

Public Document Pack

A G E N D A

- 1 **POLICE AND CRIME PANEL AGENDA** (Pages 1 - 82)

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POLICE AND CRIME PANEL
PANEL HEDDLU A THROSEDD



North Wales Police and Crime Panel

Tuesday, 2 February 2021 at 2.00 pm
Virtual Meeting

AGENDA

1. **Apologies for absence**
2. **Declarations of Interest: Code of Local Government Conduct**
Members are reminded that they must declare the **existence** and **nature** of their declared personal interests.
3. **Urgent matters**
Notice of items, which, in the opinion of the Chairman, should be considered at the meeting as a matter of urgency.
4. **Announcements by the Chair**
5. **Minutes** (Pages 3 - 16)
To approve and sign as a correct record minutes of the previous meeting.
6. **Standing Agenda Items**
 - a) Update on actions from the previous meeting
 - b) Questions to the Police and Crime Commissioner
(Submitted in accordance with the procedure for Questions to the Police and Crime Commissioner)
 - c) Feedback from Member Champions
7. **To consider reports by the North Wales Police and Crime Commissioner:**
 - a) Precept and Council Tax 2021/22 (Pages 17 - 37)
 - b) Police and Crime Commissioner and Chief Constable for North Wales Police Force - Medium Term Financial Plan 2021-22 to 2025-26 (Pages 38 - 79)

8. To consider reports by the Host Authority:

- a) To seek a substitute Member to sit on the Police and Crime Panel Complaints Sub-Committee
- b) To consider the Forward Work Programme for the North Wales Police and Crime Panel (Pages 80 - 81)

9. Date of Next Meeting:

- Monday, 8 February 2021 @ 11.00 am (in case of veto of the precept)
- Monday, 22 March 2021 @ 2.00 pm (only for statutory business)

Membership of Panel

Cllr Dana Davies	Wrexham County Borough Council
Cllr Andrew Dunbobbin	Flintshire County Council
Cllr Alan Hunter	Conwy County Borough Council
Cllr Eric Jones	Gwynedd Council
Cllr Hugh Irving	Denbighshire County Council
Cllr Edgar Wyn Owen	Gwynedd Council
Cllr Roger Parry	Conwy County Borough Council
Cllr Dylan Rees	Isle of Anglesey County Council
Cllr Nigel Williams	Wrexham County Borough Council
Cllr Arnold Woolley Dip.IM, MCMI	Flintshire County Council
Pat Astbury (Chair)	Co-opted Independent Member
William John Williams (Vice-Chair)	Co-opted Independent Member

Please note: Due to the current restrictions on travel and the requirement for social distancing this meeting will not be held at its usual location. This will be a virtual meeting. The meeting will be recorded for live or subsequent transmission via the Council's internet site.

NORTH WALES POLICE AND CRIME PANEL

Monday, 14 December 2020 at 2.00 pm
Virtual Meeting

Present: Patricia Astbury (Chair)

Councillors: Dana Davies, Andy Dunbobbin, Alan Hunter, Hugh Irving, Eric Jones, Edgar Wyn Owen, Roger Parry, Dylan Rees, Nigel Williams and Arnold Woolley

Lay Member/
Co-opted Member John Williams (Vice Chair)

Officers: Dawn Hughes (Scrutiny and Committee Services Officer) and Richard Jarvis (Solicitor)

Also in Attendance: Carl Foulkes (Chief Constable, North Wales Police), Stephen Hughes (Chief Executive, Office of the Police and Crime Commissioner (OPCC)), Kate Jackson (Chief Finance Officer (OPCC)), Arfon Jones (Police and Crime Commissioner) and Rhian Rees Roberts (Policy and Scrutiny Officer, OPCC)

19. **APOLOGIES FOR ABSENCE**

An apology for absence was received from Matthew Forbes.

20. **DECLARATIONS OF INTEREST: CODE OF LOCAL GOVERNMENT CONDUCT**

Councillor Arnold Woolley (Flintshire County Council) declared a personal interest, as he is a member of the Flint Branch of NARPO, the International Police Association (IPA) and a co-ordinator for Buckley Community Speed Watch Team, under supervision of North Wales Police Force, St. Asaph.

21. **URGENT MATTERS**

None.

22. **ANNOUNCEMENTS BY THE CHAIR**

The Chair extended her condolences on behalf of the Police and Crime Panel to Mr. Arfon Jones (Police and Crime Commissioner) as his mother had recently passed away.

In addition, the Chair congratulated the Chief Constable Carl Foulkes, who had been recognised in the Queen's Honours List and received the Queen's Police Medal.

Congratulations were also extended PC Gerallt Williams and PC Liam Morris who had been given a Superintendent's Commendation for saving a man's life.

The Chair also paid tribute to a previous Panel Member, Councillor Charles Wyn Jones who had recently passed away. The Scrutiny and Committee Services Officer would send a letter of condolences to the late Councillor Jones' family.

23. **PRESENTATION BY CHIEF CONSTABLE CARL FOULKES OF NORTH WALES POLICE**

The North Wales Police and Crime Panel (PCP) had invited Chief Constable Carl Foulkes to give an update on policing in North Wales for the last 12 months.

Due to the pandemic, the last 12 months had been a difficult year for all and thanks were extended to the PCP for their continued support, which was welcomed by North Wales Police (NWP) in these uncertain times.

The Chief Constable gave a presentation, which covered the following areas:

- Vision - the Force had worked hard to align the Police and Crime Commissioner's priorities with the NWP's Vision – Making North Wales the safest place in the UK.
- Staff Wellbeing:
 - The importance of staff wellbeing was a high priority for the Chief Constable and a dedicated Health and Wellbeing Strategy and Team had been established to support staff.
 - Staff survey undertaken and the Force was looking to address the issues identified.
 - Pay and morale survey was undertaken by the Federation and identified that the Force outperformed most Forces in the UK.
 - Sickness absence had reduced.
- Digital Technology was another priority area for investment:
 - Over 900 laptops had been rolled out to staff to enable them to work agilely during the pandemic.
 - The number of followers on social media had increased significantly.
 - Body Worn Videos had been rolled out to all frontline staff.
- Problem Solving:
 - Embedding a culture of problem solving at all levels.
 - Training on Adverse Childhood Experience (ACE) undertaken with Officers.

- Last 12 months:
 - Feedback from communities over the last year highlighted that 70% of the public felt NWP had the right balance between engagement and enforcement; with 84% supporting the actions taken by the Force. However, there was a move towards more enforcement as the pandemic continued.
 - Covid – 582 fixed penalty notices had been issued, with two £10k fines issued for illegal music events.
 - Covid -19 outbreak at Police Headquarters with a number of staff members having to self-isolate. HR Health Desk set up to provide support and guidance to staff.
 - 800 staff working from home, with Police Headquarters about 35% occupied.
 - Good working relationship with Welsh Government during the pandemic, even though policing was not devolved.

- Local policing - the Chief Constable highlighted a number of successful police operations across the East, West and Central regions.
 - Current establishment: 1592 Officers, approximately 200 PCSOs, 177 Specials, 150 Volunteers and 1100 Staff.
 - Western region: 54 PCSOs and 18 dedicated Neighbourhood Policing Officers.
 - Central region: 54 PCSOs and 38 dedicated Neighbourhood Policing Officers.
 - Eastern region: 76 PCSOs and 25 dedicated Neighbourhood Policing Officers.
 - In addition to the above, all regions were supported by a Response Team.
 - The Operational Improvement Programme, which had introduced a revised shift pattern, was proving successful, particularly in relation to staff wellbeing, as well as delivering cost savings.

- Performance:
 - Investigations standards: Working Group established to look at the criminal justice process.
 - Public confidence up from 88% to 93%.
 - Positive outcomes for victims of domestic abuse.
 - Crime was 10% lower than last year, with significant reductions in burglary and violent crime. However, there had been an increase in stalking and harassment crimes.
 - The Force was predicting an increase in digital cyber criminality, therefore, the Fraud and Cyber Teams had been amalgamated to create one hub.
 - HMIC Inspections: Graded as good across the board following the annual PEEL assessment. However going forward, assessments would be looking at outcomes and target measures could be introduced.

- Organisational Planning, Finance, Estates – further updates would be provided in the future by the Deputy Chief Constable.
 - Good planning process in place and built on strengths of the PRP.
 - Business Plans introduced.

- Looked at the risk, threat, harm and demands.
- The need to look beyond a 12 month cycle.
- Financial context 2021/22:
 - Comprehensive Spending Review was expected to provide a 3-year forecast, however, the Autumn Statement only provided a one year forecast, with an expectation of a flat cash policing grant.
 - Police Officer Uplift programme had been realigned and the Force was expecting an uplift of 62/65 additional Officers.
 - COVID – PPE costs recovered.
 - A projected 2.5% increase in pay had been projected for 2021; however, following the Government’s announcement, there would be no pay increase for public sector workers.
- Home Office Emergency Service Network:
 - Challenging and complex programme to replace the Airwave system, with some significant risks, timescales and costs.
 - Financial issues included non-core costs (devices, transition, data and call charges) to be funded locally; capital costs of £7.2m and revenue costs over 5 years of £2.6m
 - Key issues include: coverage (testing and gaps) devices, local governance; transition and dependences.
- Estates Strategy:
 - Pwllheli Police Station due to be fully operational in January 2021.
 - Looking at replacement for Holyhead Police Station, working with Local Authority.
 - Working with the PCC regarding opportunities for Vehicle Commissioning Centre and the Armed Alliance, as the current site was leased and time bound.
 - Digital Workplace Project – due to the pandemic, reviewing working practices, in order for a more agile workforce.
- Forensic Collision Investigation Network (FCIN):
 - Regulators wanted a clear and consistent approach across all 43 Forces.
 - North Wales leading on the project and will be the first Force to gain FCI accreditation.
- Diversity:
 - Significant amount of work undertaken on the back of the Uplift Programme to try to make the Force as representative as the communities it served.
 - Investment in a Positive Action Team, which had seen an increase in the level of applications from ethnic minority backgrounds and women.
 - The number of Welsh speakers had increased.
 - The PCC has commissioned work into stop and search guidance.
 - Whilst overall crime had reduced, Hate Crime was roughly the same as last year, with a rise in disability and transphobic crime.
 - Continue to challenge on line social media crime and working with social media platforms.
 - Currently reviewing approach to Hate Crime as it increased.

