funding for this beyond 2020/21 and indeed no confirmation has been received regarding the success of the 2019/20 funding submission to the Home Office on 30 November 2019 for the first tranche of £0.440m.

projected level of turnover and retirements, enabling a steady increase in officers numbers throughout the year.

As a result of this increased level of recruitment there will be a marked increase in Student Officers. In response to the permanent uplift in officer numbers the Chief Constable is prioritising resourcing additional student tutor and assessor officer roles, to support this high level of recruitment, and investing in additional investigative roles. During the coming year the Chief Constable will review the deployment of officers, building in a greater emphasis on prevention work, in order to inform the roll-out of the 'uplifted' officer numbers into local policing teams.

In light of the increase in specific grant funding the OPCC/Force is reviewing scope to submit further specific grant bids currently in relation to Safer Streets and also a Conducted Energy Devices (CED/Taser) bid.

4. PRECEPT PROPOSAL

After considering the overall financial position of the force, the Commissioner proposes to increase the average (Band D) Council Tax by £10.00 (5.32%) to £198.00, generating an increase in funding of £4.530m.

Assuming all other PCCs follow Government advice Hertfordshire's 2020/21 average (Band D) Council Tax will remain the fourth lowest in England and Wales, behind Northumbria, West Midlands and West Yorkshire, some 16.4% (£31) below National Average and the lowest Band D in its Most Similar Group (MSG) at 9.1% (£17) below the group average (see Appendix B for comparison).

The following taxbase, collection fund and precept figures are based on the final data provided by the ten boroughs/districts on 28 January 2020.

a. Taxbase

There has been an estimated year-on-year increase of 5,990 (1.34%) in Band D equivalent properties in the county, giving a draft taxbase of 453,040 as illustrated below:

Table 7

Hertfordshire Boroughs & Districts' Taxbase				
Borough/District	Tax Base 2019/20	Tax Base 2020/21 Final	Change	
	No.	No.	No.	%
Broxbourne Borough Council	35,026	35,447	421	1.20%
Dacorum Borough Council	57,270	58,567	1,297	2.27%
East Herts District Council	60,722	61,272	550	0.91%
Hertsmere Borough Council	41,274	41,889	615	1.49%
North Herts District Council	49,498	49,980	482	0.97%
St Albans District Council	62,107	62,821	714	1.15%
Stevenage Borough Council	27,330	27,781	451	1.65%
Three Rivers District Council	39,092	39,213	121	0.31%
Watford Borough Council	32,841	33,481	640	1.95%
Welwyn Hatfield District Council	41,890	42,590	700	1.67%
TOTAL	447,050	453,040	5,990	1.34%

This will generate an additional £1.126m (as illustrated below).

Table 8

Taxbase Calculation	Amount
Estimated number of band D properties – 2020/21	453,040
Number of band D properties – 2019/20	447,050
Increase in tax base properties	5,990
Band D council tax rate	£188.00
Additional tax base income £	£1,126,120

b. Collection fund

This one-off source of income saw a significant drop in 2019/20, however there is a projected increase of £0.158m (24.5%) in 2020/21 (as shown below).

Table 9

Final Collection Fund Surplus/(Deficit) relating to the PCC			
District	2019/20 £	2020/21 £	Change £
Broxbourne Borough Council	172,693	212,296	39,603
Dacorum Borough Council	62,111	131,410	69,299
East Herts District Council	59,020	81,609	22,589
Hertsmere Borough Council	(49,023)	175,759	224,782
North Herts District Council	20,291	(42,671)	(62,962)
St Albans District Council	136,128	152,101	15,973
Stevenage Borough Council	44,615	60,055	15,440
Three Rivers District Council	43,075	(77,339)	(120,414)
Watford Borough Council	156,214	108,203	(48,011)
Welwyn Hatfield District Council	(1,461)	53	1,514
TOTAL	643,663	801,476	157,812

c. Precept

A precept increase of £10.00 would generate additional council tax income of £4.530m and the resultant bandings are illustrated in the table below.

Table 10

Band	A	B	C	D	E	F	G	H
Proportion to Band D charge	6/9ths	7/9ths	8/9ths	9/9ths	11/9ths	13/9ths	15/9ths	18/9ths
2019/20 Charge £	125.33	146.22	167.11	188.00	229.78	271.56	313.33	376.00
2020/21 Charge £	132.00	154.00	176.00	198.00	242.00	286.00	330.00	396.00
Increase per year £	6.67	7.78	8.89	10.00	12.22	14.44	16.67	20.00
Increase per month £	0.56	0.65	0.74	0.83	1.02	1.20	1.39	1.67
Increase per week £	0.13	0.15	0.17	0.19	0.24	0.28	0.32	0.38
Increase per day £	0.02	0.02	0.02	0.03	0.03	0.04	0.05	0.05
2020/21 Cost per month £	11.00	12.83	14.67	16.50	20.17	23.83	27.50	33.00
2020/21 Cost per week £	2.54	2.96	3.38	3.81	4.65	5.50	6.35	7.62
2020/21 Cost per day £	0.36	0.42	0.48	0.54	0.66	0.78	0.90	1.08

A breakdown by Borough/District of the total resultant council tax demand is shown in Appendix C.

5. 2019/20 OUTTURN

The latest monitor report indicated outturn would be broadly in line with budget. But the report did highlight risks of up to £0.800m⁴ (including the officer overtime) which if they were to materialise by the year-end would require an additional call on reserves. However, there is an expectation that any potential overspend will be managed, through remedial action(s), to deliver within 2019/20 budget.

6. STANDSTILL COSTS

Standstill budget pressures are those costs increases that are required to deliver the same level of service as in the current financial year; predominantly pay inflation. The standstill budget requirement for 2020/21 totals £6.538m and comprises of the following:

Table 11

Analysis	£m
Pay costs – officers ^a	2.222
Pay costs – staff ^a	2.119
Pay sub-total	4.341
Other employee costs	0.044
Premises	0.302
Transport	0.065
Supplies & services ^{b, c}	1.565
Non-pay sub-total	1.976
Capital financing	0.121
Income	0.100
Total £m	6.538

The items of note are as follows:

- The pay costs include the additional 0.5% agreed with effect from 1 September 2019 plus an assumption that pay costs will increase by a further 2.5% from 1 September 2020, alongside a reduction in average officer pay levels reflecting the greater level of officers in the early stage of their policing career and the removal of one-off funding.
- In 2019/20 there were cost increases, significantly above inflation, in Gas (18%) and Electricity (24%) supply and so it is necessary to baseline this £0.300m in extra expenditure, alongside a general provision for uprating non-pay budgets in-line with cost pressures.
- The National Police Air Service (NPAS) charging methodology is based on the previous year's usage and for 19/20 Hertfordshire's charge equated to 2.3% of the national total. However Hertfordshire's usage has increased by 24% year-on-year (Sept.19), against an overall national reduction of 8.3%. If this trend continues for the remainder of the calendar year then Hertfordshire's contribution would increase to 3.1% of the national cost. This is at a time when NPAS costs are expected to increase by £2.4m, thereby adding a potential pressure of £0.375m to Hertfordshire's 2020/21 budget.

