

AGENDA ITEM 5

Essex Police Fire and Crime Panel	EPCP/28/18
Date: 6 December 2018	

Finance Update for the Year to Date and Scene Setting for 2019/20

Incorporating the 2018/19 budget monitoring report and scene setting for the PFCC's January 2019/20 budget and precept proposal

Report by the Interim Deputy Section 151 Officer

Enquiries to: Abbey Gough

Telephone: 01245 291607

Email: abbey.gough@essex.pnn.police.uk)

1. Purpose of report

1.1 This report lays out:

- i) The 2018/19 full year forecast as at 31st October 2018.
- ii) Current and anticipated budget issues that will inform the Panel's discussions on the 2019/20 budget and precept.

2. Recommendation

2.1 The Panel is requested to:

- i) Note the financial performance of the PFCC Group for the financial year 2018/19.
- ii) Consider budget issues and associated risks prior to the forthcoming proposed precept to be presented to this Panel on 24th January 2018. Views of Panel members will inform the development of the PFCC Group budget strategy and precept proposal in supporting the Police and Crime Plan for Essex 2016-2020.

3. Executive Forward

3.1 The PFCC's Police and Crime Plan sets out seven policing priorities to protect Essex. This is a shared plan and its success depends upon the active involvement of the Police in concert with a wide variety of partners with mutual interest in building safe and secure communities. The effective and efficient use of resources provides crucial support to achieving the Plan's objectives.

- 3.2 Constructive critical challenge from Panel members will be invited on the PFCC Group budget and precept proposal which will be presented on 24th January in order to enable the PFCC to resource the Police and Crime Plan for Essex.
- 3.3 This report outlines the financial position for the year to date, financial backdrop and key financial matters for members' consideration.

4. Financial Year 2018/19 to date

Revenue Account

- 4.1 The month seven forecast results shows that the 2018/19 revenue budget is forecast to overspend by £0.794m. This position is summarised in Table 1 below:

Table 1: Analysis of forecast 2018/19 revenue budget at the end of October 2018

Budget Heading	Current Budget	Actuals to Date	Forecast Outturn	Variance - Over / (Under) Spend
	£000	£000	£000	£000
Employees				
- Police officer Pay and Allowances	156,056	90,745	157,636	1,580
- Police Staff Pay and Allowances	78,139	42,899	74,811	(3,329)
- PCSO Pay and Allowances	3,326	1,875	3,251	(75)
- Overtime, Pensions, Training, Expenses	14,223	9,685	15,759	1,537
- Associated Police Pay e.g. Acting Up	740	587	953	213
Employees Total	252,483	145,790	252,410	(73)
Premises	10,539	6,210	10,755	216
Transport	4,603	2,659	5,567	964
Supplies and Services	31,630	19,897	31,271	(359)
Third Party Payments	8,032	4,188	8,721	689
In-Year Investments Shortfall/Surplus	189	0	0	(189)
In-Year Savings Shortfall/Surplus	333	0	0	(333)
Income	(29,432)	(15,052)	(29,526)	(95)
Interest and Capital Activity	1,462	(1,702)	1,050	(27)
Earmarked Reserves	321	363	321	0
Net Expenditure	280,160	162,353	280,954	794
Contribution to/(from) General Reserve	(2,700)	(2,700)	(3,494)	(794)

Budget Requirement	277,460	159,653	277,460	0
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- 4.2 Key budget variances to date leading to the forecast overspend is shown in Table 1 are:
- 4.3 Police Officer Pay and Allowances
Police Officer strength at year end is currently forecast to be 3,019 full time equivalents, which exceeds the 3,000 FTE establishment at budget setting. This is the primary reason for the forecast overspend in Police Officer pay at the end of October 2018.
- 4.4 There were 2,992 officers at 31st October, 10 officers more than the planned 2,982 for the period and 8 officers less than the 3,000 officers planned for the year end. In order to address the forecast overspend for 2018/19 consideration is currently being given to reducing the Police Officer recruitment in March 2019 where the forecast officer strength at 31st March 2018 is 3,019 officers.

Graph 1: Police Officer Strength



- 4.5 Police Staff Pay and Allowances
Police staff pay is underspent by £3.329m at 31st October. This is primarily due to the number of vacancies above the 4.25% vacancy factor and the delay in the implementation of the apprenticeship scheme.
- 4.6 Transport
Currently over spent by £0.964m at 31st October. This is due in part to increased fuel prices and, following the recent retendering process run by South East and Eastern Region Police Insurance Consortium (SEERPIC), increased insurance premiums.