- The Force was supporting Officers who were also victims of online abuse.
- Digital and Cyber:
 - Complex and challenging area for the future.
 - Investment required ensuring the right training, staffing and specialisms.
 - COVID grant fraud on the increase nationally.
 - Bank fraud - £100k recovered locally in the last 6 months.
- Prevent, Pursue, Protect and Problem Solving:
 - Roads Policing: KSIs roughly the same levels as last year, but seen an increase in excess speed and positive drugs test during the pandemic.
 - NWP working with: McDonalds to target young drivers; Welsh Government regarding the 20 mph approach; and the Cycling Community to keep cyclists safe.
 - Intercept Team had helped police roads and borders during the pandemic and been successful in recovering £1.3m in drugs and cash - stopping 130 nominals linked to crime and 120 nominals linked to car crime.
- Protect:
 - Child Sexual Exploitation (CSE) and online CSE remained a significant threat.
 - First Slavery Order issued in Wales relating to an investigation in the exploitation of young children.
 - Significant increase in online stalking and harassment
 - Sexual offences had seen a 10% increase, which had been cyber enabled.
 - Importance of educating children and signposting.
 - The number of recorded sexual offences in North Wales seemed to be higher than in other Force areas; however, following a number of reviews both internally and externally, the Chief Constable assured the PCP that this was not linked to geographic or demographics and was likely to be due to improved recording systems and successful Policing Operations.
 - Historical sexual offences: Operation Pallial and Lenton, whilst difficult operations, had resulted in a significant number of convictions.
- County Lines :
 - The number of County Lines had reduced due to success of National, Regional and Local Operations

The PCP thanked the Chief Constable for the informative update and raised the following issues:

- A Member of the PCP and the local Member for Prestatyn was disappointed that the Chief Constable had not referred to the possibility of a new police station in Prestatyn Town Centre within his presentation – currently the Police shared premises with the Fire Service.
- Costs relating to administering drug driving tests and could these costs be pursued through the courts.

- The Chief Constable advised that the costs related to the need to forensically analyse the tests and costs were not currently recovered.
- Training on Domestic Abuse, which had been delayed due to the pandemic and associated costs.
 - The Chief Constable advised that training schedules were in the process of being re-commenced where possible.
 - The training would be delivered by a third party and the PCP would be advised of the costs accordingly.
- Would the number of PCSOs increase due to the Uplift Programme?
 - In response, the PCP was advised that funding was for Police Officers not for support staff.
- Review of Estates Strategy
 - Due to the pandemic, the Chief Constable advised that a further review of the Strategy would be undertaken to understand the benefits of agile working.
- Concerns regarding the impact of the ESN Programme on the policing budget and whether the PCP should make representation to the Home Office.
 - The Lead Officer and Legal Advisor to the PCP informed the PCP that the National Association of Police, Fire and Crime Panels had written to the Home Office on behalf of PCPs in relation to the ESN Programme.
- A review of IT platforms used by the Force to communicate externally to ensure effective communications.
 - The Chief Constable would discuss further with the Force, however, due to security issues a decision had been made nationally not to use certain IT platforms.
- The benefits of amalgamating the Fraud and Cyber Team to create one Team and aligning with Action Fraud, the UK's national reporting centre.
- Reference was made to misogyny and the Force's position in relation to this issue.
 - The Chief Constable advised that the Law Commission was raising questions as to whether gender should be protected under hate crime.
- Thanks were extended to the Force and the Intercept Team for the work they had undertaken during the pandemic.
 - Further reports would be provided to the PCP on the work of the Intercept and Drone Team in next year's update.
- Approach to Covid related offences.
 - The Chief Constable explained that the Force had adopted the 4Es approach - Engage, Explain, Encourage and Enforcement. However, as the pandemic continued, the Force was moving towards the enforcement stage much quicker.
- Reference was made to distraction burglary and whether this had become an issue during the pandemic.
 - The Chief Constable advised that he did not think it had become an issue, but would need to check further.

- Fixed penalty statistics and whether the FPNs were being paid.
 - The Chief Constable advised that he could share the statistics with the PCP.
- Buddy Scheme, which helped support recruits from black, Asian and minority ethnic backgrounds.
 - The PCP was advised that all buddy supporters were volunteers and provided informal support to colleagues who were new to the Force.
- Online hate crime and consequences for the perpetrators.
- Reference was made to a recent incident in Buckley Town Centre; the Chief Constable requested further details of the incident so he could follow up.

RESOLVED-

That the presentation be noted.

24. MINUTES

The minutes of the North Wales Police and Crime Panel held on 28 September 2020 were submitted for approval.

RESOLVED-

That the minutes of the North Wales Police and Crime Panel held on 28 September 2020 be approved.

25. UPDATE ON ACTIONS FROM THE PREVIOUS MEETING

An update on the actions for the Police and Crime Commissioner (PCC) was included within the PCC's update report.

26. QUESTIONS TO THE POLICE AND CRIME COMMISSIONER

None.

27. FEEDBACK FROM MEMBER CHAMPIONS

Organised Crime and Domestic Violence Champion

John Williams (Vice Chair) advised that he had spoken with Officers from the Office of the Police and Crime Commissioner (OPCC) in relation to the Domestic Violence Member Champion Role, (which he had recently been appointed to) and an aide memoire was being prepared in relation to the role of Domestic Abuse Officers and Independent Domestic Abuse Officers.

Delivering Safer Neighbourhoods Champion

Councillor Hugh Irving advised that he had a meeting scheduled with the OPCC to discuss an update for the meeting, however, due to the need for hip surgery the meeting had to be cancelled.

Modern Day Slavery and Child Sexual Exploitation Champion

Pat Astbury (Chair) referred to the newly established Vulnerability and Exploitation Board, which was chaired by the Chief Executive of the OPCC. The Chief Executive advised that the Board was currently developing a Strategy, which would be shared with the PCP when appropriate.

The PCP was also informed that £3k had been made available by the Modern Slavery Organised Immigration Crime Programme, which would be used to raise awareness and target prevention in relation to Modern Slavery.

Reference was also made to Return Home Interviews and the disparity in Local Authorities arrangements for the provision of these interviews for missing children.

Finance Champion

Councillor Dana Davies extended her thanks to the Chief Finance Officer for the work she had undertaken to ensure Councillor Davies was briefed on financial matters prior to PCP meetings.

Following on from the concern highlighted in Minute 23 above relating to the Emergency Services Network programme, Councillor Davies requested that a joint letter from the PCP and OPCC be sent to the Home Office, expressing concern regarding the costings and technology relating to the ESN programme.

RESOLVED-

That a joint letter from the Police and Crime Panel and the Office of the Police and Crime Commissioner be sent to the Home Office expressing concern in relation to the Emergency Services Network Programme.

28. **PERIODIC UPDATE BY THE NORTH WALES POLICE AND CRIME COMMISSIONER**

The Police and Crime Panel (PCP) was presented with the Police and Crime Commissioner's (PCC) periodic update from 1 September 2020 to 15 November 2020.

Whilst the majority of the update had been covered in the Chief Constable's presentation and updates from the Member Champions, the PCC highlighted the following from his report:

- The PCC had launched an online survey for the annual consultation on the Council Tax Precept – to date 300 responses had been received. The survey was due to close on 15 January 2021.
- Applications for the initiative 'Your Community Your Choice' had closed on 11 December 2020 - £60k being made available to support groups across all Local Authority areas in North Wales.

- The PCC continued to receive regular briefings from Chief Officers regarding the pandemic and demand on policing.
- Domestic Abuse repeat offenders and repeat victims showed a reduction of over 10% year to date.
- Stalking and Harassment offences, which had seen an increase of 24% in North Wales between April and June 2020. The PCC had recently been interviewed in relation to the work undertaken by the Force in addressing stalking and harassment and would share a letter he had sent to the Inspectorate in relation to this.
- The PCC referred to the recently published census on the number of women killed by men and suggested that the Member Champion (John Williams) looked at this further.
- Review of the Vulnerability and Child Sexual Exploitation Unit – consultation being undertaken with Chief Officers.
- Review of Modern Day Slavery data to ensure effective data.
- Organised Crime Groups (OCG) – whilst there had been a reduction in the number of Groups and County Lines Gangs, drug supply was the most common form of criminality of the OCGs.
- The PCC also extended his congratulations to North Wales Police following an incident in Wrexham, which had led to the prosecution of an individual.

The PCP raised the following in respect of the PCC's update report:

- Brexit and the impact on the port at Holyhead.
- Year to date reduction in all recorded crime of 9.8%
- The PCP would expect to see progress reports from the Vulnerability and Exploitation Board within the PCC's update report.
- Best practice in relation to Return Home Interviews
 - The PCC would discuss this further outside of the meeting to identify areas of best practice.
- The PCC confirmed that the expenses report had been corrected (one column was not adding up) and republished following a recent press report.
- Appointment of Recruitment Consultants and whether the term of office should be extended to reduce costs
 - In response, the Chief Executive of the OPCC advised that the current term of office was for 3 years, with an option to extend up to a maximum of 10 years; however, the OPCC would look at the benefits of extending the initial term of office.
- Evaluation of the Checkpoint Cymru programme.
 - Whilst the programme was performing well overall, it was not delivering what was initially envisaged. Whilst an initial evaluation had been undertaken, it was hoped that a peer review would be undertaken by Durham to understand the benefits of the programme.
- Pilot project using the Naloxone spray.
 - The Chief Constable advised that the spray had not yet been used by Officers.