⁴ Section 5 (Page 6) of 14 November SEB report

7. PRESSURES

As set out in Section 3a the government has signposted the intention to increase officer numbers by some 20,000 in the period up to 2022/23. The first phase of the funding for this was announced on 23 January and in anticipation of this NPCC⁵ have encouraged forces to review resourcing across the range of support and infrastructure areas to ensure there is the resilience to support the expansion. Based on this review the following pressures, totalling £3.360m need to be reflected in the 2020/21 budget:

Uniform / Equipment / Vehicles – £0.532m – The force has baselined its officer uniform, equipment and vehicle fuel and maintenance costs which are increasing in light of the recent increases in establishment and the uplift plans, which increase the officer establishment to 2,100.

Recruitment and Training – £0.323m - In support of the Uplift Programme BCH HR department is putting in place additional training and project capacity. Additional training resources for student officers are also required to support the transition to the new Police Education Qualification Framework (PEQF) which commences in 2021. Additional assessor and training officer roles are also required and these will be from the Uplift Specific Grant.

ICT - £0.537m - The force continues to invest in IT to improve productivity and will incur increased revenue costs in our HR system, the Athena system, Digital Asset Management and Storage and in meeting the requirements of a larger officer workforce. In addition more of our IT systems are being delivered as a service and charged to revenue rather than via the purchase of a capital asset.

Estates – £0.639m - The Force has maintained a deployment base in each of the 10 CSPs. The PCC and Chief Constable are committed to maintaining this approach and there is a need to increase expenditure on planned maintenance to ensure the operational estate is fit to meet the demands of a larger officer workforce. In addition the force is also leasing additional training facilities to meet the increased level of demand.

Officer Overtime - £0.350m – The force has reviewed the requirement for overtime resources, including benchmarking spend alongside other forces and strengthening approval processes.

7 Force Collaboration – £0.342m - Building on the BCH Collaborative programme a wide ranging programme of regional collaboration is now being taken forward designed to achieve further efficiencies and covering IT, Support Services and Specialist policing functions (The first 7 Force unit, Procurement, was established in January of this year). A Section 22 agreement to govern the collaborative arrangements has been approved and Programme and Project capacity established.

Governance responsibility - £0.123m – The Commissioner has taken on responsibility for both the secretariat of the Local Criminal Justice Board thereby requiring additional resource to administer.

Police complaints regime - £0.100m – new requirements from 1 February 2020 to deal with complaints and pilot required to determine where responsibility works best.

Change / Project Resources – £0.300m – The force needs to maintain a Change / Project capacity to provide additional resourcing and fund the one-off costs associated with implementing change. To date these costs have been charged to the Change Reserve. Going forward it is proposed these costs will be charged to the base budget, thereby reducing the dependence on reserves.

Compliance Costs - £0.115m – The force faces increased costs relating to Scientific Service, Forensic accreditation and improving our driver risk management processes and systems.

⁵ National Police Chiefs Council

8. EFFICIENCY SAVINGS

During 2019/20 the force has undertaken a wide ranging review of budgets, other than those for police officers, in line with the 2% efficiency target set by the PCC in February 2019. Saving plans were developed in-line with this target and on the assumption of a stable police officer establishment. In the autumn of 2019 the government announced the National Uplift programme to increase police officer numbers by 20,000 nationally over the following 3 years, alongside a smaller increase in police staff roles. The saving programme was reviewed in the context of the uplift programme and the recent HMIC Value For Money profile which benchmarks all elements of spend against national and most similar group forces (See Appendix D). The savings programme was revised to ensure it was consistent with the increasing size of the force and resulting greater demands on related operational, operational support and support roles. The resultant proposals showed scope to achieve savings of up to £1.069m as follows:

1) Hertfordshire £0.565m

The PCC signalled an intent to focus on driving out efficiencies and those areas that will have least impact operationally. The following proposals have been developed:

- i) Savings achieved predominantly in non-operational departments including Corporate Communications £0.049m, Estates and Facilities £0.039m, Finance £0.090m. In addition there is a limited reduction to support staff of £0.059m.
- ii) Following a review of demand and resources within Public Contact a revised shift was implemented during 2019/20 resulting in a savings of £0.179m.

2) BCH Collaborative £0.504m

A range of savings in collaborated units have been developed of which Hertfordshire's share is £0.504m. These savings consist of:

- i) Joint Protective Services - £0.440m for Herts through the increase of vacancy factors for police officers. The units have operated at this level in the current year and in light of continuing challenge to fill these specialist posts it is appropriate to budget for this level of resources in 2020/21. Resourcing levels will be reviewed in-light of on-going specialist recruitment plans for 2021/22.
- ii) The HR transformation programme is estimated to generate a total £1.5m of savings across BCH, of which half was taken in the 2019/20 budget. The remaining savings will be realised over 2020/21 and 2021/22 of which Herts share will total £0.330m. One off change costs of £0.5m are forecast to be incurred leaving a net cost to Herts of £0.058m in 2020/21 and a saving of £0.388m in 2021/22.
- iii) ICT Structural Review – as part of the Constabulary's digital strategy there will be a move to cloud based solutions that better meet the needs of the business and help achieve savings across the Tri-force. Herts will release savings of £0.084m in 2020/21.
- iv) A further saving of £0.039m to Herts will be made through removing the ICT Health Check contingency within the IMD.

The initial wider savings work pre the uplift announcement identified circa £2.0m of further savings across the force, but with greater service impact and harder to achieve. These potential savings, whilst not forming part of the proposed 2020/21 budget will need to be considered as part of 2021/22 and Medium-Term budget planning process.

9. INVESTMENT & GROWTH

The PCC and Chief Constable have identified a number of areas where additional resourcing is required totalling £2.057m. These investment proposals have been developed against an assessment of capability and demand as set-out in the Force Management Statement, in the context of the police officer uplift programme and delivery of priorities in the Commissioner's Plan.

- 1) File Quality - £0.400m - File quality is measured against the CPS's National File Standards and BCH has consistently been within the bottom quartile for file quality performance. To help address this it is proposed to establish a Case File Standards Units in Hertfordshire replicating the model that is currently used in Cambridgeshire. This would be achieved through establishing a team of officers and staff to review files and specific department submissions.
- 2) FCR - £0.240m - In recognition of the lead in time to fully train Comms Operators it has been necessary to operate a proactive ongoing training and recruitment exercise whilst balancing higher levels of demand within the FCR. This requires a reduction in the budgeted vacancy factor by circa 1.3% to 2.5%. In addition changes have been made in supervisory levels to provide a more effective management structure. In total it is proposed to invest £0.240m (net of a degree of self-funding) in the FCR to meet these additional costs.
- 3) Professional Standards Department (PSD) - £0.118m - Investment is required to service a number of areas including additional requirements arising from Complaints Reform reforms legislation due to be implemented in February (1 A4 £0.040m); a Permanent Senior Analyst Post (£0.019m) and following recommendations from the most recent HMICFRS inspections funding for 4 additional police staff posts with the PSD Anti-Corruption Unit. (£0.058m).
- 4) SNT Shift Alignment - £0.102m - Following the review of SNT shift patterns currently, Sergeants, Constables and PCSO's work different shift patterns which impacts on supervisory management. The investment required is £0.205m split equally over two years covering spinal point increases for PCSOs and unsocial hours increases for police officers.
- 5) Taser Training - £0.141m - In order to meet the training requirement associated with the wider adoption of Tasers across BCH (in Hertfordshire a 130 officer increase over two years) it has been agreed that the 5 FTE police staff Taser trainers would be made permanent posts and the cost shared across BCH at a cost of £0.091m to Hertfordshire. In addition Taser trained officers within the LPC require annual refresher training at an estimated cost circa £0.050m from 2020/21.
- 6) Other Growth Areas - £0.055m – A number of smaller areas of growth have been identified including £0.026m of funding for the continuation of Test on Arrest up to June 2020 to enable the completion of evaluations, the establishment of a Special's mobile phone replacement and data budget of £0.024m and finally £0.005m towards the purchase of IT equipment for use by Cadets. Also included within the budget are increased RMU resources to support the operation of the new duties system CARMS. We have reviewed and raised the BCH/ERSOU contribution to Herts in line with current service provision and the increase in RMU resources is now offset by the increased contributions.
- 7) Crime Prevention & Innovation fund - £1.000m – the establishment of a fund to commission efforts to prevent crime and intervene early. This will allow for investment upstream to tackle problems at source and create fewer victims. This will be open to the constabulary, public sector partners, private sector and voluntary and not-for-profit organisations e.g. further investment in the Beacon Fraud Hub.