Community Safety Grants

- 4.7 The progress in allocating £5.9m of community grants during 2018/19 is outlined in the Appendix. A total of £5.4m (91%) of grant monies had been allocated by the end October 2018.

Capital Account

- 4.8 Capital expenditure at the end of month 7 was £3m with the forecast spend for 2018/19 being £10.3m.
- 4.9 When the original 2018/19 capital programme was approved in January 2018 the forecast capital expenditure on approved projects was £4.4m. The increase in spend by £5.9m can be attributed to slippage in IT and Estates projects from 2017/18, for example the Infrastructure Modernisation project. Projects are closely monitored through a strict governance structure to understand implications.
- 4.10 The PFCC's opening balance of capital reserves at 1st April 2018 was £0.653m. This balance is supplemented by Government grants and capital receipts during the year as highlighted in Table 2 below.

Table 2: Forecast 2018/19 capital spending and funding source at 31st October 2018

	Quarter 1 Actual £000	Jul-18 Actual £000	Aug-18 Actual £000	Sep-18 Actual £000	Oct-18 Actual £000	Nov-18 Forecast £000	Dec-18 Forecast £000	Jan-19 Forecast £000	Feb-19 Forecast £000	Mar-19 Forecast £000	TOTAL Forecast £000
Opening balance of capital reserves	653	392	242	1,215	2,481	1,933	8,186	8,611	7,238	8,739	653
Capital spend in year	(495)	(520)	(975)	(505)	(548)	(1,549)	(1,175)	(1,923)	(558)	(2,046)	(10,294)
Annual grant from the Home Office	234	-	234	-	-	233	-	-	234	-	935
Operational Transformation Reserve	-	-	-	-	-	22	-	-	-	-	22
Transformation Reserve (IT)	-	-	-	-	-	315	-	-	-	-	315
Property disposals	-	370	1,714	501	-	7,228	1,600	550	1,825	1,776	15,564
Estates Improvement Reserve	-	-	-	216	-	-	-	-	-	-	216
External Funding	-	-	-	54	-	-	-	-	-	-	54
Revenue Contributions	-	-	-	1,000	-	4	-	-	-	-	1,004
Closing balance of capital reserves	392	242	1,215	2,481	1,933	8,186	8,611	7,238	8,739	8,469	8,469

- 4.11 Table 2 shows that the forecast balance of reserves for the end of 2018/19 amount to £8.469m.
- 4.12 An important assumption in Table 2 in forecasting a closing reserve of £8.469m is the disposal receipts of £4.151m forecast in quarter 4. The PFCC has been

highly successful in driving through the disposals programme in ensuring that resources are not tied up with property assets that are surplus to requirements. The firm disposals strategy including spending on planning consents that change the status of surplus police property to achieve a much higher capital receipts is continuing.

- 4.13 It should be noted that at 31st March 2018 the PFCC had unfinanced capital expenditure of £1.69m from previous years.

Operational Transformation Reserve

- 4.14 As agreed as part of 2018/19 budget setting £2.7m was allocated from the General Reserve to a new Operational Transformation Reserve (OTR). The purpose of this reserve was to fund new, transformational projects allowing Essex Police to enhance and transform future capability through one off investment.
- 4.15 At 31st October a number of bids had been approved totalling £2m, with a further £0.7m to be allocated. A summary of the projects funded from the reserve is shown in Table 3 below.

Table 3: Summary of Approved Operational Transformation Reserve Bids

Bid Title	Total (£)	Summary of Bid
Growth in Financial Investigators to support POCA strategy	£ 251,946	Create a proactive approach to Proceeds of Crime Act (POCA) within the Financial Investigation Unit to improve use of POCA
Digital Hub	£ 274,513	Create a digital hub in the Force Control Room to bring digital intelligence and investigation skills to the public first point of contact.
Use of YouGov to support our programme of work to improve public confidence	£ 18,000	Pilot one year license to 'YouGov' to access information and insight to support local engagement plans, public communication and the public perception survey
Enhancing all weather UAVs (Drones) capability	£ 21,000	Purchase a drone and ancillary components which are able to fly in bad weather conditions
Safe As Houses' - visiting victims of fraud	£ 7,500	Fund the Safe as Houses' visiting victims of fraud initiative, this is part funded by the OPFCC
Meet promises from Staff Survey, improving environment and removing barriers	£ 100,000	Help remove barriers at a local level to which are preventing officers and staff from providing a better service to victims and witness of crime