RESOLVED-
That the report be noted.

29. **UPDATE ON THE 2020/21 BUDGET AS AT 31 OCTOBER 2020**

The Chief Finance Officer (Office of the Police and Crime Commissioner (OPCC)) presented the Police and Crime Panel (PCP) with an update on the 2020/21 policing budget as at 31 October 2020.

The report provided the PCP with:

- Confirmation of the finalisation of the Statement of Accounts for the financial year ending 31 March 2020.
- An update on the policing budget for North Wales as at 31 October 2020.
- An update on Covid 19 costs and funding.
- Information about the budget planning process for 2021/22.

The Chief Finance Officer highlighted the following:

- The Statement of Accounts was signed off on 7 October 2020 and published on the OPCC's website.
- A short introduction to the accounts had been prepared, as requested by the Joint Audit Committee and was available on the OPCC's website.
- 2020/21 Budget
 - At the end of October 2020, there was a projected revenue underspend of £1.383m, whilst this was a significant underspend, some activities such as training had been delayed due to the pandemic and therefore the intention was to earmark the underspend for that purpose.
- COVID 19
 - Additional costs relating to the pandemic amounted to £1.362m.
 - Grant funding had been received for all PPE costs and a proportion of income, however, the remaining costs would have to be met by in year budget or reserves.
 - The pandemic had affected the progress of the Capital Programme and therefore, £4.1m had been re-profiled into future years.
- Budget Planning Process for 2021/22
 - Priority Resource Planning was currently taking place to rank the importance of activities.
 - As meetings were now taking place online, discussions in relation to the budget planning process had been more collaborative with managers supporting each other and working through solutions together.

The Chief Finance Officer advised that whilst the PCC was unable to indicate what Services and the Council Tax precept would look like until the announcement of the provisional settlement, the PCP was reassured that the process was thorough, robust and fair.

In scrutinising the report, the PCP raised the following issues:

- There was concern that a third of the costs associated with the pandemic had to be covered by the Force's budget.
- Costs associated with the ESN programme and the impact on the budget if the costs were not covered by the grant.
- Costs associated with pensions and auto enrolments.
 - The Chief Finance Officer advised that the costs associated with auto enrolments were approximately £0.5m per annum; however, this was the right thing to do, regardless of the cost.
 - There was uncertainty whether the pension grant would be included in the 'flat cash' settlement.
 - The McCloud judgment would increase costs in the future, and if the discount rate was reduced the employer contributions would increase.
- Police Education Qualification Framework and Apprenticeship Levy.
 - Currently 0.5% of NWP's payroll was paid to the HM Treasury for the levy. In England, each employer had a fund, which they could use for approved training and English Forces had elected to assign their levy funds to the College of Policing to pay for training. However, in Wales, Welsh Government was given funding for apprenticeship training (as training and education was devolved), but there had been no direction from UK Government as to how much (if any) may be spent on policing (which was not devolved). Therefore, all police training in Wales had to be funded from the PCC/Force budget, in addition to the payment of the apprenticeship levy.
- There was concern that reserves were being used to balance the budget.
 - The Chief Finance Officer explained the annual budget was set to ensure there was sufficient resources available and that reserves were used in a planned way, such as for capital expenditure and other investment and to allow for irregular expenditure between years (e.g training delayed this year due to the pandemic).
 - The use of reserves was not generally used to balance the budget and reserves were not used to reduce the Council Tax precept. If additional funding was required, the precept would be increased accordingly or savings would need to be found.

The PCP thanked the Chief Finance Officer for the report.

RESOLVED-

That the report be noted.

30. **NORTH WALES POLICE AND CRIME PANEL - MID YEAR MONITORING REPORT: 1 APRIL 2020 TO 30 SEPTEMBER 2020**

The Lead Officer and Legal Advisor presented the North Wales Police and Crime Panel (PCP) Mid-Year Monitoring Report, which covered the period from 1 April 2020 to 30 September 2020.

The mid-year report provided the PCP with information on the use of the PCP grant and progress against critical success factors (CSFs) in achieving outcomes, targets and value for money.

The Lead Officer/Legal Advisor highlighted progress against the CSFs as follows:

- Due to the pandemic, one formal meeting had taken place, with two informal 'catch up' meetings held during the reporting period.
- The Complaints Sub-Committee had met on two occasions to consider a complaint against the Police and Crime Commissioner (PCC).
- The PCP had produced a report in relation to Member Expenses and Allowances and produced a response to the Home Office consultation on the review of the PCCs.
- Member Champions had continued their roles during the pandemic, liaising with the Chief Executive or the OPCC as appropriate.
- Panel Members continued to submit questions to the PCC during the pandemic, which had resulted in the PCC providing in-depth comprehensive replies.
- The PCP had joined the National Association of Police, Fire and Crime Panels, with the Chair invited to be an observer on the Executive Committee.
- Expenditure for the next period would include attendance at a national conference for Panel Members; attendance at 2/3 Panel Meetings; and the requirement to respond to part two of the Home Office consultation into the role of PCCs.

The Chair thanked the Host Authority for the report and questioned why some PCPs did not claim the full grant.

In response, the Lead Officer and Legal Advisor to the PCP advised that the picture varied nationally, as some PCPs in England had much larger budgets, as they were supplemented by Local Authority contributions; however, due to the way PCPs were set up in Wales, this was not allowed.

RESOLVED-

- (a) That the mid-year monitoring report for 2020/21 and progress against the critical success factors be noted.**
- (b) That the Police and Crime Panel acknowledges that Officers monitor and track spend against agreed budgets to ensure value for money.**

31. **SUMMARY OF COMPLAINTS RECEIVED - SEPTEMBER 2019 - SEPTEMBER 2020**

The Lead Officer and Legal Advisor presented the North Wales Police and Crime Panel (PCP) with a summary of complaints received against the Police and Crime Commissioner (PCC).

The PCP had received one recordable complaint against the PCC during the reporting period, the outcome of which would be reported in the next report, as it had only just been concluded on 9 November 2020.

As the Complaints Sub-Committee had delegated authority to deal with the existence, categorisation and determination of complaints, information relating to complaints was not communicated to other Panel Members until the Annual Complaints Report (unless it was in the public interest or of such significant interest that the information should be divulged to the entire Panel).

The Lead Officer appreciated that this position was not entirely satisfactory, as others outside the Panel might be privy to the information/determination before Panel Members and therefore, proposed that the Complaints Procedure be amended so that members, who were not members of the Complaints Sub Committee, were kept informed as to the existence, categorisation and determination of complaints.

It was noted that the authority to categorise and determine complaints remained solely with the Complaints Sub Committee and other Panel Members could not involve themselves or attempt to influence that process.

The PCP thanked the Host Authority for the report.

RESOLVED-

(a) That the report be noted.

(b) That the Complaints Procedure be amended so that Panel Members who were not members of the Complaints Sub Committee are kept informed as to the existence, categorisation and determination of complaints.

32. **TO CONSIDER THE FORWARD WORK PROGRAMME FOR THE NORTH WALES POLICE AND CRIME PANEL**

Members were presented with the Forward Work Programme for the North Wales Police and Crime Panel.

Following the elections, a more comprehensive Forward Work Programme would be developed with the OPCC for 2021/22.

The Lead Officer/Legal Advisor suggested that a review of the Complaints Model for Police Complaints and an update on the Checkpoint Programme be included on the FWP.

In response, the Chief Executive of the Office of the Police and Crime Commissioner was happy to provide updates in June 2021.

RESOLVED-

That the Forward Work Programme for the North Wales Police Panel be approved, subject to the amendments above.

33. **DATE OF NEXT MEETING:**

The next meeting of the North Wales Police and Crime Panel would take place on Tuesday, 2 February 2021 @ 2.00 pm.

(The meeting ended at 4.30 pm)

Report from the Office of the Police and Crime Commissioner

Title:	Precept and Council Tax 2021/22
Meeting:	North Wales Police and Crime Panel, 2 February 2021
Author:	Kate Jackson, Chief Finance Officer

1. Introduction

- 1.1 The purpose of this report is to review the financial position of the Police and Crime Commissioner for North Wales and to make recommendations for the 2021/22 precept and council tax.

2. Recommendations

- 2.1 To increase the precept to £89,687,902
- This will increase council tax by 5.14% - this is equivalent to £305.55 per annum, an increase of £14.94 per annum, or 29p per week for a band D property.
 - To note that this increase matches the Home Office assumed increase of £15
 - This is an increase in precept of 5.53% from 2020/21
- 2.2 To note that £2.902m of savings have been identified for 2021/22.
- 2.3 To note that £2.642m of the savings will be reinvested in front line activities.
- 2.4 To note that there will be a further increase of 62 Police Officers, of which 58 are a result of North Wales Police's allocation of the Government programme to increase police officer numbers (Operation Uplift). In addition, 3 ROCU (Regional Organised Crime Unit) Officers from North Wales are to be funded from Operation Uplift in 2021/22.
- 2.5 To note that £0.750m growth has been included for the Emergency Service Network (ESN) implementation.
- 2.6 To note the Medium Term Financial Plan, which includes the following assumptions:
- That Council Tax will increase by an estimated 5.14% in 2021/22, and 3.93% in 2022/23, 3.78% in 2023/24 and 3.64% in 2024/25 and 3.51% in 2025/26.
 - That policing grants are estimated be frozen at current levels in 2022/23 onwards.
 - That annual pay awards will be 0% in September 2021 and 2.5% in each following September.
 - To note that the increase in grant has been awarded in support of Operation Uplift (recurring and set up costs) and has been earmarked for these purposes until final funding is known.