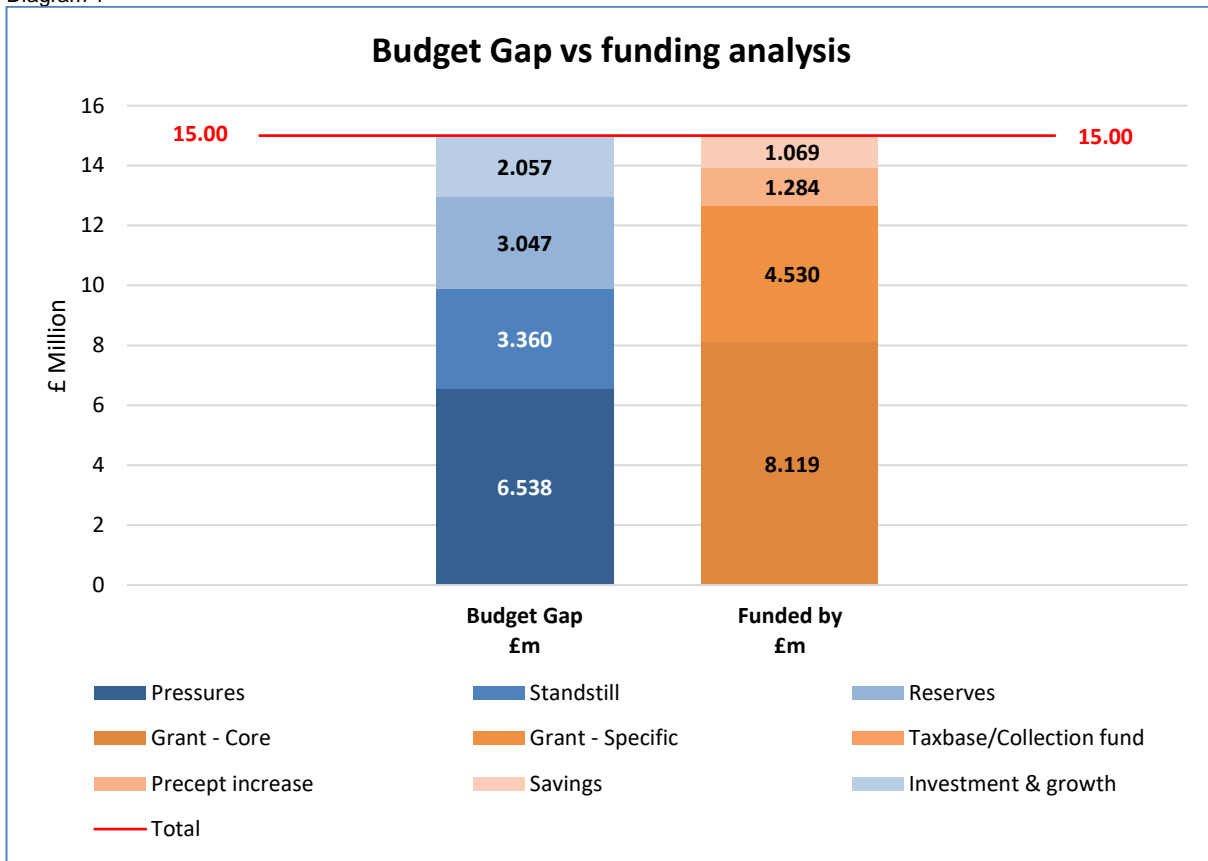
10. OFFICE OF THE POLICE & CRIME COMMISSIONER (OPCC) Domestic Budget

The OPCC’s responsibilities have increased significantly in 2019/20, in order to deliver the commitments outlined in refreshed Commissioner’s plan and assuming additional responsibility, including the secretariat of the Hertfordshire Criminal Justice Board⁶. This has meant that in addition to inflationary pressures e.g. nationally determined pay awards, there is need to increase the office budget by a further £0.123m to service these new requirements.

11. 2020/21 NET BUDGET FUNDING REQUIREMENT

Based upon the preceding income and expenditure assumptions the graph below sets out the 2020/21 budget gap and the funding utilisation to deliver a balanced budget.

Diagram 1



12. RESERVES

The primary role of reserves is to allow financial uncertainty to be managed. They support the organisation in meeting its legal requirement to balance its budgets by providing a resource that cushions the impact of unexpected events.

a. Useable reserves

The Commissioner has planned the utilisation of reserves to protect officer numbers and fund investment over past 3 years (see Appendices E & F for comparison to other forces) and the useable reserves level at the start of 2020/21 is expected to be £12.218m. Therefore, in order to provide a sustainable base budget and give the organisation greater financial resilience, all recurring revenue expenditure currently funded by reserves will be mainstreamed.

⁶ Police Reform and Social Responsibility Act 2011 - Section 10: Co-operative working

Going forward this reserve will be allocated for specific purposes (i.e. earmarked) as part of the budget setting process; for example the recent decision to allocate £0.500m to the HQ PMO team and £0.674m of SARC funding for 2020/21 (illustrated below).

Table 12

Useable Reserves	2020-21
Estimated opening balance b/fwd.*	12.218
Earmarked reserves	
HQ Project Management Office	(0.500)
OPCC Funds (see Section 13 below)	(0.264)
Sexual Assault Referral Centre	(0.674)
Increase in general reserve (see b below)	(0.700)
Useable Reserves - closing balance	10.080

* excluding Road Safety Fund balance of £1.860m (31-3-2019)

b. 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 such as Brexit.

The Chief Financial Officer (CFO) is required, by Section 25 of the Local Government Act 2003, to review and report on the adequacy of reserves as part of the budget-setting process. The PCC's level of general reserves is currently £6.300m⁷ and having carried out an assessment, based on currently available information, it is the CFO's professional view that a level of £7.000m⁸ should be established for 2020/21. This is still significantly below the 5% (£10.863m) above which justification has to be provided to the Home Office.

⁷ 3.1% of the 2019/20 net budget

⁸ 3.2% of the 2020/21 net budget

13. OPCC GRANTS AND COMMISSIONING BUDGETS

It is recommended that a budget of £4.391m be allocated for 2020/21 as shown below and all funds issued by the Commissioner will be monitored and scrutinised through interim returns and updates.