Bid Title	Total (£)	Summary of Bid
to performance at a local level.		
Op Meteor - developing a comprehensive evidence based project (Property Marking Campaign)	£ 236,800	Extensive county-wide crime prevention initiative providing various property marking solutions and analysing their effectiveness, generating appropriate evidence that identifies the most appropriate measure to support an ongoing reduction in the incidences of residential dwelling burglary.
Shared appointments with ECC & Essex University - Head of Analysis & Data Scientist	£ 8,500	Provide part funding for the Essex County Council Head of Analysis role.
Convergence of Financial Processes for Essex and Kent Police	£ 57,000	To fund an external resource to review to financial structures in order for financial convergence to take place between Essex and Ken Police.
Accelerating Delivery of the IT Programme - Technical Design	£ 117,000	To engage additional resource to improve capacity through a delivery partner to support to team.
Predicting Domestic Abuse Demand	£ 81,300	To support a tri force team (Essex, Kent and Greater Manchester Police) to understand and predict domestic abuse demand and review our ability to respond to Domestic Abuse.
Body Worn Video	£645,000	To support the implementation of Body Worn Video across Essex Police
Learning Management System	£22,000	To purchase devices to enable Essex Police student officers to undertake digital exams under supervised conditions
Contact Management Change	£188,000	To support the transition from the existing Contact Management operating model to the target operating model
Total Approved	£2,028,559	

4.16 The approved OTR bids are monitored by the OPFCC, bi-annually via the Strategic Board.

5. Scene setting for the 2019/20 Budget and Precept proposal

5.1 The following subjects will be considered:

- i) HMICFRS PEEL Inspections

- ii) Capital investment
- iii) Central Government Grant
- iv) Medium term financial planning
- v) Reserves
- vi) 2018/19 Precept
- vii) Incremental Cost Pressures

HMICFRS PEEL Inspections

- 5.2 For 2018/19 HMICFRS will carry out integrated PEEL inspections which will involve carrying out PEEL fieldwork once a year in each force. This will involve inspecting against all three PEEL areas (efficiency, effectiveness and legitimacy). HMICFRS started the fieldwork for these assessments in the autumn of 2018, with the first reports due to be published in early 2019.
- 5.3 In 2017 Essex was rated 'Good' by HMICFRS in all three areas.
- 5.4 In October 2018 HMICFRS published the 2018 Value for Money Profiles for police forces in England and Wales.
- 5.5 The profiles show that Essex Police continues to have the lowest Net Revenue Expenditure (NRE) per head of population, at £147.80. The table below summarises the position against the most similar group (MSG).

Table 4: Most Similar Group Net Revenue Expenditure per Head of Population

Force (MSG)	NRE per head of Population
Essex	£147.80
Sussex	£152.80
Hampshire	£153.60
Staffordshire	£155.40
Derbyshire	£161.30
Hertfordshire	£162.20
Leicestershire	£164.00
Avon & Somerset	£168.10

- 5.6 The interactive report can be accessed through the following link:
<https://www.justiceinspectorates.gov.uk/hmicfrs/our-work/article/value-for-money-inspections/value-for-money-profiles/value-for-money-dashboards/>

Capital Investment

- 5.7 The PFCC Strategic Board has been overseeing and coordinating the full range of work associated with transforming Essex Police through investing in modern technology, reshaping the estate and providing fleet facilities to facilitate an efficient, well equipped force.

- 5.8 The most substantial areas of investment are estates and IT. The strategies and plans for these service areas are supported by the Estates Strategic Board and Strategic IT Board. The Estates Strategy was agreed in 2018/19 and subsequently published on the PFCC website.
- 5.9 Work continues to take place with the Essex Police Fire and Crime Commissioner Fire and Rescue Authority on a number of police and fire collaboration projects. This in turn will open up a number of further potential opportunities for sharing services that require capital investment.
- 5.10 The acceleration of capital disposals will inevitably mean that at some point over the second half of the 5 year capital programme the potential for capital disposals will be exhausted. Alternative sources of capital funding through a mixture of additional revenue contributions and borrowing are therefore being considered where there is a justifiable business case. The PFCC's Treasury Management Strategy 2019/20 will establish a framework for short and long term investment and borrowing strategies.
- 5.11 Capital investment and disposal initiatives will present themselves through the capital programme which forms part of the 2019/20 budget and precept proposal to be presented to this Panel on 24th January.

Central Government 'Formula' Grant

- 5.12 There are two main sources of income for Essex Police - The Government grant and the council tax (precept). Together these need to support the £269.5m net expenditure required by Essex Police in 2018/19.
- 5.13 Table 5 below sets out movement in both central government grant and precept income since the start of the first Comprehensive Spending Review in 2011/12, using 2010/11 as a base year. This shows that Government 'formula' grant has reduced by £26.5m from £182.9m in 2010/11 to £156.4m in 2017/18. However, along the way there have been some significant changes as highlighted in the notes below Table 5.

