

SHADOW CAMBRIDGESHIRE POLICE AND CRIME PANEL	Agenda Item No. 9
12 September 2012	

Report of Chief Executive, Cambridgeshire Police Authority

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TRANSFER OF BUDGETS TO POLICE AND CRIME COMMISSIONER

1. PURPOSE

- 1.1 To inform the Panel of the latest position on existing central Government grants for community safety that the Government has indicated will transfer to Police and Crime Commissioners, within the context of the broader financial outlook for the Police and Crime Commissioner and the Constabulary.

2. RECOMMENDATIONS

- 2.1 The Panel is asked to note the report, in particular the significant budget pressures and pressing timescales for decision making.
- 2.2 The Panel is asked to indicate any additional budget information that they would find useful to consider to inform their review of the proposed precept in January 2013.

3. TERMS OF REFERENCE

- 3.1 In accordance with Regulations anticipated to be set down by Government, the Commissioner's precept proposals will need to be submitted to the Panel by 21 December. The Panel will need to review the proposed precept by 15 January 2013.

4. BACKGROUND

- 4.1 The Medium Term Financial Plan (MTFP) is a comprehensive strategic document which sets out a four year financial outlook for the Police and Crime Commissioner and the Constabulary and captures the costs of delivering the Police and Crime Plan. As part of the MTFP, the difficult budget settlements in the next few years will be addressed while still trying to preserve 'front-line' resources, especially neighbourhood policing.
- 4.2 The Police and Social Responsibility Act 2011 gives Police and Crime Commissioners powers to make crime and disorder reduction grants. During the passage of the Bill through Parliament, and subsequently, the Policing Minister has made many statements about existing central Government grants for community safety being transferred to Police and Crime Commissioners. Most recently (July), the Minister has announced that Commissioners will receive funding to commissioner services for victims. It is anticipated that offenders will have to pay up to £50 million a year to help victims and this will be in addition to the £66 million a year the Government already spends on services supporting victims and witnesses. It is reasonable to assume that if Police and Crime Commissioners achieve better value (outcomes) from spending that other funding will come their way.

5. KEY ISSUES

Crime and Disorder Reduction Grants

- 5.1 The existing funding streams which we are aware are to transfer to the Commissioner are set out at Appendix 1. However, it should be noted that the grants for 2012/13 finish at the end of that period, with an entirely new funding regime and grant-making process beginning in 2013-14. It will be for the Commissioner to take decisions about future funding or commissioning regimes.
- 5.2 In addition, while the Government has announced its intentions to transfer funds, it has given no indication of funding levels. Community safety funding from Government was reduced by 50 per cent in 2012/13 when compared with 2011/12. It is expected to reduce again in 2013/14. It would be hoped that Government funding announcements would come in time to be factored into the Commissioner's 2013/14 budget and precept proposals which have to be submitted to the Police and Crime Panel by 21 December. The target date for the grant settlement to be announced by Government is 21 November.
- 5.3 Government envisages that the Commissioner will have an opportunity to look holistically at community safety activity and funding across Cambridgeshire and Peterborough. Although the earmarked grants in question are relatively small (appendix 1) they do have an impact upon the partnership activity of criminal justice and community safety partners. The Local Government Association has already highlighted that the anticipated reduction in community safety funding will mean that some Community Safety Partnerships (CSPs) will no longer be viable in their own right and will need to consider mergers if they are to continue to function.
- 5.4 Although the successes of CSPs are dependent on effective partnership working and should not be wholly dependent upon ear marked funding, some partnerships and key thematic groups working across CSP boundaries have now come to rely upon grant funding to support activity and fund specific posts, rather than link with mainstream funding.
- 5.5 Notwithstanding any changes to funding or commissioning regimes, the duties of the Police and all Local Authorities under Section 17 of the Crime and Disorder Act 1998 (as amended by the Police and Justice Act 2006) continue:

'Without prejudice to any other obligation imposed on it, it shall be the duty of each authority to which this section applies to exercise its various functions with due regard to the likely effect of the exercise of those functions on, and the need to do all it reasonably can prevent,

a) Crime and disorder in its area (including anti social behaviour and other behaviour adversely affecting the local environment) and,

b) The misuse of drugs, alcohol and other substances in its area.'

5.6 Broader Financial Outlook

The MTFP 2012-16 identifies policing budget gaps totalling £8.5 million over the next three years. Our working assumption is that government grant will continue to reduce in 2016/17, creating a further budget gap of £2.2 million. The total budget gap over the MTFP 2013/17 period is therefore approaching £11 million.

- 5.7 Work to balance the budget for 2013/14 onwards has now focused on collaborative initiatives particularly for organisational support. When the Full Authority met on 28th June it agreed that the full business case for organisational support should be developed for final decision by the Police and Crime Commissioner after 22nd November. However, the Authority also felt that a 'Plan B' should be worked up to balance the budget if, for any reason, the organisational support work was delayed or abandoned. The September Police Authority Finance and Resources Committee has considered this in more detail (see paragraph 9).

Council Tax (Precept)

- 5.8 In February 2012, the Police Authority agreed to include a 2% increase in council tax precept in each of the three forecast years (MTFP 2012/16). The Government's new scheme on the localisation of council tax benefits will reduce the council tax base. Early estimates are that this could cost £0.6 million in reduced precept. While in 2013/14 whilst the scheme settles down, it might be possible to meet this from reserves, from 2014/15 it will increase the budget gap and have to be met from budget reductions. The current Band D council tax is £174.51 and 1% on council tax raises £0.5m. Under the Localism Act 2011, the Government sets a limit on council tax increases. For 2012/13, the limit was set at 4% for Police Authorities. It is hoped that details of the limit will be published at the same time as the Provisional Local Government Finance Settlement (including Police) in late November 2012. If an incoming Police and Crime Commissioner wished to champion a council tax increase in excess of the prescribed limit a referendum would have to be held, with the costs of the referendum borne by the Commissioner. In contrast, if an incoming Commissioner wished to champion, say, no increase in council tax for 2013/14, this would increase the budget gap by £1million annually.