Table 13

Fund Name	Funding Source	2020/21 £m
Community Safety Grant ^a	Base Budget	0.850
Criminal Justice Innovation Fund ^b	Base Budget	0.068
Complaints Reform Pilot ⁱ	Base Budget	0.100
Crime Prevention & Innovation fund ^d	Base Budget	1.000
Base budget funding sub-total		2.018
Commissioner's Action Fund ^c	Reserves	0.150
Volunteers Fund ^e	Reserves	0.094
Fly Tipping on Private Land Fund ^f	Reserves	0.020
Reserve funded sub-total		0.264
Victim Support Services ^g	Ministry of Justice Grant	1.384
Externally funded sub-total		1.384
Road Safety Fund ^h	Road safety reserve	0.725
Road safety reserve sub-total		0.725
Grand Total		4.391

Further details on specific funds are outlined below:

a. Community Safety Grant

This grant will be awarded to those recipients that can demonstrate that their proposal both supports and aligns with the Commissioner's Police and Crime Plan. Expenditure totalling £0.350m has already been committed for 2020/21 as the result of previous decisions on the funding of multi-year projects. This leaves a balance of £0.500m available in 2020/21.

b. Criminal Justice Innovation Fund

This fund will be open to applicants with ambitions to research and pilot new programmes to support reform of the criminal justice system, in line with published criteria as agreed by HCJB; of which the PCC is chair.

c. Commissioner's Action Fund

This is administered by the Hertfordshire Community Foundation, for a 10% fee, will be available to applicants for distribution to approved projects during the course of the financial year.

d. Crime Prevention & Innovation Fund

The establishment of a fund to support efforts to prevent crime and intervene early. It will help to support the process of transformation and innovation required to make best use of the additional officers we are receiving over the next 3 years. It will also support development and growth of key interventions including the Beacon Fraud Hub.

e. Volunteers Fund

This incorporates various volunteering projects including independent custody visitors (34 volunteers), dog welfare visitors (5 volunteers), Drivesafe (332 volunteers) and Stop & Search (13 volunteers).

f. Fly-tipping on Private Land Fund

This is available to support landowners, especially in Hertfordshire's rural communities, who have been victims of fly-tipping to help cover the cost of clearance.

g. Victim Support Services

Funded by the Ministry of Justice (MoJ) it enables the Commissioner to determine the most appropriate allocation to deliver victim services locally, including the delivery of victim led Restorative Justice. This funding comes from the victims surcharge levied on offenders at Court.

h. Road Safety Fund (RSF)

The RSF balance as at 31 March 2019 stood at £1.860m (£1.719m – 2018) and is currently funding approximately £0.220m of ongoing revenue costs each year. In addition to these revenue costs it is anticipated that a further £0.504m will be expended on projects during the year; giving a total requirement of £0.725m for 2020/21.

i. Complaints Reform Pilot

From 1st February 2020⁹, the government is bringing in a new mandated complaints regime designed to provide a better service to the public. It creates roles for PCCs and imposes new duties on them. Starting as a pilot project the intention will be to build on the excellent foundation that is in place with the Complaints Resolution Team to develop the new service. Consultation with the Chief Constable and the unions is now underway with the intention of developing and piloting the new service over the coming year. Additional resources will be required to instigate a pilot project, which will see an increase of up to 3 FTE (£0.100m).

14. CAPITAL

The high-level capital programme is shown below along with the planned sources of funding over the medium-term.

Table 14

Capital Programme	2020/21 £m	2021/22 £m	2022/23 £m	2023/24 £m	Total £m
Estates minor works	0.250	0.250	0.250	0.250	1.000
Other estates	0.200	0.200	0.200	0.200	0.800
HQ redevelopment ¹¹	1.082	0.713	11.180	19.393	32.368
ICT	3.250	2.032	2.769	2.769	10.820
Fleet	1.528	1.530	1.530	1.530	6.118
ESN	0.281	0.548	2.108	2.108	5.045
Technical and Specialist	0.293	0.293	0.293	0.293	1.172
Uplift (Estates, fleet, ICT)	0.000	0.300	0.300	0.300	0.900
Total Capital	6.884	5.866	18.630	26.843	58.223

⁹ Policing and Crime Act 2017 effective from 1 February 2020

It is proposed that the above programme will be financed as follows:

Table 15

Financed by	2020/21 £m	2021/22 £m	2022/23 £m	2023/24 £m	Total £m
Capital Grant	0.157	0.157	0.157	0.157	0.628
Capital receipts	5.195	4.546	6.547	2.087	18.375
Capital Financing Requirement (Borrowing)	1.532	1.163	11.926	24.599	39.220
Revenue Contribution to Capital Outlay	-	-	-	-	-
Total Financing	6.884	5.866	18.630	26.843	58.223

The expected timings and amounts of capital receipts to be received, over the medium-term, are outlined below:

Table 16

	2020/21 £m	2021/22 £m	2022/23 £m	2023/24 £m	Total £m
Total receipts	7.900	5.200	0.000	0.000	13.100

The largest element of the programme is the HQ redevelopment project, which subject to approval is projected to cost £47.340m¹⁰ between 2019/20 – 2024/25. This spend will be financed from external borrowing. The revenue expense of servicing the associated debt is calculated to be circa £2.300m¹¹ per annum (£5.08 precept¹²). For indicative purposes, every additional £1.000m of borrowing will have a revenue impact of circa. £0.051m¹¹ (£0.11 precept¹²), in debt servicing costs. It is projected that in 2020/21 planning and some limited enabling costs will be incurred prior to an approvals process via consideration of a Full Business Case. With regard to ICT spend the largest element relates to the provision of devices (telephony, Airwave, body worn camera and laptops) to expanded operational teams following the increase in officer establishment and the normal replacement programme, with the balance of spend on Infrastructure, Networks and the Force Communication Room.

The police capital grant has reduced significantly (72%) in the recent announcement, from £0.599m to £0.157m, as the Government ‘rebalances’ funding for capital grant expenditure, with circa £64million to be spent on national priorities and infrastructure; as outlined below.

Table 17

National Capital Grant allocations	£m
Special Grant Capital	1.00
Police Live Services	13.10
National Police Air Service	11.50
Arm’s Length Bodies	6.40
Police Technology Programmes	17.60
Counter Terrorism	1.60
Serious and Organised Crime Programmes	10.00
Football Policing	2.50
TOTAL	63.70

¹⁰ Outline Business Case (OBC) agreed at SEB 14th November 2019

¹¹ Based on PWLB 50 year certainty rate (2.9%) plus MRP of 2%

¹² Based on final 2020/21 taxbase of 453,040

The major projects listed below have not been factored into the capital programme at this stage, as they are not sufficiently developed to be able to determine the size and timing of any financial commitments, however subject to an approvals process they are expected to incur enabling costs in the short to medium-term.

Table 18

Potential capital projects
Longfield joint training centre redevelopment
Watford Police Station rebuild/refurbishment
Armed Policing Unit (APU) range facilities
North Herts rebuild/refurbishment
7 Forces ICT Convergence
Operational Support Unit (OSU) training site re-provision

15. MEDIUM-TERM FINANCIAL PLAN (MTFP)

The table below provides a high-level summary of the medium-term plan and the following assumptions have been made in its construction.