Table 5: 'Formula' Government Core Grant since 2010/11

Government Grant	2010/11 £'m	2011/12 £'m	2012/13 £'m	2013/14 £'m	2014/15 £'m	2015/16 £'m	2016/17 £'m	2017/18 £m	2018/19 £m
Police Grant Note 1, 2 & 3	111.6	117.6	109.5	114.4	110.1	103.3	102.8	101.3	101.3
Revenue Support Grant	9.0	15.1	1.2						
DCLG Grant	62.3	50.1	62.4	60.9	58.1	56.3	55.9	55.1	55.1
Total	182.9	182.8	173.1	175.3	168.2	159.6	158.7	156.4	156.4

NOTES:

1. Neighbourhood police grant amounting to £7.2m was subsumed into Police Grant in 2013/14. Prior to 2013/14 this grant was a specific grant that offset service expenditure.
2. The Council Tax Freeze Grant was not available prior to 2011/12 and included in revenue support grant during 2012/13.

3. Community Safety Grant of £1.2m was channelled through to PFCCs starting in 2013/14 and thereafter included in Police Grant to provide funds for the PFCCs allocation of grants.
- 5.14 The PFCC is closely engaged with the Home Office, through the APCC as co-chairman of the Strategic Finance Board and also in his capacity as the first PFCC in the pursuit of a fairer allocation of government grant to match police service demand.
- 5.15 Following the Government's Autumn Budget on 29th October 2018, specific government grant allocations for all forces are awaited which are expected to be announced around 6th December.

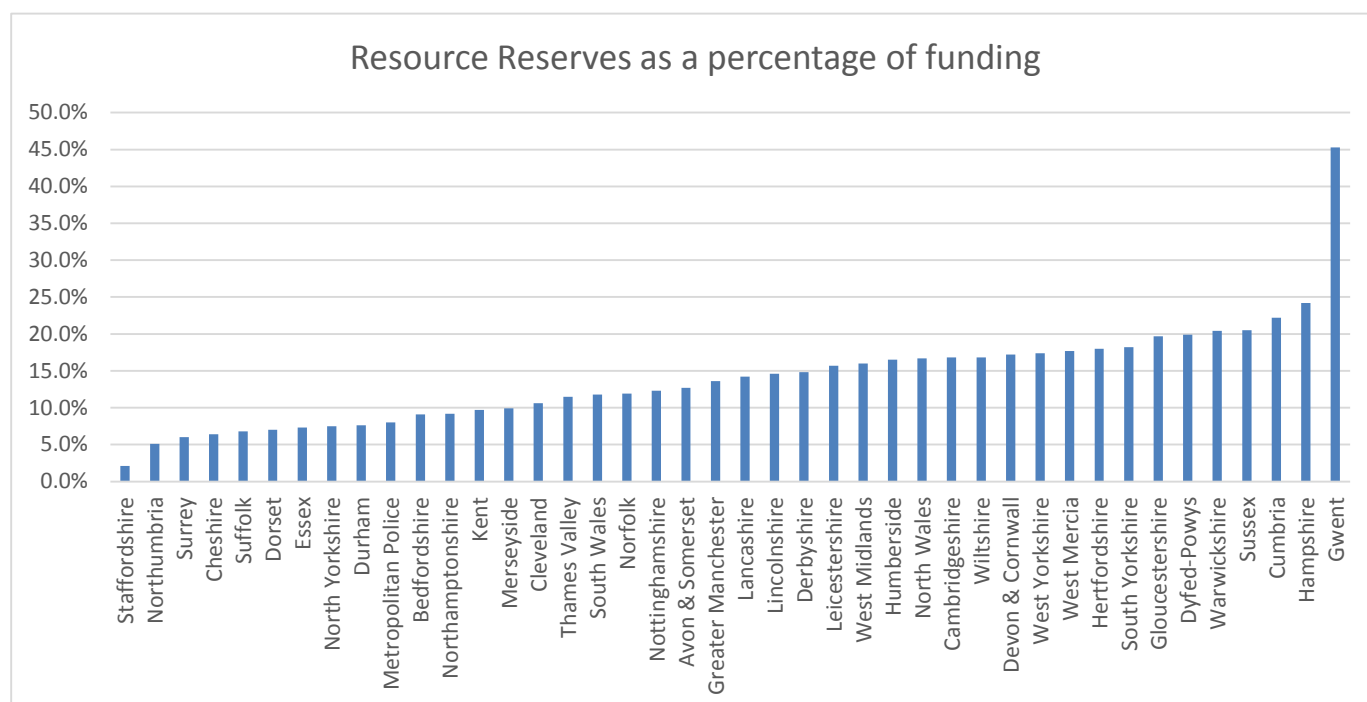
Medium term financial strategy (MTFS)