3. Summary Budget 2021/22

	£m	
Budget 2020/21	<u>163.705</u>	
Inflation requirements	4.208	2.57%
Savings identified	-2.902	-1.77%
Reinvestment	2.642	1.61%
Uplift allocation	4.962	3.03%
ESN allocation	0.750	0.46%
Budget requirement 2021/22	<u>173.365</u> 5.90%	
Estimated total funding 2021/22		
Government Grants	83.677	5.93%
Council Tax	£305.55	5.14%
Multiplied by tax base	293,529.38	0.37%
Precept (funding proportion 51.73%)	89.688	5.53%
Total funding available	<u>173.365</u> 5.90%	

4. Statutory Items

4.1 Quality of Information

4.1.1 The Chief Finance Officer is required under the Local Government Act 2003 (s5) to comment on the suitability of the information to be used as the basis for budgetary decisions. The Chief Finance Officer confirms that the figures in the various reports are the products of procedures that continue to be operated to the highest professional standards. These systems are audited both internally and externally, and external audit has never issued a qualified audit report. Therefore, in the opinion of the Chief Finance Officer this information is fit for purpose.

4.1.2 The same Act also requires the Chief Finance Officer to comment on the adequacy of reserves to be provided in the budget. In the opinion of the Chief Finance Officer the general reserve will continue to be adequate for the day to day operational needs of the Force. The reserves have been reviewed, and further details are provided in section 9. However, the reserves are now approaching the lower end of the acceptable range, and in order to maintain the General Reserve at 3% planned additional amounts have been included in this MTFP. In addition, it is estimated that the capital cost will be approximately £8million.

In order to prevent the reserves being depleted to below prudent levels, and to reduce the impact of borrowing in future years, the Chief Finance Officer considers it necessary to increase reserves now to mitigate the impact of this significant future expenditure; this is explained in more detail in paragraphs 6.10-6.11 of the MTFP.

5. Background

5.1 The Government’s Austerity Programme, which began in 2011, has resulted in substantial cuts across the public sector. Government funding was reduced by 20.8% in cash terms, which is the equivalent of a real terms reduction of 31.7% (taking inflation into account) by 2019-20. The overall effect of the reduced funding available and inflationary and other pressures resulted in £35.389m of cuts being made to budgets over a 10 year period. This is equivalent to a 23.9% reduction in the 2010-11 pre austerity budgets of £148.035m. The annual cuts are as shown in the table below:

Year	2011-12 to 2015-16	2016-17	2017-18	2018-19	2019-20	2020-21	Total
Cuts Made	£24.101m	£2.838m	£2.686m	£1.479m	£1.927m	2.358m	£35.389m

5.2 Prior to the 2020-21 settlement being announced the Government had in place a policy to increase Police Officer numbers by 20,000 (Operation Uplift) over a period of 3 years. The 2020-21 Police Finance Settlement was announced on 22 January in a written statement by the Policing Minister, Kit Malthouse. The announcement had been delayed due to the December 2019 General Election. Prior to the 2020-21 settlement publication the sector was expecting an additional £750m for recruitment of 6,000 officers (towards the 20,000 total), minus a reallocation for central costs. Force allocations of officer numbers had already been published and had been calculated pro-rata to core grant. In return for this additional money the Treasury had asked the Home Office to find £120m of savings from within their budget. The settlement is very much focused on the recruitment of Phase 1 and 2 of the officer uplift previously announced. North Wales Police have been allocated 62 Officers as part of phase 1 (6,000 officers nationally) and would expect, based on formula allocation, approximately another 140 from the remaining programme (14,000) nationally. The additional amounts have been provided to pay for the costs of Phase 1 and the infrastructure costs of Phase 2.

5.3 The focus on Operation Uplift led to a position of growth in Officer numbers while pressure on the remaining budget is high due to no growth in the base grant, and also the additional costs of supporting the increased number of Police Officers.

- 5.4 As we entered the 2020-21 financial year the UK had recently been put into national lockdown due to the global COVID pandemic. This made the basis for financial planning the 2021-22 onwards very uncertain. Prior to the COVID pandemic a 3 year spending review had been expected, and also an early announcement of future Operation Uplift numbers. However, it was later decided that the settlement would be for 2021-22 only, and the Operation Uplift announcements were made at the same time. The long term effects of the pandemic, both locally and nationally, remain unknown, especially the economic effect and how this might affect future funding.
- 5.5 In addition to this, at the time the provisional settlement was announced, the basis of the UK's withdrawal from the European Union had not been agreed, adding to the uncertainty.

6. The Planning Process

- 6.1 The attached Medium Term Financial Plan (MTFP) sets out the planning environment. It includes previous years' figures, together with projections for revenue income and expenditure, and plans for capital and reserves.
- 6.2 The overall purpose of the planning process is to prioritise resources to align spending plans with the Police and Crime Commissioner's priorities and the Chief Constable's vision and as set out in the Financial Strategy (Appendix A of the MTFP). The priorities are set out below

Police and Crime Plan Priorities

- Reducing Criminal Exploitation of Vulnerable People
- Domestic Abuse
- Sexual Violence
- Modern Slavery
- Organised Crime
- Safer Neighbourhoods

The Chief Constable's vision is

Making north Wales the safest place in the UK; by Preventing Crime, Protecting Communities and Pursuing offenders.

- 6.3 The planning process for 2021-22 was reviewed by the Strategic Planning Unit, Finance and the Chief Officers to take into account availability of key individuals due to COVID; the effect of COVID itself; the recovery plan for the organisation post COVID; and the requirement to review demands and set the budget. It was concluded that a Priority Resource Planning (PRP) exercise identical to that followed for the 2020-21 budget would not have been suitable. The process for 2021-22 was based on Business Plans for all Service and Functional leads (as the current budget holders) with additional Business Cases being required, targeted towards demand and agreed as supplementary areas to consider at the start of the process.

6.4 The Business plans for each area were set out in a template with the following headings being addressed, with each section having a set as structured questions

- Performance against objectives
- Finance against budgets
- Demand and projected demand
- Capacity and Capability
- Wellbeing
- Service Area Response
- Residual Demand
- Interdependencies
- Savings

6.5 Other area that were specifically considered are set out below

- Facilities and IT linking to agile working
- Fleet Review
- Digital Programme
- Analyst Review
- Officer/Staff mix
- Corporate Budgets review

6.6 There were also practical issues to deal with in term of conducting meetings which would be need to be carried out on line. The process was commenced as early as possible in May 2020. By setting out the parameters early in the process and having a regular Organisational Planning Meetings throughout the process (weekly or fortnightly as required) it was possible to follow a structured schedule and have informed plans in place by November 2020 to cover various scenarios.

6.7 As part of the above, the normal process to develop future budget requirements was undertaken, details of which are set out within the Medium Term Financial Plan (MTFP). In developing the submissions by managers the following were taken into account:

- Local and National priorities as set out in the Police and Crime Plan and the Force's Vision
- New and developing pressures
- The strategic planning process
- Force Management Statement
- Other Force strategies
- Current economic climate
- Estimates of resources available to fund the Medium Term Financial Plan
- Budget forecasts for the period including pay awards
- The current financial position
- The Capital Programme, Prudential Code and their effect on the Revenue Budget
- Reserves and Balances
- Income generation, trading activities and grants
- Collaboration

- COVID Recovery Plan

- 6.8 Two meetings were held with the Chief Officer team to finalise the outcome from the planning process. This allowed known available resources to be applied to priorities and informed the allocation of the 62 additional Officers from Operation Uplift. The outcome was then discussed at the annual Budget Setting meeting with Service Leads and others bringing together the recommendation from the Organisational Planning Group including Savings Plans and all other elements to build this MTFP. This then formed the proposal put forward to the PCC and his team.
- 6.9 A survey was conducted by the Office of the Police and Crime Commissioner, which included a section concerning expenditure plans and council tax levels. A smaller number of responses were received than in previous years. At least part of this reduction is thought to be due to the ceasing of OWL (Online Watch Link), which closed despite continued and increased funding from the PCC. 401 responses were received (21 in Welsh), and of these only 335 responded to the council tax question. These responses were evenly spread over the options. The options were: to minimise the council tax increase (28%), to maximise it (35%), or to set the increase somewhere in between (37%).
- 6.10 A meeting was held between the Commissioner, the Chief Constable and their representatives on 11 December to discuss the budget proposals and a final meeting held on 18 December after the Government funding announcement had been made.

7. Funding Allocations

- 7.1 No Provisional Government Funding Allocations for 2021-22 were given as part of the 2020-21 settlement. Announcements were made during 2020-21 to confirm the Government's commitment to Operation Uplift and increasing Police Officers numbers by 20,000 nationally. However, the numbers allocated to Forces or the associated funding was not announced in the early autumn as expected.
- 7.2 On 25 November 2020, Chancellor of the Exchequer, Rishi Sunak MP announced the outcome of the 2020 spending review (SR2020). The announcement gave Government Departmental spending totals, but not Force allocations. In the Autumn Statement it was also announced that there would not be an annual pay increase for Police Officer and Police Staff in September 2021.
- 7.3 The 2021-22 Provisional Settlement was announced on 17 December in a written statement by the Policing Minister, Kit Malthouse. Prior to the publication of settlement, the sector was expecting an additional £400m for the recruitment of 6,000 officers (towards the 20,000 total). Kit Malthouse confirmed that there would be an increase of £415m for PCCs to continue to recruit officers. The document goes on to state that "to ensure...progress in recruitment is maintained, and to track the use of this investment efficiently, the Government will continue to ring-fence £100 million of the additional funding".