- A prudent view on the availability of additional core grant beyond 2020/21 at 1% increase p.a.;
- Full-year effect of funding permanent establishment of 2,100 officers and further Uplift on officers above 2,100 establishment funded £ for £ by specific grant;
- A £5 precept flexibility is available and utilised;
- A 2% savings applied to all non-police pay costs;
- Police officer and staff pay awards at 2% from 2020/21 onwards;
- Pressures of additional £0.500m per annum; and
- No growth assumed beyond 2020/21.

Furthermore, assuming the uplift to 20k officers goes forward the force will face an increase in ancillary costs, which are not included below but work is ongoing to determine this requirement, as the Home Office have indicated that the 2020/21 settlement includes provision for these costs.

Table 19

	2020/21 £m	2021/22 £m	2022/23 £m	2023/24 £m	Total £m
Core Grant	(8.119)	(1.268)	(1.281)	(1.294)	(11.962)
Standstill costs	6.417	5.111	5.058	5.149	21.735
Pressures	3.360	0.500	0.500	0.500	4.860
Removal of reliance on reserves	3.047	0.000	0.000	0.000	3.047
Savings	(1.069)	(1.781)	(1.718)	(1.406)	(5.974)
Growth	2.057	0.000	0.000	0.000	2.057
Taxbase & Collection fund	(1.284)	(1.256)	(1.306)	(1.356)	(5.202)
Precept increase	(4.530)	(2.297)	(2.329)	(2.362)	(11.518)
Capital financing	0.121	1.297	0.770	0.769	2.957
Budget gap per annum	(0.000)	0.306	(0.306)	(0.000)	(0.000)
Cumulative budget gap	(0.000)	0.306	(0.000)	(0.000)	

The following may be available, if required, to mitigate the potential budget gap:

- Hertfordshire has already identified additional savings, albeit more difficult to achieve and more impactful in nature;
- Beds, Cambs and Herts (BCH) have identified additional savings that will be phased in beyond 2020/21; and
- 7 Force projected procurement savings.

APPENDICES

Appendix A – Annual Management Statement and Performance Context

The strategic direction detailed in the Plan informs how operational and organisational pressures facing the constabulary and its associated resources, as detailed in the 2019 Annual Management Statement (AMS), are responded to. The AMS highlighted the following challenges:

Operational

- Cybercrime and economic crime
- Serious violent crime, including knife crime.
- Sexual Offences, particularly rape outcome rates and meeting disclosure requirements
- Continued focus on reducing harm in relation to domestic abuse, through partnership working and problem solving.
- Improving the service to victims

Organisational

- Increasing the Constabulary's investigative capability and capacity. A lack of detectives has been highlighted but with an increase in recruitment it is recognised that volume crime will be investigated by inexperienced officers, who must be supported.
- Workforce modernisation to ensure that officers and staff have skills for the 21st century. In part this will be delivered through our digital strategy.
- Transition to new student officer training requirements (PEQF)
- The continued optimisation of Athena, through process refinement, implementing new versions of the system to complement wider regional and national projects.
- Modernising the Constabulary Estate.
- Optimising the benefits of new technologies to achieve a step change in productivity.
- Closing the financial gap in income and expenditure that is presently addressed through reliance on reserves.

Partnership and Innovation

- Hertfordshire Emergency Services Collaboration Board

The Hertfordshire Emergency Services Collaboration Board continues to oversee the delivery of Memorandum of Understanding principles / vision statements between the OPCC and HCC. Recently, this has included the development and sign off of Operation Magnify, which underpins the joint Hertfordshire Fire and Rescue Service (HFRS) and Constabulary response to reports of missing persons assessed to be at high risk. The Constabulary's Police Search Advisors, Duty Inspectors and Force Incident Managers now work more efficiently and effectively with HFRS National Inter-Agency Officers (NILOs) as a result of joint training, shared use of resources and a new deployment protocol. A joint agency pilot for Emergency Services Volunteers has commenced in Dacorum, with uniformed volunteers being trained to deliver both fire and crime prevention advice. Further work is being scoped to assess opportunities for collaboration in joint service emergency and event planning; and in a joint team to deliver prevention, safety and secured by design. Strategic asset work continues apace in terms of scoping opportunities for joint / shared estate.

Digital Innovation Team

- The Constabulary is continuing to further develop its digital capabilities to interact more effectively and efficiently with our criminal justice partners. A digital evidence management system is in place to directly transfer digital media evidence (i.e. Body Worn Video, CCTV, 999 recordings) to the CPS and wider Criminal Justice system. Additionally, dashcam footage can be uploaded by the public for cases of antisocial driving and road traffic

collisions. A number of projects are in flight, delivering against the Digital Strategy. These include:

- Further development of the mobile policing application tuServ, which enables officers to use their mobile phones and lap tops to access multiple systems from a single app, allowing them to be more mobile.
- A project to deliver a new interview system which will achieve time saving efficiencies, negating the need for officers to record to disks and onward transport those through the criminal justice system.
- Additionally, further enhancements to the public on-line reporting services are underway to reduce the number of call-backs within the Force Control Room.
- Within the digital innovation strand, which scopes and tests emerging technology, a project is underway to trial a livestreaming system currently being used in the National Health Service. The system allows livestreaming of video footage from the public into the Force Control Room which is anticipated to lead to more effective resource allocation, aiding risk assessment and decision making by call handlers.

Performance and Demand Management

Performance

- Hertfordshire Constabulary continues to perform well across a wide range of measures nationally and when compared to its Most Similar Group (MSG) of forces. This includes the overall crime rate¹³ of 74 crimes per 1000 residents, which places Hertfordshire 3rd lowest within its MSG and 12th lowest within England & Wales, and our overall Criminal Justice Outcome (CJO) rate¹ of 15.54%, maintaining Hertfordshire's 1st place within its MSG.

The overall volume of crime recorded has fallen marginally this year to date¹⁴ over 2018/19 by 0.1%, better than both the national and MSG¹⁵ averages.

- Some key crime types have fallen quite significantly, at least in part demonstrating the impact of local crime prevention and enforcement activity. For example, Scorpion Teams tackling serious acquisitive crime and problem solving approaches, in particular carried out by Safer Neighbourhood Teams in conjunction with local partner agencies and communities:
 - Burglary Residential Dwelling has fallen by 17%
 - Public Order fallen by 5.7%
 - Criminal Damage has fallen by 4.6%
 - Vehicle Offences fallen by 1.9%
 - Anti-Social Behaviour (ASB) has fallen by 4%.

Conversely, though, others have risen including:

- Robbery has risen 16.4%, though still relatively small numbers overall
- Possession of Weapons has risen 15.6%, in part stemming from the proactive focus placed by the Constabulary on knife crime
- Sexual Offences have risen by 3% though still relatively small numbers overall
- Theft (including Shoplifting) has so far risen 3.6%

Hertfordshire continues to follow a national trend in recording increases in Violence Against the Person (up 2.5%) but increases have slowed considerably not least as crime recording has improved. This includes Domestic Abuse crime, which has increased by 8.4%, in part from the Constabulary encouraging reporting. The threat from knife crime is a particular

¹³ According to Home Office iQuanta for the 12m to 31 October 2019

¹⁴ Herts Constabulary Crime Comparison Sheets, Year to Date to 31 December 2019

¹⁵ MSG = Hertfordshire, Staffordshire, Essex, Avon & Somerset, Sussex, Leicestershire, Hampshire and Thames Valley

concern. Levels nationally and within Hertfordshire have been increasing in previous years though now beginning to plateau.