- 5.16 The forecast position of the PFCC over the next five year period 2019/20 to 2023/24 is under construction which is taking into account:
- i) Police officer/PCSO/Staff pay awards
 - ii) Unavoidable non pay inflation
 - iii) One-off costs no longer funded from reserves
 - iv) Revenue consequences of the capital programme
 - v) Government grant levels
- 5.17 The level of Government Grant for 2019/20 will be provisionally known around 6th December, which will enable an updated MTFS will be incorporated into the 24th January budget / precept report.

Reserves

- 5.18 The forecast General Reserve for 31st March 2019 is **£8.5m** (3.1% of net revenue expenditure). The PFCC revenue reserves (general plus earmarked) as a percentage of funding are among the lowest of all forces in England and Wales.
- 5.19 The Police and Crime Commissioners Treasurer's Society (PACCTS) has updated the analysis of reserves survey that was completed last year. It found that between 31st March 2017 and 31st March 2018 revenue reserves had fallen by 14% to £1.4bn, with the expectation that these reserves will fall by a further £656m, 47%, by March 2021. Capital reserves have reduced from £534m in March 2017 to £168m in March 2018, a reduction of 69%.
- 5.20 Whilst the PFCC for Essex has a forecast general reserve of 3.1% it is the case that the level of earmarked reserves also has an influence on the level of general reserves. PCCs invariably having the option of transferring earmarked reserves to general reserves.
- 5.21 The PFCC's resource reserves compared to other PCCs in shown in Graph 2 below.

Graph 2: Resource Reserves as a percentage of funding by PCC



- 5.22 The low level of reserves held by the PFCC in Essex demands tight in-year budgetary control but there remains the risk that unplanned significant operations, such as murders, will disrupt service plans and delivery. The level of reserves will be reviewed in detail as part of the 2019/20 budget / precept report.
- 5.23 The close involvement of the PFCC as co-chairman of the Joint APCC/NPCC Finance Strategy Group has resulted in the acceptance of the need for greater transparency of reserves. For 2018/19 each PCC was required through the Home Office Financial Management Code of Practice to publish in a clear manner not only the level of reserves but also how the reserves are planned to be used. Specifically, each PCC should publish their reserves strategy on their website, either as part of their medium term financial plan or in a separate reserves strategy document. The reserves strategy should include details of current and future planned reserve levels, setting out a total amount of reserves and the amount of each specific reserve that is held for each year. The reserves strategy should provide information for at least two years ahead. The PFCC's reserve strategy is available on the PFCC website.
- 5.24 Sufficient information should be provided to enable understanding of the purpose for which each reserve is held and how holding each reserve supports the PCC's medium term financial plan. This approach marks a stepped improvement in the level of transparency for public consumption.

Precept level

- 5.25 The other key assumption is the level of precept. Out of 37 English Forces for 2018/19, Essex has the sixth lowest precept at £169.02 for a Band D property as detailed in Table 6.

Table 6: 2018/19 Council Tax (average Band D) and % change on 2017/18

Police and Crime Commissioners	Average council tax for the authority (Band D)		
	£	% Change	
Northumbria	£110.33	1	12.20
West Midlands	£128.55	2	10.30
West Yorkshire	£162.95	3	7.95
Hertfordshire	£164.00	4	7.89
Sussex	£165.91	5	7.80
Essex Police	£169.02	6	7.62
Kent	£169.15	7	7.64
South Yorkshire	£170.16	8	7.59
Greater Manchester Combined Authority - Police Functions	£174.30	9	7.39
Cheshire	£176.44	10	7.30
Lancashire	£177.45	11	7.25
Hampshire	£177.46	12	7.25
Merseyside	£177.97	13	7.23
Bedfordshire	£178.09	14	7.22
Durham	£181.24	15	7.09
Wiltshire	£182.27	16	7.05
Thames Valley	£182.28	17	7.05
Devon & Cornwall	£188.28	18	6.81
Suffolk	£188.82	19	6.77
Staffordshire	£192.56	20	6.29
Derbyshire	£192.60	21	6.64
Avon & Somerset	£193.81	22	6.60
Nottinghamshire	£195.39	23	6.53
West Mercia	£197.07	24	3.94
Cambridgeshire	£198.72	25	6.41
Leicestershire	£199.23	26	6.41
Humberside	£199.32	27	6.40
Warwickshire	£203.98	28	6.25
Dorset	£206.58	29	6.17
Lincolnshire	£217.44	30	5.83
Northamptonshire	£221.04	31	5.74
Gloucestershire	£226.49	32	5.59
Cleveland	£226.54	33	5.59
Norfolk	£229.14	34	5.51
Cumbria	£232.74	35	5.42
North Yorkshire	£232.82	36	5.20
Surrey	£236.57	37	5.34