This ring-fenced grant will be akin to the previous settlement grant of £168m and will be split according to funding formula allocation.

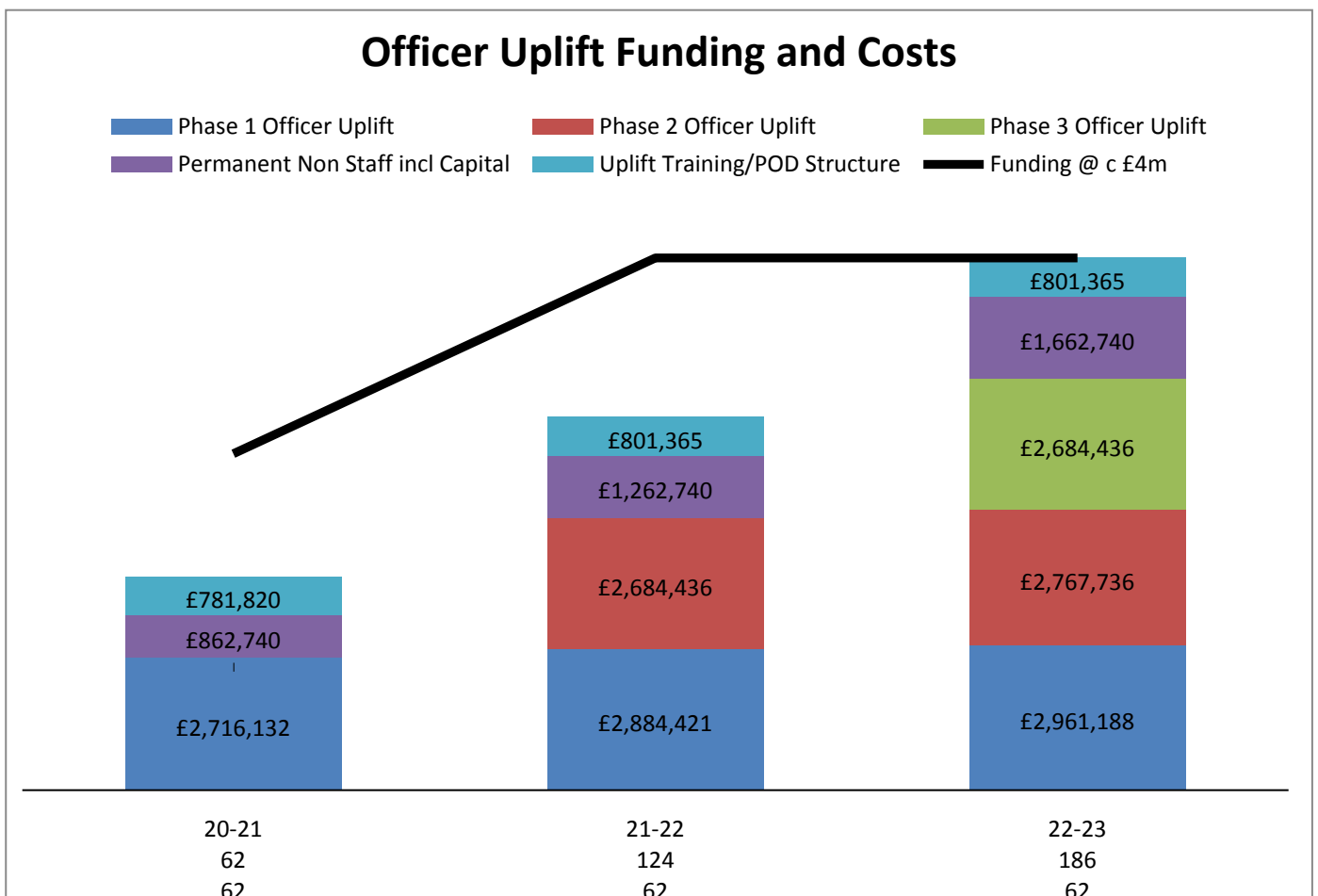
7.4 Additionally, the sector was expecting last year's Uplift funding (£700m) to be rolled into the baseline. The Ministerial Statement stated that in total PCCs will get an increase of £703m assuming that the full precept flexibility is taken. It was confirmed that the council tax referendum principles will be £15 per PCC in England, which, assuming every force maximised the increase, means an extra £288m for policing in 2021-22. The specific Pension Grant has been continued for another year as a specific grant.

7.5 The table below summarises the expectation following the Autumn Statement and the final announcement. The settlement was better than expected in that Operational Uplift was funded. Similarly to the 2020-21 settlement the increase has been given in support of increasing Officer numbers, rather than to cater for inflationary increases or other demand changes.

Heading	Planning Assumption	Assumption after Autumn Statement	Announcement 18 December
Uplift numbers	62 to 78	* 62	* 58 + 3 for ROCU * Commitment on the 20,000
Funding	£0 to £3.2m	* £4m towards Uplift	* £4.3m to support Uplift * £1m of which ring fenced * Balance unclear but needed
Other Funding	0%	* 0%	* 0%
Council Tax/Precept	£12	* Cap of £15 in England	* Assumption of £15 increase in HO figures
Efficiency Savings	1% to 3%	* Our share of £120m	* £120m incl. above with £20m via Blulight * Efficiency in Policing Board
Top slicing	£1.1bn	* Flat at £1.1bn	* Reduced by £87m
Pension Grant	£1.582m	* £1.582m	* 1.582m
Capital	£0.123m	* £0.123m	* £0.123m

7.6 Top slicing, that is the amount the Home Office retain for central Police related expenditure rather than distributing to Forces, increased from £812m in 2017-18 to £1,120m in 2020-21, for the first time in a number of years this will reduce to £1,033m in 2021-22. If all of this were to be allocated based on the funding formula it would be equivalent to an additional £10.6m.

7.7 It is anticipated that a 3 year spending review will be conducted over the summer in preparation for the 2022-23 settlements. There is a great deal of uncertainty around future funding, there remains a commitment in the Home Office to increase Officer numbers by 20,000 by the end of 2022-23, however funding for the final phase is unknown. The effect of the COVID pandemic and EUExit on the economy are unknown. A view has been taken to project a flat level of funding from 2021-22 onwards and that a further 62 Uplift Officers will be allocated. The increase funding provided to date to support Uplift would be sufficient to cover the pay costs, the associated non staff costs and training but not any additional staff to support the Policing roles. This is shown in the chart below. In the event that further funding were to be awarded to support the Uplift Officers, the supporting roles could also be considered for funding.



8. Budget for 2021-22 and Planned Budget for 2022-23 to 2025-26

8.1 The detail of the Budget and changes for 2020-25 and future years are shown in Appendix A.

8.2 The main assumptions are as follows:

- Annual pay inflation 2.5% applied from September 2020 to August 2021, 0% increase from September 2021 and 2.5% increase from September 2022 onwards
- General Inflation 2%, specific inflation applied where known
- Council Tax increase of 5.14% in 2021-22 (£14.94) and £12 per annum in the following years which equates to 3.93% in 2022-23, 3.78% in 2023-24, 3.64% in 2024-25 and 3.51% in 2025-26
- Base Grant increase of 0% in 2021-22, and a flat settlement of 0% grant increase for the following years
- Base Grant increased by £10.443m from 2020-21 earmarked towards current and future Operation Uplift costs, no further Uplift funding built in. Assumption of 186 additional Officers in total by March 2024.
- A 0.25% increase in tax base from 2021-22 onwards
- Annual cost of £1.329m included for Emergency Service Network (ESN) from 2023-24 with a reserve being built up in preceding years (reducing the annual amount from £1.8m to £1.329 a reduction of £0.471m).
- Contributions to General Reserve included to maintain the balance at the minimum 3% of Net Budget value.

This gives a position of:

	Annual	Annual	Annual	Annual	Annual
	Budget	Budget	Budget	Budget	Budget
	2021-22	2022-23	2023-24	2024-25	2024-25
	£'000	£'000	£'000	£'000	£'000
Baseline	163,705	173,365	177,120	180,894	184,686
Inflation	2,893	1,017	4,583	4,806	5,058
Stand still structural	1,315				
Uplift	4,962	2,738	0	0	0
Efficiency Savings	-2,902				
Growth	2,642				
ESN	750	0	579	0	0
Budget Requirement	173,365	177,120	182,282	185,700	189,744
Total Grant	-83,677	-83,677	-83,677	-83,677	-83,677
Precept from Council Tax	-89,688	-93,443	-97,217	-101,009	-104,819
Total	-173,365	-177,120	-180,894	-184,686	-188,496
Annual Balance	0	0	1,388	1,014	1,248
Cumulative balance	0	0	1,388	2,402	3,650
Council Tax % increase	5.14%	3.93%	3.78%	3.64%	3.51%
£ increase	14.94	12.00	12.00	12.00	12.00

- 8.3 The previous estimated inflation figure was £4.731m based on 2.5% pay award for a full year and 2% general inflation and other targeted increases where necessary. Following the announcement of a pay freeze from September 2021 the inflation figures was revised to £2.893m, an overall increase of 1.77%. Pay inflation at 2.5% to cover April 2021 to August 2021 has been included as this is a continuation of the pay award that was set in September 2020. However, other unavoidable structural costs have been included. A figure of £0.5m has been included following an increase in the number of existing Police Officers joining the pension scheme. A total increase of £0.745m has been included for national and regional collaboration costs increases. A further £0.070m relates to changes in conditions of service. Further details are included in the MTFP.

