

From: Ann Barnes, Kent Police and Crime Commissioner  
To: Kent and Medway Police and Crime Panel  
Subject: Initial thinking Budgets, Grants and Commissioning for 2014/15

**Summary:** This report sets out the Kent Police and Crime Commissioners initial thinking on budgets, grants and commissioning.

## **Background**

1. The Commissioners approved revenue budget for 2013/14 is £316.9m (gross) as follows

	<u>£M</u>
Gross police services spend	313.4
Office of the Commissioner	1.5
Grants awarded by the Commissioner	2.0
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	316.9
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Financed by:	
Local income	19.0
General and specific grants	216.8
Community Safety Grants	1.3
One of use of reserves	0.2
Precept	79.6
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	316.9
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2. By way of clarification, the precept level reflected a 2% increase on the previous year to help invest in greater front line police resources. Separately, some £160,000 was applied by the Commissioner as one off use of reserves to help maintain all commissioning grants into 2013/14 at pre-existing levels. This was one-off support for partners. Finally, the annual budget for the Office of the Commissioner was as inherited, to the pound, from the previous Police Authority.
3. Over the medium term, the published Police and Crime Plan assumed precept increases of 2% p.a over the life of the plan and 5% reductions in government grants (excluding counter-terrorism grants) also over the life of the plan for planning purposes.

## **CSR2 Planning**

4. For 2014/15, the final year of CSR1, budget plans assume a 5% grant reduction in line with indicative government allocations for 2014/15. This also applies to Community Safety Grants which will be subsumed into general grant allocations for 2014/15 onwards.

5. The initial Government announcement for CSR2, commencing in 2015/16, implies a grant cut also of 5%. To this must be added two key risks which while not certain risks, are high risk. These are (a) redistribution of grant funding between police forces and (b) the impact of increases in employers' national insurance contributions, generally, to fund national changes in pension policy. Both of these have a significant negative impact on Kent, a minimum of £5m in each case.
6. At this stage the financial impact of the above, coupled to simple inflation, implies a further £20m of savings are required in 2015/16 onwards. One of the planning difficulties is that some of the above risks, while having a high probability of occurring may happen in 2016/17 rather than 2015/16. In addition, the reality of CSR2 may amount to further grant cuts in 2016/17 as well as 2015/16. All in all, additional savings of £20m for 2015/16 seems reasonable assumption at this stage and the Commissioner has asked the Chief Constable to bring forward initial plans as to how the force would implement such saving in 2015/16 in practice. At this stage, in very crude terms, as part of other actions, an additional £20m of savings, implies a further 290 officers and staff would be lost. This would be on top of the broadly 500 officers and 700 staff lost due to CSR1 saving requirements.

### **CSR1 and 2014/15 Planning**

7. CSR1 runs for 4 years to 2014/15 and in the case of Kent Police Service required savings of £50m. Through effective and early planning, the force is well on target to deliver the final tranche of that base budget savings target by 31 March 2014, i.e. a year early.
8. The Commissioner has already published an indicative medium financial plan in support of her published Police and Crime Plan to 2016/17. Both will need to be refreshed in the normal way for 2014/15. The intention is to commence a refresh of the Plan during November, involving consultation with partners, as part of the process of presenting her budget proposals to this Panel in February.

### **Emerging Commissioning Plans**

9. In the round, Commissioning priorities and intentions reflect the whole Police and Crime Plan but clearly partners, outside the Force, are particularly interested in how that thinking reflects in the commissioning grants to be given out by the Commissioner for 2014/15 onwards. For 2013/14, the Commissioner decided to maintain stability in the grants that partners had received in 2012/13, from the various sources that had been aggregated into the Community Safety funds that she had inherited for 2013/14. Meeting that promise had involved the Commissioner allocating some £160,000 of her one off resources in 2013/14. The Commissioning Grants allocated for 2013/14 are listed in the Police and Crime Plan but attached as appendix A to this report for completeness.
10. In relation to Commissioning grant decisions for 2014/15 onwards, the Commissioner has identified some key planning principles as follows:

- There must be a 'Golden Thread' that flows from the Police and Crime Plan priorities
  - Victims must be at the heart of the process
  - Work with partners where possible and appropriate
  - Ensure effective governance processes are in place but that they are proportionate
  - Value for money supported by Medium term allocations where possible
11. Many of the above may be self-explanatory but some clarification may be helpful. The Commissioner takes the view, that she will be clear about what she wishes to achieve, what the current service and provision looks like on the ground so to speak including which partners are involved and to what an extent. After that she will then decide how best to direct her commissioning actions. In some cases that may mean simply continuing to allocate resources to existing partnerships, in some cases it may mean working with partner agencies to establish new commissioning arrangements or it may mean she feels the needs to commission some new services herself
12. In policy terms, the emerging seven specific priorities flowing from the above are as follows:
- Reducing drug and alcohol misuse, particularly where linked to offending and re-offending.
  - Supporting local partner initiatives to tackle crime, ASB and re re-offending.
  - Reducing re-offending and preventing offending of young people
  - Tackling domestic abuse, including developing the support mechanisms for those affected by domestic abuse and supporting the emotional well-being of children and young people affected by domestic abuse
  - Ensure the provision of an effective countywide rape and sexual assault service for Kent and Medway.
  - Ensure support for victims of crime and anti-social behaviour is at the heart of the criminal justice system.
  - Utilise effective restorative practices to reduce re-offending.
13. There are a number of commissioning actions that will flow from the above but the Commissioner has decided that continuing to work with, and not compete with, her key partners is vital. This includes, in particular, local Community Safety Partnerships, Drug and Alcohol Action Boards and Youth Offending Boards. The Commissioner also remains committed to the co-commissioning approach to IDVAs that she signed up to in the current year. Over the coming months, the Commissioner intends to refine and focus on the specifics but has already decided that the above needs to be supplemented by the establishment of a "Commissioner's Community Fund", aimed at the voluntary or not for profit sector for relatively small amounts in scale terms, £500 to £2000, but often a key amount for the local group involved. The details of this and other actions are being worked on
14. In respect of the financial position, the Commissioner takes the view that where she can provide medium term financial certainty in grant allocations to partners she will strive to do so. However to do that partners must appreciate

that in crude terms the Commissioner can only give out what she gets in resources and would not wish to force further savings in police services effectively to subsidise wider community safety funding cuts imposed on her. Accepting those constraints, our best planning assumptions assume a 5% grant cut, in each of the next three years, to 2016/17. This implies a funding cut of 15% in the commissioning grant budget of £1.8m after removing the one off amount allocated for 2013/14 of £0.160m. Subject to putting other appropriate governance in place, the Commissioner would wish to give three years allocations to chosen partners but subject to that trajectory of 5% grant cut pa and 15% overall to 2016/17.