- 5.26 The average precept for all forces is £190 for a Band D property. If Essex had a precept level equal to the average this would have generated an additional £13.3m in the current financial year, equivalent to approximately 266 police officers.
- 5.27 Following the Government's 2018/19 police funding settlement the PFCC was given the power to raise council tax contributions up to a maximum of £12 for an average Band D property. The Government announced its intention to extend this flexibility to 2019/20 provided that certain productivity and efficiency milestones were met nationally. Significant progress has been made and therefore it is anticipated that the PFCC will have the scope to raise the precept by a maximum of £12, with the panel's approval, for 2019/20.
- 5.28 It is expected that the Government will announce the Provisional Grant Settlement on the 6th December.

Incremental Cost Increases

- 5.29 There are a number of significant cost increases which the PFCC is anticipating for 2019/20. Some of these increases will impact the budgets of future years and are summarised below.

Police Officer Pensions

- 5.30 As part of the 2016 Pension Valuation Her Majesty's Treasury announced Public Sector Pension Valuations 'Directions' which intend to increase the Employer Contribution rate from 2019/20. This will impact the Police Pension Scheme.
- 5.31 The main change is the change in discount rate from 3% to 2.4% which converts future pension payments into present day value. For 2019/20 the cost to policing nationally is anticipated to be circa £165m and the Home Office has said that police forces should budget for these costs.
- 5.32 The full impact in 2019/20 for Essex is £9.7m, however with the expected Treasury support this cost is expected to be mitigated to £3.8m in 2019/20. There are discussions taking place at a national level regarding the pension impact on police budgets which the PFCC is involved in.
- 5.33 Based on early calculations, in order to increase officer numbers in Essex by 150 FTE, as in 2018/19, the PFCC would have to increase the precept in Essex by £22 in order to offset the additional cost pressures. In order to sustain officer numbers at 3,150 FTE the PFCC would have to increase the precept by a further £8 in 2020/21. This is summarised in Table 7.

Table 7: Summarised Pension Impact

Mitigated Pension Impact - £3.8m in 19/20 & additional £5.9m in 20/21 (total £9.7m). £22 precept increase 19/20 to raise police officers by 150 to 3150 and £8 20/21 to sustain 3150 officers.	2019/20	2020/21
	£m	£m
Annual (Shortfall) / Surplus <u>before cashable</u> Savings & Efficiencies Plans	(9.4)	(9.7)
Strategic Change Savings & Efficiencies Plan (S&EP) - <u>cashable</u>	4.9	4.9
Annual (Shortfall)/Surplus <u>after cashable</u> S&EP - to be (found) / invested	(4.5)	(4.8)
Mitigated Pension Impact - £3.8m in 19/20 & additional £5.9m in 20/21 (total £9.7m)	(3.8)	(5.9)
Surplus from 2019/20 invested in new officers		5.7
Updated Shortfall after cashable S&EP	(8.3)	(5.0)
Precept investment 2019/20 - if raise by £22	14.0	
Precept investment 2020/21 - if raise by £8		5.0
Projected Surplus to invest in New Officers	5.7	0.0

5.34 The figures shown in Table 7 are based on early indications from Chief Officers, however further workshops are taking place to refine the 2019/20 position ahead of 24th January meeting.

Emergency Service Mobile Communications Programme (ESMCP)

5.35 There are well publicised delays in the government led plan to replace the current communication system, known as Airwave. The Emergency Services Network (ESN) is a new closed communications system that will allow the UK's emergency services to communicate with each other securely and reliably, operating in a commercial 4G environment but with increased geographic coverage.

5.36 Due to the delay the additional cost pressures to Essex include the cost of dual running both systems, delayed benefit realisation from ESN and additional capital costs to purchase replacement Airwave handsets.

5.37 The programme has been subject to a review by the Public Accounts Committee and remains under scrutiny.

Motor Insurance

5.38 The previous Essex Police contract expired on 30th September 2018. Essex, as part of the South East and Eastern Region Police Insurance Consortium (SEERPIC), went out to tender and awarded a new contract. Due to a number of factors the forecast premium for 2019/20 is £1.5m, an increase of £1m.

5.39 Essex Police and the consortium are reviewing a number of options which may, in the future, reduce the insurance costs to Essex Police.