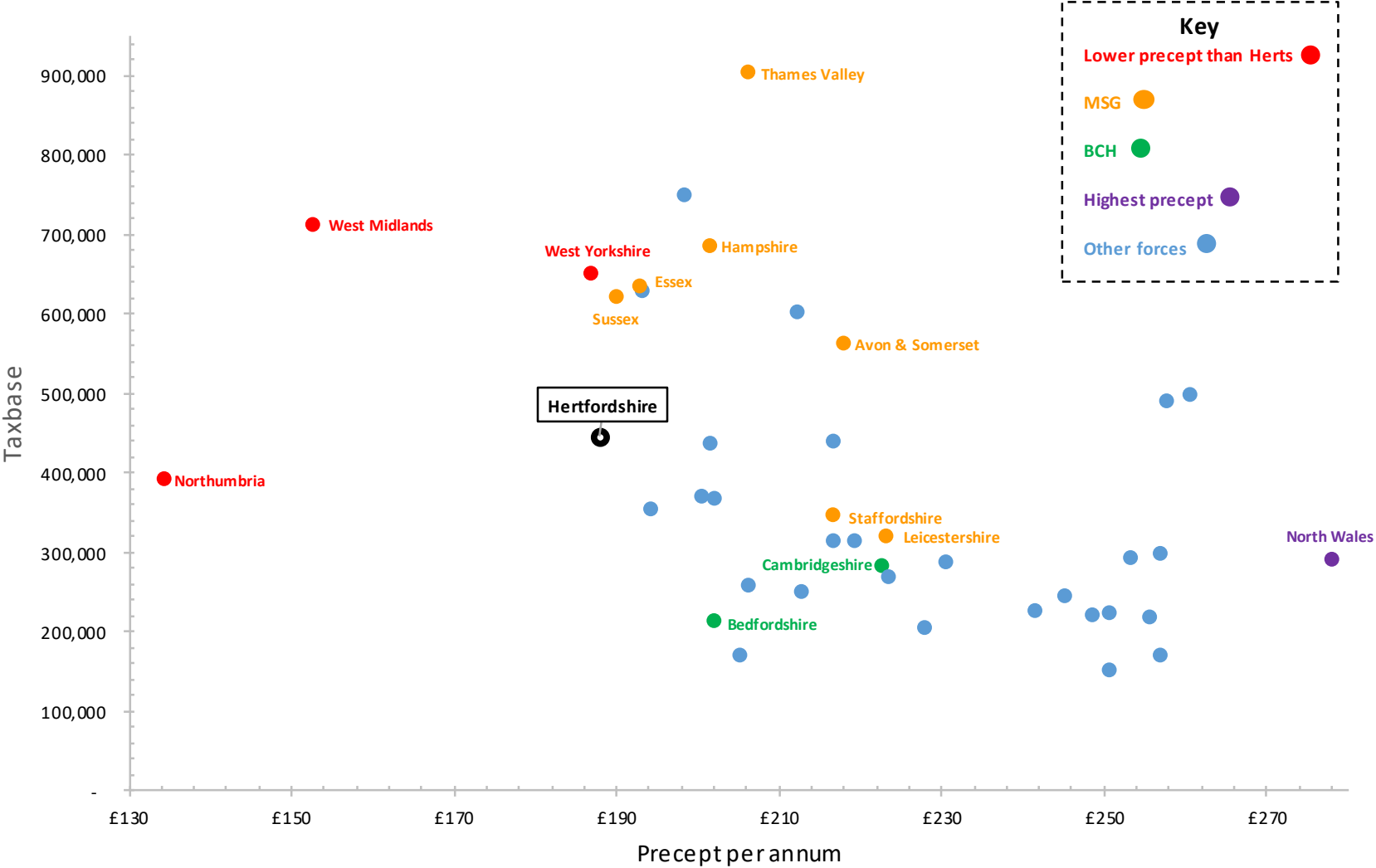
- Whilst our overall CJO rate places the Constabulary 1st within its MSG, the CJO rates for some offence types remains a cause for concern, notably rape and serious sexual offences. The Constabulary has reviewed all investigations and is ensuring that peer support is available to check and test its approach. In addition, the OPCC is scoping the introduction of a Rape Scrutiny Panel, with plans to implement in 2020/21.
- File Quality, as assessed by NPCC / the CPS, continues to be an area of concern. The Constabulary's national ranking has been in flux but as of November 2019 this stood at 37th worst out of 44 forces. The former Op Qualis and recent OPCC research into file quality with recommendations for improvement continues to drive activity to tackle common errors and improve performance and arising from this there is a significant investment proposal built into the budget.
- There has been a small increase in 999 emergency calls over the last year but notable decrease in 101s, reflecting an element of 'channel shift' to newer, digital methods of contact such as online crime reporting and WebChat. With an intensive change programme in the Force Communications Room (FCR), call handling metrics have improved slightly over the year, with an average of 80% of 999 calls answered within 10 seconds and 47% of 101 calls answered within 30 seconds. Further work continues to ensure the resources in the FCR best match the demand profile.
- 'In house' Victim Satisfaction Surveys have showed relatively high levels of 'whole experience' satisfaction for victims of crime though it should be noted that since 1 April 2017, there has no longer been a Home Office requirement for Victim Satisfaction Surveys as a result of which we are no longer able to provide MSG positions. 2019 saw the introduction of Echo, a notable enhancement to our ability to engage with the public, victims of crime, officers and staff with early results suggesting similar patterns of high confidence and satisfaction with the service delivered. The most recent¹⁶ Crime Survey of England and Wales (CSEW) data shows that 82% of those surveyed in Hertfordshire had confidence in their local police (1st MSG) and 66% believed they were doing a good or excellent job (also 1st MSG).
- Demand Management
- A Demand Management Strategy has recently been agreed by Chief Officers and a supporting action plan is being developed by the Local Change Team who are charged with co-ordinating Hertfordshire Constabulary's efforts to understand and manage both current and future demands. This action plan will also assist in delivering the Annual Management Statement and future reviews by HMICFRS.
- Work to understand the breadth and depth of demands faced by the Constabulary has continued with vigour under the banner of Project Odyssey. Recent reviews include:
- **Intervention Teams** - A Post Implementation Review of the shift change implemented to better meet the demands placed on Intervention Teams is being conducted to ensure efficiencies are maximised whilst the effectiveness of response teams is enhanced. Whilst considering the impacts on the hearts and minds of Officers and Staff, building the confidence of the public in our ability to react to their needs by increasing capability.
- **Safer Neighbourhood Teams** – A number of resourcing profiles have been developed to meet the demands of neighbourhood policing and are offered to Chief Officers for consideration. These models include, a 'HARM' based tool that assesses the harm caused

¹⁶ 12 months to 30 June 2019

to communities and individuals across a range of metrics, a Priority Based Budgeting tool utilising current budgetary constraints to depict service delivery levels and the 2012 model, the model developed in house which informed the current resourcing picture. Further to this, a shift pattern has been developed to deliver a focus on local, community policing whilst realigning staff and Officers to supervision and teams, building resilience and ensuring resources are available at optimum times to address the needs of the public. This will be considered by Chief Officers in the near future.