6. IMPLICATIONS

- 6.1 As noted above, as part of the MTFP, the difficult budget settlements in the next few years will be addressed while still trying to preserve 'front-line' resources, especially neighbourhood policing. Many other Authorities are facing similar financial challenges.
- 6.2 Although the successes of CSPs are dependent on effective partnership working and the effective use of mainstream budgets as set out in Crime and Disorder Act some partnerships and key thematic groups working across CSP boundaries have now come to rely upon grant funding to support activity and fund specific posts, rather than link with mainstream funding. Effective planning is required to respond to the likely reduction of these earmarked grants.

7. CONSULTATION

- 7.1 Officers have been working across the Police Authority and Local Authorities to understand better the existing funding streams and the possible implications of any changes to funding or commissioning regimes.

8. NEXT STEPS

- 8.1 An update on the financial information which will be included in the Medium Term Financial Plan 2013-17 has been considered by the Police Authority's Finance and Resources Committee on 5 September 2012. A draft of the full Medium Term Financial Plan for 2013/17 will be presented at the next meeting of the Police Authority's Finance and Resources Committee on 11 October 2012. Further information could be brought to the next meeting of the Panel.

9. BACKGROUND DOCUMENTS

- 9.1 Medium Term Financial Plan 2013/17 – Update, Finance and Resources Committee, 5th September 2012, Cambridgeshire Police Authority <http://www.cambs-pa.gov.uk/meetingDetail.cfm?MeetingId=422>

10. APPENDICES

- 10.1 Appendix 1 – Current Funding for 2012-13.

Current Funding for 2012/13

Funding Streams	Funding Source	Funding Currently given to	2011/12 (£000)	2012/13 (£000)	2013/14 (£000)	
		Cambridgeshire County Council		20		Supports 0.5 fte within the Multi Agency Referral Unit
		Peterborough City Council		20		This funding directly supports one of only two Independent Domestic Violence Advocates for the City. The IDVAs are employed by the City Council but managed within Womens Aid; this arrangement is currently under review as are resourcing levels.
Drug and Alcohol Action Team/Drug Interventions Programme	Home Office					DAAT receives funding from many streams including the NHS. DIP element may cease 31 March 2013.
		Cambridgeshire County Council		116		Committed to a broader Cambridgeshire Drug Treatment contract (3 years April 2012 to March 2015, worth around £2m). Contract provides 3.5 fte drug workers for Cambs.
		Peterborough City Council		205		A new three-year contract for providing adult drug services was commissioned during 2010/11 and commenced on 3rd January 2012 (ending March 2015). The service is based on similar funding arrangements to that of Cambridgeshire with the NTA funding Pooled Treatment Budget amounting to £1.7m per year, supplemented by circa £400k from the PCT. The Drugs Intervention Programme is an integral part of that contract focussing on the Criminal Justice access point to services. The Home Office element comprises around 50% of the total cost attributed to DIP; a reduction would require entire service redesign.
Youth Offending	Home Office	Police Authority passed it on to:-				For youth crime and substance misuse prevention.
		Cambridgeshire County Council Peterborough City Council		46 37		Police Authority agreed to 'passport' the 2012/13 funding to the County and Peterborough. A grant agreement is in place which sets out the need for focused activity with clear and measurable outcomes.
Community Safety Fund (via Local Services Support Grant)	DCLG					Funding stream ends 31 March 2013. A 'New' Community Safety Fund will allocate funds to Commissioners. This funding can be used to commission (contract) services to support crime, drugs and community safety priorities. 2013/14 not yet known, likely to be significantly reduced from prior years.
		Peterborough City council	229	116		In Peterborough a co-located multi-agency Safer Peterborough Team is based within the Council offices. This team delivers the Safer Peterborough Strategic Plan and comprises staff from City Council, Police, Cambs Fire and Rescue, HMP Peterborough. The team's posts are funded by a combination of funding streams and the £116k supports the Council's commitment to that funding. The loss of the £116k would have the capacity to effectively delete the Council's immediate staffing commitment to this team.
		Cambridgeshire County Council	504	255	*	See overleaf
			733	371		
Total				815	?	
		*allocated as shown overleaf:-				

Funding Streams	Funding Source	Funding Currently given to	2011/12 (£000)	2012/13 (£000)	2013/14 (£000)	
		Cambridge CSP		46		Supports various projects including admin support
		East Cambridgeshire CSP		22		Funds (with use of reserves) a Partnership Support Officer 0.6 fte and an ASB Coordinator 0.6 fte.
		Fenland CSP		41		Funds various projects, a CSP Support Officer and a Projects Officer (incl. ASB case management).
		Huntingdonshire CSP		28		Funds an ASB Case Worker post.
		South Cambridgeshire CDRP		20		Part funds 0.4 fte ASB casework and Early Intervention (including intensive support for troubled families).
		Domestic Violence		42		Supports 1.0 fte IDVAS within the Multi Agency Referral Unit, a CSP support officer and projects.
		Integrated Offender Management (via County to Constabulary)		35		Integrated Offender Management Coordinator employed by the force on behalf of county CSP's
		Unallocated		21		Unallocated
				255		