8.4 Based on announcements made to date North Wales Police expect a total allocation of 186 additional Officers through Operation Uplift. 62 roles were allocated in 2020-21 which are all expected to be in post by March 2021. A further 62 have been allocated for 2021-22 and it is expected, but not confirmed, that a further 62 will be available in 2022-23. A major part of the planning cycle was to match the 62 additional Officers becoming available in 2021-22 to priorities. The table below summarises the 2021-22 allocation, further details are included in the MTFP.

Prevention & Proactivity	Digital & Management	Demand	Wellbeing
Total 43	Total 14		Total 5

8.5 Funding of £10.4m has been provided for Operation Uplift has been provided as growth in 2020-21 and 2021-22. The funding is intended to cover the recurring costs of the additional Officers, including associated non-staff, as well as any infrastructure costs including the additional Training costs that are required. Once the in-year costs have been allocated there will be a balance of £2.864m in 2021-22 that will be added to the Uplift Reserve to fund future years Training and Infrastructure costs. The final allocation and whether additional funding will be provided for 2022-23 is unlikely to be announced until mid-December 2021. In the event that no further funding is provided, the current increase is sufficient to fund the Officers and their direct non-staff costs, but not any support staff requirements.

8.6 In order to fund growth not provided or required to support Operation Uplift Officers an assessment of potential savings were made by Service and Functional Leads, and these were then assessed on a corporate basis. A total of £2.9m has been identified and assessed to be deliverable. Of this £1.816m are non-staff and £1.103m are Officer or Staff posts. A summary of the efficiency savings in each area is given below:

Category	Savings Identified
	£'000
Local Policing Services	445
Operational Support Services	337
Crime Services	200
Corporate Services	293
Professional Standards	18
Finance and Resources incl Central Reviews	1,361
Officer Mix	266
Grand Total	2,920

- 8.7 Identifying the above efficiency savings enabled £2.642m to be re allocated and invested in priority areas. These are detailed in the MTFP under the strategic headings of Prevention and Proactivity (£0.621m), Digital and Demand Management (£1.825m), Wellbeing (£0.196m).
- 8.8 ESN is the replacement for the current Airwave emergency service communication system. Although this is a national project no additional funding has been provided or promised. The capital cost is expected to be in the region of £8m for infrastructure and communication equipment. Details of coverage, cost of units and numbers required (personal and vehicles) have not been confirmed but the current best estimate is of a magnitude that can't be ignored. This equipment will also need replacing; this is currently estimated on a 5 years cycle. The only feasible option to fund this would be by prudential borrowing, the initial estimate based on the full amount being funded this way is an increase of £1.8m in revenue to service the borrowing from 2023-24.
- 8.9 The £1.8m required to fund ESN would either have to be found from cuts to service or additional council tax in one year if no action were taken now. The better than expected settlement together with the pay freeze has enabled a sum of £0.750m to be included in the budget towards the ESN costs; this will be allocated to an ESN reserve initially. In 2022-23 it is expected that this sum plus an additional £0.6m due to the pay freeze can be added to the reserve. This will mean that there will be £2.1m of reserve to fund ESN, reducing the borrowing requirement to £5.9m, and the revenue cost to service the borrowing to £1.329m (£0.750m of which is now already included in the budget). This will leave a balance of £0.579m relating to ESN as part of the saving requirement for 2023-24 which is a more manageable figure than the £1.8m. These figures will be refined and reviewed annually as part of the budget setting process over the next two years.
- 8.10 Based on these assumptions this gives a balanced budget for the next two years, and a deficit of £1m to £1.4m per year in the following 3 years, which includes the ESN requirements. However the level of uncertainty around all the assumptions is exceptional. It is not clear currently whether the Government intends to try and balance the national budget and reduce the deficit created due to the COVID pandemic in the short, medium or long term. This in turn will influence whether the next Spending Review covering 2022-23 to 2024-25 will result in cuts, growth or steady state.

9. Resilience and Reserves

- 9.1 The Commissioner has a duty to ensure that he holds adequate financial reserves to manage risks. In addition to the funding and forecasting risks detailed above, the Commissioner needs to allow for expenditure risk (spending over budget), as well as unforeseen events such as costly major incidents, natural disasters or other unforeseen events. An element of this risk is being through the in-year budgets through the contingency budgets. However, these contingency budgets have been reduced, with a greater proportion of that risk being transferred to Reserves.

- 9.2 The Reserves are reviewed as part of the budget setting process and again as part of producing the Statement of Accounts at the end of the financial year when the final position is known.
- 9.3 There is a planned reduction in reserves from £25.218m to £16.039m over the next 10 years. A description of each reserve is given in paragraph 9.6.
- 9.4 It is considered prudent to maintain General Reserves at between 3% and 5% of Net Revenue Expenditure (NRE). As there are earmarked reserve to mitigate risk the General Reserve has been maintained at just above 3%. However, as the NRE increases it is necessary to increase the General Reserve to maintain a 3% balance, this has been included into future plans and is reflected in the summary below.

Reserve Position	Balance	Balance	Balance	Balance	Balance	Balance	Balance	Balance	Balance	Balance	Balance
<i>Usable Reserves at</i>	31.3.20	31.3.21	31.3.22	31.3.23	31.3.24	31.3.25	31.3.26	31.3.27	31.3.28	31.3.29	31.3.30
	Balance	Balance	Balance	Balance	Balance	Balance	Balance	Balance	Balance	Balance	Balance
	£m	£m	£m	£m	£m	£m	£m	£m	£m	£m	£m
General Fund Balance	5.189	5.427	5.427	5.541	5.655	5.769	5.883	6.001	6.121	6.243	6.365
Earmarked General Fund	19.975	20.099	16.672	13.074	9.982	9.279	8.581	8.006	7.502	6.959	6.959
Capital Receipts Reserve	0.054	2.151	2.911	2.961	3.091	2.716	2.716	2.716	2.716	2.716	2.716
Total Usable Reserves	25.218	27.677	25.009	21.575	18.727	17.763	17.179	16.722	16.338	15.917	16.039

- 9.5 Details of each earmarked reserve are to be found in the MTFP together with their projected. New Training and Uplift Reserves have been created. The amounts set aside for ESN over the next two years are held in the Capital Reserve, as is the amount set aside to fund the upgrade to the Command and Control system.

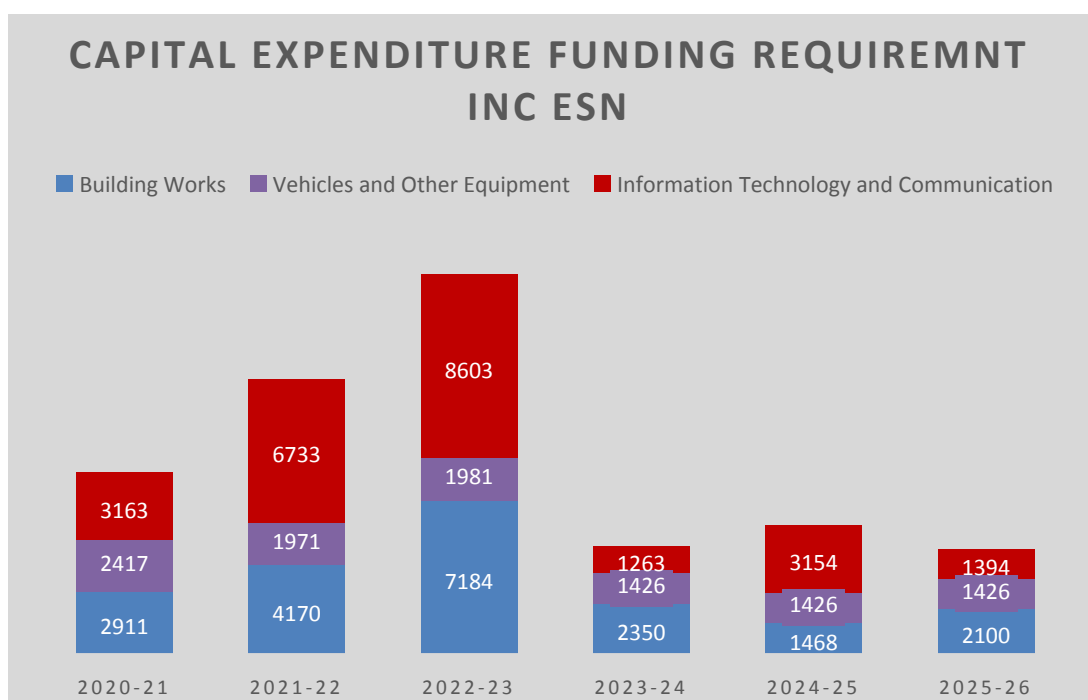
10. Capital

- 2.1 The PCC's assets and infrastructure need continual investment in order to ensure an efficient and modern working environment. Strategies for the Estates, IT and Fleet were developed last year and a new Capital Programme agreed in 2020-21. The implementation of Operation Uplift and reviewing the requirements as part of the planning cycle and the COVID recovery plan has resulted in revisions to the planned Programme. COVID has resulted in some re phasing of the Programme due to delays. Major projects such as ESN and the Command and Control System upgrade have also been under review. The summary of the changes in each area are

- Revised Estates Programme £17.3m – an increase of £0.427m from last year's programme
- Revised Fleet Programme £8.2m – a reduction of £0.341m per annum of direct revenue funding

- Revised IT Programme £21.1m
 - Known future major requirements – Command and Control (£2.5m), ESN (£7.2m+£0.9m), IT Sourcing (£1.0m)
 - Future replacements of laptops/2 in 1's/Desktops (£2.9m), BWV (£1.0m), Life X (£1.1m),etc.