- **Force Communications Room** – A full review of demands on the Force Communications Room (FCR) has been completed by the Local Change Team, alongside external consultants, resulting in process changes, a new shift pattern design to address call handling requirements and identification of demand reduction initiatives, including the re-introduction of an Incident Response Team (IRT) on a 12-month trial basis to resolve calls to service at the first point of contact. Ongoing work includes the scoping of a Crime Recording function, to manage all aspects of investigation recording within the FCR (excluding those deployed to), to allow call handlers to focus on performance measures whilst developing expertise and efficiencies in recording functions.
- **Crime Investigation** – A review of demand placed upon investigative functions across the organisation including: Local Crime Units, Case Investigation Teams and specialist investigation teams such as the Serious and Organised Teams and Safeguarding. This review is aimed at building resilience whilst increasing the Forces' capability and capacity to meet the investigative needs of its victims.
- **Intelligence Review** – An ongoing review of all intelligence functions across the organisation is underway, with a focus on realigning processes and procedures, reviewing service level agreements and improving service delivery to the organisation, its' partners and the public.

2019/20 National Precept vs Taxbase comparison (excl. MOPAC)



Appendix C – 2020/21 Precept amounts required from the Borough/District councils

District	Tax Base £	Collection Fund £	Total £
Broxbourne Borough Council	7,018,506	212,296.00	7,230,802.00
Dacorum Borough Council	11,596,266	131,410.00	11,727,676.00
East Herts District Council	12,131,856	81,609.00	12,213,465.00
Hertsmere Borough Council	8,294,022	175,758.80	8,469,780.80
North Herts District Council	9,896,040	(42,671.00)	9,853,369.00
St Albans District Council	12,438,558	152,101.00	12,590,659.00
Stevenage Borough Council	5,500,638	60,055.00	5,560,693.00
Three Rivers District Council	7,764,174	(77,339.00)	7,686,835.00
Watford Borough Council	6,629,238	108,203.00	6,737,441.00
Welwyn Hatfield District Council	8,432,820	52.77	8,432,872.77
TOTAL	89,702,118	801,475.57	90,503,593.57

Appendix D – HMICFRS Value for Money 2019

HMICFRS have recently published their annual Value for Money dashboard that compares force position against Most Similar Group (MSG, 8 forces) and nationally (41 forces), using 2019/20 budget data. The key points to note are:

- The 27th highest level of recorded crime per '000 of population.
- Overall spend is 27th highest, 6.0% (£13.2m) below the average, MSG 4th highest and 3.0% (£6.0m) above the average.
- 4th lowest precept level and 21st lowest precept income per head of population.
- 5th highest use of reserves and highest in MSG. 15 forces budgeted to contribute resources into reserves in 2019/20 although some at a minimal level.
- Local policing (the biggest area of spend - £81.4m) Hertfordshire is spending 0.6% (£0.5m) above the national average per head of pop. In order to achieve this prioritisation on Local Policing whilst spending below the national average, overall spend on Non-Local Policing per head of pop is significantly lower (9.8% or £13.7m below the national average).
- Hertfordshire is spending 11.1% above the MSG average on Local Policing. Spend on Non-Local Policing is 1.7% below the MSG average.
- With regard to the proportion of budget, Hertfordshire is spending 39.2% on Local Policing compared to 36.6% Nationally (MSG 36.3%). This is equivalent to £5.4m although this figures needs to be seen alongside the variation in overall spend nationally.
- Hertfordshire's proportion of spend on frontline policing is 71.4%. Out of 41 forces Hertfordshire has the 11th highest percentage of frontline spend, and the 2nd highest out of 8 forces in MSG. On business support Hertfordshire has the 12th lowest percentage nationally and 3rd lowest within MSG.

SPECIFIC SERVICE AREAS

Local Policing – 18th highest spend nationally. Hertfordshire is spending 0.6% (£0.5m) above the national average per head of population. Hertfordshire's is spending 11.1% above the MSG average:

- Officer spending on Incident and Response Mgt is £5.4m higher than MSG average;
- Officer spend on Community Liaison is £1.6m above MSG average; and
- PCSO spend is £1.0m above national average and £1.3m above MSG average. 12th highest level of PCSO spend and 2nd highest in MSG.

Support Functions – 12th lowest nationally. Hertfordshire is spending 8.4% (£4.1m) below National Average and 0.9% below MSG average, highlighting limited scope to achieve significant further savings:

- HR and Training – Hertfordshire spending 0.7% below National Average (less than £0.1m) and 8.2% (£0.7m) above MSG average.
- ICT – 10th lowest nationally. Hertfordshire is spending 12.2% (£2.5m) below National Average and 15.0% below MSG average.
- Estates – 9th lowest spend across all forces. Hertfordshire is spending 18% (£1.6m) below national average.
- Finance – 13th lowest spend across all forces.
- PSD – 17th lowest spend.

- Communications – 19th lowest spend.
- Performance Review and Corporate Development – 13th highest spend.

Dealing with Public (Control Room and Front Desk) 19th highest spend nationally:

- Control Room – Hertfordshire is spending 9.7% (£1.26m) above National Average and a slightly higher percentage above MSG average.
- Front Desk – 11th lowest spend. Hertfordshire is spending 43% (£0.73m) below National Average and 22% below MSG spend.

Criminal Justice – 8th lowest spend nationally. Hertfordshire is spending 16% (£2.1m) below the National Average and 12.0% (£1.5m) below MSG average.

Roads Policing – 15th lowest spend nationally. Hertfordshire's expenditure on Roads Policing is 10.0% (£0.4m) below National Average and 6.0% (£0.2m) below MSG average.

Operational Support – 15th lowest spend nationally. (Firearms, Dogs, PSU, Helicopter) spend is 21% below national average and 2.0% below MSG.

Intelligence – 9th highest nationally. Spend is 20% (£1.9m) above the National Average and the MSG average. This area is one of the thematic areas in the Efficiency Review.

Investigations (including Major Crime, S& Org, Economic and Cybercrime) – Spend is 14th highest nationally and 4.0% (£0.4m) above the National Average, and 37% above the MSG average.

Public Protection – Spend is 19th lowest nationally and 8% (£1.1m) below national average and marginally above MSG average.

Investigative Support – Spend is 20th lowest nationally, and 5% (£0.2m) below the national average and a similar percentage below MSG average.