Fuel Costs

- 5.40 Fuel costs in 2019/20 are expected to increase by approximately £200k for the period. Increased cost are linked to changing global economic conditions, fluctuating oil prices and increased officer mileage due to additional officer activity following the successful introduction of the Mobile First programme.

Police Educational Qualification Framework (PEQF)

- 5.41 The Police Educational Qualification Framework (PEQF) is a new professional framework, designed by the College of Policing (CoP), which will eventually define all recruitment, training and progression standards for police officers and police staff.
- 5.42 Essex Police is working to ensure that the three new entry routes into policing for constables are implemented for January 2020 (these being the Police Constable Degree Apprenticeship (PCDA), Degree Holder Entry Programme (D-HEP) and Pre-join Degree (PJD)). Essex Police will be required to enter into partnership arrangements with a Higher Education Institute (HEI) to deliver this. The procurement process is underway for a HEI partner through the 7Force programme.
- 5.43 Whilst some of the costs associated with the PCDA are expected to be recoverable through a draw down to the Apprenticeship Levy, it is expected that the PEQF programme will be more expensive than the current programme. D-HEP costs are expected to be absorbed by the force. There are also additional pressure such as increased workforce abstraction due to the learning requirements of the degree programme.
- 5.44 Essex Police is working to understand the full impact of the PEQF on the workforce and budgets.

6. Managing Risk

- 6.1 The pressure placed on the Force to deliver within available resources are very challenging. The following risks can be highlighted:
- i) The risks associated with addressing increasing levels of crime with an insufficient complement of front line officers required to address this demand, particularly with significant unplanned demands
 - ii) The risks associated with failing to invest in officer and staff training, development, career incentives and motivation that an efficient force demands
 - iii) The risks associated with failing to invest in programmes that provide a justifiable return in service improvement and / or savings to enable a sustainable approach to force service delivery.

- 6.2 The future exchange and engagement between this Panel and the PFCC / Chief Constable's Joint Audit Committee is welcomed as a means by which both the successes and risks associated with service delivery can be effectively shared.

COMMUNITY SAFETY GRANTS**APPENDIX A**

The PFCC budget for Victims is made up of 3 budget lines. The below provides a clear breakdown of the three funds and the expenditure within each budget for 2018/19.

Budget Line	Description	Amount	Allocated Spend 2018/19	Unallocated Spend¹
Victims' Commissioning Fund	Ministry of Justice Grant that is provisioned to support victims cope and recover from the impact of crime	£2,839,860 ²	£2,794,234	£45,626 (2%)
Community Safety Fund	This fund is derived from the Home Office Policing grant. This fund is to help deliver priorities within the Police and Crime Plan	£2,763,213 ³	£2,436,434	£326,779 (12%)
Community Safety Development Fund	This is a small grants programme for community projects that support the Police and Crime Plan	£300,000	£122,093	£177,907 (59%)
Total		£5,903,073	£5,352,761	£550,312 (9%)

Victims' Fund

The Victims' Commissioning Fund is an annual grant devolved from the Ministry of Justice to enable the PFCC to commission local support services that provide victims with the services they need to cope and recover from the impact of crime. The below table provides a summary of the services commissioned using the Victims' Commissioning Fund for 2018/19;

¹ Unallocated spend as of 31st October 2018

² MOJ Grant for 18/19 £2,094,595 rest of fund is made up from transfer of budget from Community Safety Fund, Local Authority & NHS England contributions, and Home Office VAWG Transformation Fund

³ PFCC fund is £2,648,213 with additional budget from for 18/19 coming from partners. £320,565 was carried forward from 2017/18

Service	Cost per annum	Provider	Term (years)
Domestic Abuse – IDVA	£700,000 (PFCC contribution £451,000)	Safer Places	3+1+1 commenced April 2015
Domestic Abuse Partnership resources	£115,183	Southend, Essex and Thurrock Domestic Abuse Board	Ongoing
Sexual Violence – ISVA (including Young people)	£330,000	Essex Rape Crisis Partnership	3+1+1 commenced April 2016
Sexual Violence – Community Services	£440,000	Essex Rape Crisis Partnership	3+1+1 commenced April 2016
Sexual Violence – SARC (Forensic Medical Service)	£162,300	Mountain Healthcare	3+1+1 commenced April 2016
Non specialist - Referral and Assessment	£550,000	Victim Support	3+1+1 Commenced April 2018
Restorative Justice	£160,000	PFCC Office – Restorative Justice team	Ongoing
Commissioning Support Officer	£45,000	PFCC Office	Ongoing
Other	£771	Victim Gateway website hosting	Ongoing

The Ministry of Justice monitors the fund allocation by bi-annual grant monitoring which the PFCC's office completes. The PFCC's office monitors compliance, value and service efficacy for victims through quarterly performance reviews with each provider. Where the partner labelled above is within the PFCC's office (e.g. Restorative Justice and Commissioning Support Officer) this is monitored through annual performance management to ensure compliance and value.