- 2.2 **Estates** - The refurbishment of Pwllheli is due to finish this financial year. The re location of the Vehicle Workshop, currently rented, is due to start next year subject to final Business Case. Other projects are in development stages and will be assessed in line with developments in agile working which could potentially reduce Estates requirements – either to deliver savings or to accommodate Operation Uplift and other growth.
- 2.3 **Fleet** – A detailed review of Fleet requirement has been made using the Telematics management information data, this has resulted in a reduction of £0.341m in the annual cost previously estimated (including Uplift requirements). An additional amount has been included to trail electronic vehicles as part of the normal replacement programme.
- 2.4 **IT and Communication** - Substantial investment is required for IT, which is being directed by the Digital Transformation Programme Board. The personal issue of internet-enabled devices to operational officers and staff will enable agile working – this project was accelerated as a result of COVID and will be completed by the end of 2020-21. In due course all devices will be able to utilise the National Enablement Programme in terms of the latest software available. Outline business cases have been provided in each area, the detailed cases and business benefits are being developed. The Programme also includes the replacement of Body Worn Video equipment. A significant upgrade in the Command and Control system is included at £2.5m, funding for this was put in place as part of 2019-20 reserve allocation. ESN has been included; funding is as detailed in 6.11 to 6.12 of the MTFP. The main IT contract is due for renewal in April 2022 and the associated upgrade costs have been included. Replacement for IT equipment has been built into future years.
- 2.5 Without the inclusion of ESN the programme would have been affordable, being funded from a combination of grants, reserves, direct revenue contribution and borrowing. The overall strategy is to minimise borrowing and maximise the amounts funded fully in the year of purchase by use of direct revenue contribution and capital receipts, which in turn minimises interest and capital repayments in subsequent years. Funding ESN without further investment would result in developments and replacements having to put on hold, which in turn would cause operational issues and a backlog in investment. Sections 6.11 to 6.12 explain how this is being addressed with the gap being included in the estimated savings requirement within the revenue budget. With the assumption that this gap, which has been reduced from £1.8m annually to £0.579m annually with the steps taken in this MTFP, can be funded from savings the Programme is affordable. The issue is demonstrated in the graph below showing that the 2022-23 year will be significantly higher than normal due to the inclusion of ESN.



2.6 Detailed Capital figures are included in the MTFP; the final detailed plan will be formally approved by the PCC as part of the Capital Strategy, which is a statutory requirement, and incorporates the Treasury Management and Prudential Code Strategies before the end of March 2021. A summary of the Programme and funding is given below.

Capital Programme 2019-20 to 2024-25

Description	2020-21 Revised Estimate £000	2021-22 Est £000	2022-23 Est £000	2023-24 Est £000	2024-25 Est £000	2025-26 Est £000
Total Building Works	2,911	4,170	7,184	2,350	1,468	2,100
Total Vehicles and Other Equipment	2,417	1,971	1,981	1,426	1,426	1,426
Total Information Technology and Communication	3,163	6,733	8,604	1,263	3,154	1,394
Total Capital Expenditure	8,491	12,874	17,769	5,039	6,048	4,920
Funding						
Home Office Grant	123	123	123	123	123	123
Revenue Contribution	2,691	2,070	2,054	2,053	2,268	1,753
Earmarked Reserves	1,403	4,465	2,100	0	0	0
Capital Receipts	203	100	100	370	750	100
Borrowing for Estates	2,445	4,070	7,084	2,250	718	2,000
Borrowing for replacement programme	1,626	2,046	6,308	243	2,189	944
Total Funding	8,491	12,874	17,769	5,039	6,048	4,920

11. Consideration of Options

11.1 The Commissioner has considered all of the options available within the resources available. Extensive work was carried out by the Organisational Planning Process in order to identify savings and move resources within the organisation. The planning process also enabled the informed allocation of 62 Operation Uplift officers based on priorities. A council tax increase of 4.73% would be needed to cover inflation assuming a cash flat grant settlement. Additional resources have become available by the announcement of additional officers; however it is unclear whether the full cost of the additional officers, including support and infrastructure, will be funded. However, it would not be prudent to leave the funding problem relating the mandatory introduction ESN until future years. Therefore, taking all these factors into consideration, a council tax increase of £14.94 (5.14%) is proposed which matches the Home Office's assumed increase. This is a prudent council tax/precept increase, given that general funding and the allocation of phase 3 Operation Uplift have not been announced. Consideration has also been given to the level of uncertainty over future funding due to economic impact of the COVID Pandemic and EUexit remaining unknown.

11.2 The Commissioner held discussions with the Chief Constable who confirmed that the council tax increase of 5.14% provides sufficient budget to enable the operational delivery of the policing service in 2021/22, and allows for prudent contributions to reserves to help meet the future costs of ESN. This is dependent on receiving sufficient funding from the Government to implement the increase in officer numbers. Also, due to future uncertainty over the level of grant allocation, pay awards and changes in operational pressures, it is not possible to comment at the stage as to the accuracy of planning assumptions for later financial years, and it must be understood that a significant reduction in the grant allocation or a higher than expected pay award would necessitate increased cuts and/or higher council tax increases in future years.

11.3 Increasing the Council Tax by 5.14% the valuations for each property band are:

Tax Band	A	B	C	D	E	F	G	H	I
Council Tax £	203.70	237.65	271.60	305.55	373.45	441.35	509.25	611.10	712.95

11.4 The precept for each billing area will be:

<u>Billing Authority</u>	2021-22 Tax Base	Precept £
Anglesey County Council	31,548.20	9,639,553
Gwynedd Council	51,885.56	15,853,633
Conwy County Borough Council	50,976.27	15,575,799
Denbighshire County Council	40,540.34	12,387,101
Flintshire County Council	65,026.00	19,868,694
Wrexham County Borough Council	53,553.01	16,363,122
	<hr/> 293,529.38	<hr/> 89,687,902 <hr/>

12. Implications

Diversity	The report's recommendations will affect the Force's employee numbers in future years.
Financial	<p>The purpose of this report is to recommend the Precept and Council Tax for 2021/22, and to explain the factors taken into account in making this recommendation. Although the recommendation is for a single financial year, it is important to consider the medium to long term position in reaching a decision.</p> <p>Adequate financial resources are vital to the delivery of the Police and Crime Plan and to fulfil our legal requirements.</p>
Legal	This report, in conjunction with the Medium Term Financial Plan, provides sufficient information for the Police and Crime Panel to make a decision that could stand future legal challenge.
Risk	The report identifies and evaluates the risks from the recommendations.
Police and Crime	No separate police and crime implications.

Appendix A

Ref Description

Budget 2020-21 to 2025-26

	Annual Budget 2020-21	+Inc -' Redn 2021-22	Annual Budget 2021-22	Annual Budget 2022-23	Annual Budget 2023-24	Annual Budget 2024-25	Annual Budget 2025-26
Expenditure	£000	£000	£000	£000	£000	£000	£000
1.1 Police Officer Pay Establishment	85,463	4,891	90,354	94,479	97,534	100,090	102,571
2.1 Police Staff Pay	41,988	226	42,214	42,800	43,912	45,052	46,220
2.2 PCSO's	6,126	-21	6,105	6,226	6,350	6,477	6,607
3 Police Officer Overtime	2,207	-16	2,191	2,246	2,302	2,359	2,418
4 Police Staff Overtime	617	-16	601	617	632	648	664
5 Allowances	1,297	7	1,304	1,300	1,297	1,295	1,293
6 Training	1,210	152	1,362	1,390	1,418	1,446	1,475
7 Other Employee	655	101	756	771	787	803	819
8 Direct Pension Payments	3,346	-65	3,281	3,360	3,440	3,523	3,607
9 Energy Costs	1,420	43	1,463	1,506	1,552	1,598	1,646
10 Building Running Costs	6,539	18	6,557	6,688	6,822	6,959	7,098
11 Repairs & Maintenance of Vehicles	606	-24	582	594	606	618	630
12 Vehicle Running Costs	1,944	-103	1,841	1,890	1,940	1,992	2,045
13 Car & Travelling Allowances	540	-81	459	469	478	487	497
14 Air Support Unit	589	113	702	719	737	755	773
15 Equipment	1,094	-26	1,068	1,089	1,111	1,133	1,155
16 Clothing and Uniforms	589	-59	530	541	551	562	574
17 Printing and Stationery	366	-72	294	300	306	312	319
18 IT and Communications	10,984	1,590	12,574	12,825	13,082	13,344	13,610
19 Subsistence	295	-24	271	276	282	287	293
20 Other Supplies and Services	2,665	-4	2,661	2,713	2,765	2,819	2,874
21 Collaboration and Partnerships	5,833	543	6,376	6,535	6,699	6,866	7,038
22 Forensics	754	165	919	938	957	976	995
23 Debt Charges & Contribution to Capital	4,630	-276	4,354	4,384	5,593	5,547	5,775
24 Special Situations Contingency	400	0	400	400	400	400	400
25 Inflation and General Contingency	1,977	1,437	3,414	652	652	652	652
26 Community Safety Fund	2,850	57	2,907	2,965	3,025	3,085	3,147
Gross Expenditure	186,984	8,556	195,540	198,673	205,230	210,085	215,195

	Annual Budget 2020-21	'Inc -' Redn 2021-22	Annual Budget 2021-22	Annual Budget 2022-23	Annual Budget 2023-24	Annual Budget 2024-25	Annual Budget 2025-26
	£000	£000	£000	£000	£000	£000	£000
Expenditure							
Income							
27 Secondments	-6,138	-128	-6,266	-6,358	-6,517	-6,680	-6,847
28 Interest on Balances	-100	0	-100	-100	-100	-100	-100
29 Income	-2,563	-41	-2,604	-2,604	-2,604	-2,604	-2,604
30 Specific Grants	-14,407	640	-13,767	-13,714	-13,662	-13,609	-13,556
Total Income	-23,208	471	-22,737	-22,776	-22,883	-22,993	-23,107
31 PFI Reserve	-71	-117	-188	-241	-293	-346	-398
32 ESN Reserve	0	750	750	1,350	0	0	0
33 Contribution to General Reserve	0	0	0	114	228	342	456
Net Expenditure	163,705	9,660	173,365	177,120	182,282	187,088	192,146
34 Total Grants	-78,715	-4,962	-83,677	-83,677	-83,677	-83,677	-83,677
35 Precept	-84,990	-4,698	-89,688	-93,443	-97,217	101,009	104,819
Funding	163,705	-9,660	173,365	177,120	180,894	184,686	188,496
Annual Balance	0		0	0	1,388	1,014	1,248
Cumulative Balance	0		0	0	1,388	2,402	3,650