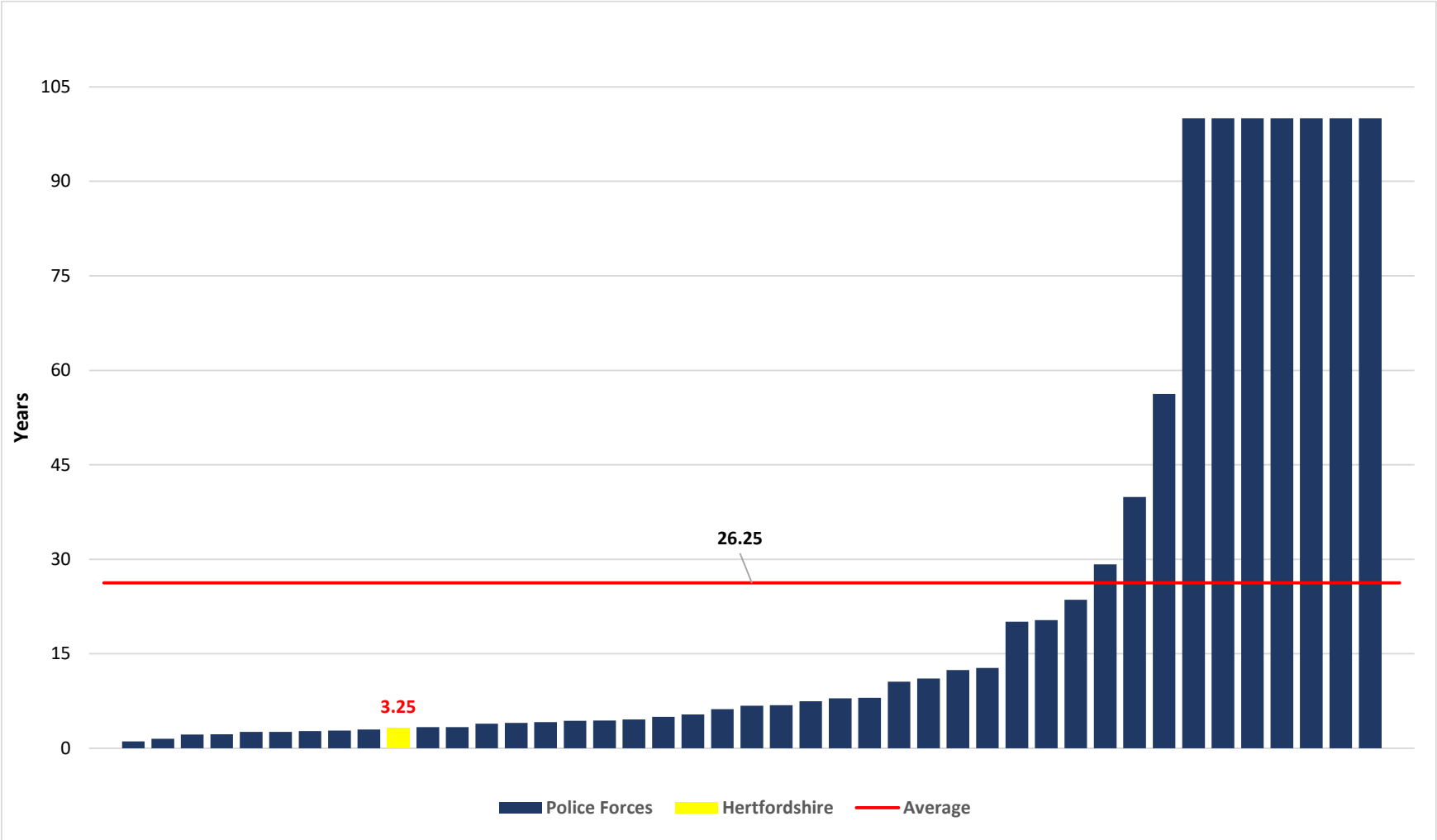
Central Costs- Spend 2nd lowest nationally and is 71% (£6.3m) below national average and 69% below MSG spend:

- Pension and Exit costs are £2.7m below national average.
- Revenue Contribution to Capital is £1.8m below national average.
- Capital Financing costs are £1.9m below national average. This is projected to become an area of growing spend pressure as capital receipts are largely utilised, capital spend is planned to increase creating greater pressure to fund capital directly from revenue and to increase borrowing on longer-term assets.

Injury Pension costs are also projected to increase as level of costs increase and reserve is now fully utilised.

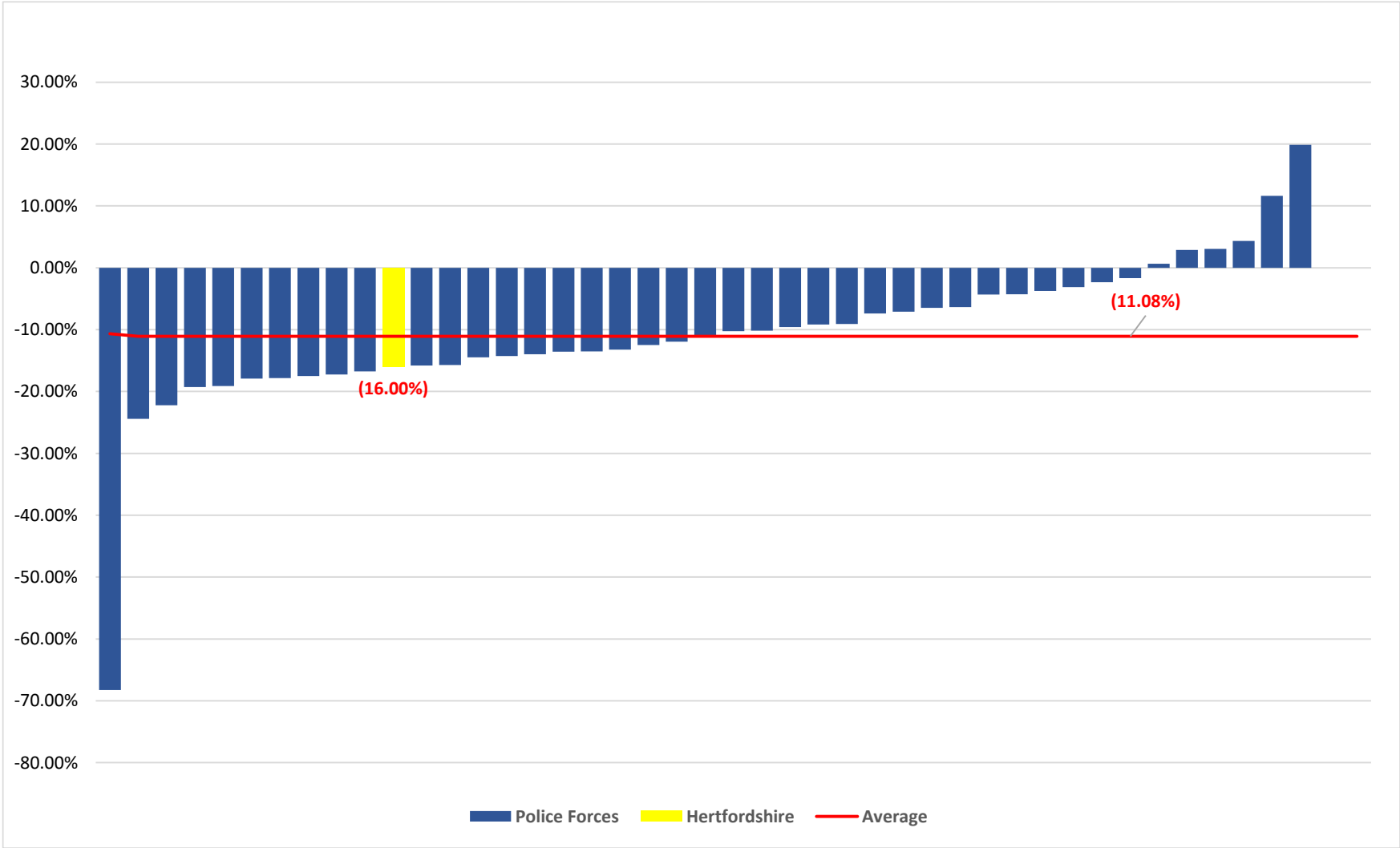
Overtime – Hertfordshire has the 21st highest level of budgeted spend per head of population and 4th highest in MSG.

Appendix E – Reserves depletion time



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Appendix F – Average change in Total Reserves for past 3 years



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