In 2017 the Essex Partnership was successful in applying to the Home Office Violence Against Women and Girls (VAWG) Transformation Fund for £450,000 over three years to develop a multi-agency VAWG perpetrator pathway model. Grants have been awarded to multiple partners to help deliver the service. In September 2018 the OPFCC applied for a further £40,644 from the Home Office to extend the prison based intervention in the community. All of this Home Office funding is passported through the PFCC to delivery organisations.

The OPFCC is currently developing proposals in the region of £41k to support further victim support initiatives in 2018/19.

Community Safety Fund

The Community Safety Fund is provided by the Home Office to allow the PFCC to support the delivery of the Police and Crime Plan. The below table provides a summary of the Community Safety Fund expenditure for 2018/19:

Service	Cost per annum	Description
Community Safety Partnership	£272,558	Community Safety Partnerships operate in every district of Essex. They have responsibility to protect and support their local communities from crime and to help people feel safer. CSPs are monitored via an annual return to the PFCC
Drug and Alcohol Action Team (DAAT)	£502,998	The PFCC contributes to the Local Authority DAAT teams to provide community safety interventions across Essex, Southend and Thurrock. Annual monitoring arrangements are in place
Youth Offending Service (YOS)	£443,835	The PFCC contributes alongside the local authority to the YOS whose aim is to work with children and young people who have offended and to help prevent them re-offending in further crime. Annual monitoring arrangements are in place
Safeguarding	£198,583	The PFCC has a statutory obligation to contribute to the Essex, Southend and Thurrock children and adult safeguarding boards.
Crimestoppers	£50,502	Essex's contribution to the national Crimestoppers support line for anonymous information gathering and a contribution to the Regional Manager post.
Gangs	£100,000	To support priority 5 of the Police and Crime Plan, the PFCC commissioned Gangsline (through a contract expiring in January 2019) to provide awareness and mentoring to those at risk of exploitation by criminal gangs.
SafeLives Drive	£313,000	Final year of a 3-year pilot domestic abuse perpetrator programme co-commissioned with local authority and Social Finance
Victims Fund (Internal transfer)	£100,000	Allocated to the Victims' Commissioning Fund from the Community Safety Fund. The Victims' Commissioning Fund from the MoJ doesn't support some elements of ASB. The transfer of this fund allows for services such as the Restorative Justice Team to support those individuals who are in need of support.
Domestic Homicide Review	£72,167	PFCC's contribution to the provision of a central Domestic Homicide Review process
Reducing reoffending	£45,000	The PFCC uses this amount of funding to support the coordination of interventions to reduce reoffending and improve community safety, through the

		appointment of a Reoffending and Community Safety Manager.
Road Safety	£12,070	Services are commissioned to support priority 7 of the police and crime plan by supporting the Speed Watch programme.
Criminal Justice Board Manager	£7,600	The PFCC match funded a Criminal Justice Board Manager to support the co-ordination of the Criminal Justice Boards. The funding amount is for the manager to remain in post until the end of 2018/19.
Violence against Women and Girls evaluation (University of Essex)	£20,000	Independent evaluation of the Violence against Women and Girls Strategy which includes a specific programme targeting and supporting perpetrators of violence against women and girls.
Victim Satisfaction survey	£40,000	The PFCC has provided funding to undertake a victim voice survey in Essex to better understand victim satisfaction and public confidence in Essex Police.

The OPFCC is currently developing a number a number of proposals supporting community safety initiatives in 2018/19. These proposals total approximately £200k, and will be developed during the remainder of the financial year.

Community Safety Development Fund

The Community Safety Development Fund is a £300,000 small grants fund that is available to community and voluntary sector organisations. The fund offers grants of up to £20,000 for community projects that help to prevent and tackle crime and anti-social behaviour in Essex.

The fund is split into three rounds. By 31st October the first two rounds of 2018/19 were held. Applications were reviewed by Community Safety Partnerships and evaluated by a panel of independent local representatives.

At 31st October £137,493 had been awarded. The graph below illustrates how the funds have been distributed across the PFCC's priorities. The final round of the CSDF is due to close on 31st January 2019.

Community Safety Development Fund - Spend Against Priorities Rounds 1 and 2