**Police and Crime Commissioner and Chief Constable for
North Wales Police Force**

Medium Term Financial Plan

2021-22 to 2025-26

1. Introduction

- 1.1 The Medium Term Financial Plan (MTFP) links the Police and Crime Plan as revised in January 2019 and the Policing Priorities agreed by the Police and Crime Commissioner and the Chief Constable with the Financial Strategy (Appendix A) and the resources available.
- 1.2 A detailed planning process has been conducted over the year. The Government were due to conduct a 3 year spending review during this summer, but due to the COVID pandemic this was reduced to a 1 year review. Despite the 1 year review the Government's commitment to Operation Uplift of increasing Police Officers nationally by 20,000 by March 2023 continues. Uncertainty around base funding and Uplift funding was high during the year and the planning process considered growth of Officer numbers, saving opportunities and allocation of resources to match priorities.
- 1.3 The Commissioner has considered all options within the resources available. Extensive work was carried out by the Organisational Planning Process in order to identify savings and move resources within the organisation. The planning process also enabled the intelligent allocation of 62 Operation Uplift officers based on priorities and the identification of the funding implications relating to the mandatory introduction of ESN in future years.
- 1.4 A council tax increase of 4.73% would be needed to cover inflation assuming a cash flat grant settlement. Additional resources have become available as a result of the announcement of additional uplift officers; however it is unclear as to the extent to which the full cost of the additional officers, including support and infrastructure, will be funded and the written funding settlement clearly links the additional funding to the increased allocation of officers.
- 1.5 Taking all these factors into consideration a council tax increase of £14.94 (5.14%) is proposed, which matches the Home Office's assumed increase. This is a prudent council tax/precept increase, given that general funding and the allocation of phase 3 Operation Uplift have not been announced. Consideration has also been given to the considerable implications of ESN and the level of uncertainty over future funding due to the COVID Pandemic and the economic consequences of the ongoing EU exit which remain uncertain.
- 1.6 **Aim**

The aim of this paper is to give details of how the budget has been balanced to date and the plans to maintain a balanced budget in the medium and longer term, whilst maintaining and enhancing performance and ensuring local and national priorities are achieved.

1.7 Background

The Government's Austerity Programme, which began in 2011, has resulted in substantial cuts across the public sector. Government funding was reduced by 20.8% in cash terms, which is the equivalent of a real terms reduction of 31.7% (taking inflation into account) by 2019-20.

- 1.8 The overall effect of the reduced funding available and inflationary and other pressures has resulted in £35.389m of cuts being made to budgets over a 10 year period. This is equivalent to a 23.9% reduction in the 2010-11 pre austerity budgets of £148.035m. The annual cuts are as shown in the table below:

Year	2011-12 to 2015-16	2016-17	2017-18	2018-19	2019-20	2020-21	Total
Cuts Made	£24.101m	£2.838m	£2.686m	£1.479m	£1.927m	2.358m	£35.389m

- 1.9 Prior to the 2020-21 settlement being announced the Government had in place a policy to increase Police Officer numbers by 20,000 (Operation Uplift) over a period of 3 years. The 2020-21 Police Finance Settlement was announced on 22 January 2020 in a written statement by the Policing Minister, Kit Malthouse. The announcement had been delayed due to the December 2019 General Election. Prior to the 2020-21 settlement publication the sector was expecting an additional £750m for recruitment of 6,000 officers (towards the 20,000 total), minus a reallocation for central costs. Force allocations of officer numbers had already been published and had been calculated pro-rata to core grant. In return for this additional money the Treasury had asked the Home Office to find £120m of savings from within their budget. The settlement is very much focused on the recruitment of Phase 1 and 2 of the officer uplift previously announced. North Wales Police have been allocated 62 Officers as part of phase 1 (6,000 officers nationally) and would expect, based on formula allocation, approximately another 140 from the remaining programme (14,000) nationally. The additional amounts have been provided to pay for the costs of Phase 1 and the infrastructure costs of Phase 2.
- 1.10 The 2020-21 funding focus on Operation Uplift led to a position of growth in Officer numbers while pressure on the remaining budget remained high due to no growth in the base grant and additional costs of supporting the increased number of Police Officers.
- 1.11 We entered the 2020-21 financial year with the Global COVID pandemic taking hold with the UK had having recently being put into a status of national lockdown. This context made the basis for financial planning for 2021-22 onwards very uncertain. Prior to the COVID pandemic a 3 year spending review had been expected, and also an early announcement of future Operation Uplift numbers. However, it was later decided that the settlement would be for 2021-22 only, and the Operation Uplift announcements were made at the same time and only for the same shorter

timeframe. The long terms effects of the pandemic, both locally and nationally, remain unknown, especially the economic effect and how this might affect future funding.

- 1.12 In addition to this, at the time the provisional settlement for 2021-22 was announced, the basis of the UK's withdrawal from the European Union had not been agreed, adding to the general levels of uncertainty.

2. Planning Process

- 2.1 The overall purpose of the planning process is to prioritise resources and align spending plans with the Police and Crime Commissioner's priorities and the Chief Constable's vision. The priorities are set out below.

Police and Crime Plan Priorities

- Reducing Criminal Exploitation of Vulnerable People
- Domestic Abuse
- Sexual Violence
- Modern Slavery
- Organised Crime
- Safer Neighbourhoods

The Chief Constable's vision is

Making north Wales the safest place in the UK; by Preventing Crime, Protecting Communities and Pursuing offenders.



Our Public - who we serve

With a focus on public engagement:

- Public have confidence in North Wales Police
- Victims get a quality service

Policing Delivery - what we do

Prevent Crime and Pursue Offenders

With a focus on priority crime:

- Domestic Abuse
- Modern Slavery
- Serious and Organised crime
- Sexual Abuse including Child Sexual Exploitation
- High impact crime including knife crime, gun crime, robbery and burglary

Protect Communities

With a focus on problem solving:

- Respond effectively
- Provide Safe Roads
- Preventative Policing
- Use Police Powers Proportionately
- High Investigative standards

Internal - how we deliver

People, Learning and Growth

With a focus on digital innovation:

- People are engaged and their wellbeing is supported
- People have the right skills and are in the right place
- People support and deliver organisational improvement and in particular digital innovation
- Our workforce is representative

Financial

With a focus on value for money:

- Budgets are balanced
- Efficient use of resources
- Effective use of resources



- 2.2 The budget planning process for 2020-21 involved:
- 2.2.1 the implementation of the Operational Improvement Programme (OIP) (carried out during 2018-19) which covered 47% of the Force budgets.
 - 2.2.2 40% of the budgets being subject to a Priority Resource Planning (PRP) process where managers set out various service levels.
 - 2.2.3 The remaining 13% of the budgets were reviewed outside of these processes.
 - 2.2.4 The OIP was fully implemented in 2020-21 and the decisions of the PRP process were also implemented.
- 2.3 The planning process for 2021-22 was reviewed by the Strategic Planning Unit, Finance and the Chief Officers to take into account availability of key individuals due to COVID; the effect of COVID itself; the recovery plan for the organisation post COVID; and the requirement to review demands and set the budget. It was concluded that a Priority Resource Planning (PRP) exercise identical to that followed for the 2020-21 budget would not have been suitable. The process for 2021-22 was based on Business Plans for all Service and Functional leads (as the current budget holders) with additional Business Cases being required, targeted towards demand and agreed as supplementary areas to consider at the start of the process.
- 2.4 There were also practical issues to deal with in term of conducting meetings which would need to be carried out online due to Covid-19. The process commenced as early as possible, as set out in the summary below. By setting out the parameters early in the process and having regular Organisational Planning Meetings throughout the process (weekly or fortnightly as required) it was possible to follow the schedule set out below.



<u>May 2020</u>	<u>June- July- Aug</u>	<u>Sept – Oct 2020</u>	<u>November 2020</u>	<u>December 2020 to February 2021</u>
Chief Officer Workshop	Business Cases and Plans drafted	Submission deadline 4 September	Final Org Planning meeting	Proposals presented to PCC 11.12.20
Key Stakeholder Workshop	Strategic Planning prioritises central team support	Strategic Planning & Finance Review	Autumn Statement	Grant Announcement 17.12.20
Business Cases Commissioned	Central team begins support meetings with authors	Organisational Planning Meetings review	Chief Officers and Service Leads Budget meeting to finalise proposals	Finalise Proposals with PCC 18.12.20
Business Plans Commissioned		Proposals set out		Final Plans Drafted
				Panel meeting 2.2.2021

2.5 With so much uncertainty in the system the Service and Functional leads were asked to look at three levels of savings as set out below. Proposals could then be graded and assessed against priorities, risk and deliverability.

£1.6m – Strand Still Total £1.6m	£1.6m – Improve Total £3.2m	£1.6m Preparedness Total £4.8m
<u>We Must</u>	<u>We should</u>	<u>We may need to?</u>
<ul style="list-style-type: none"> Required to balance the budget Existing deficit plus known committed pressures 	<ul style="list-style-type: none"> Funding for Growth & Innovation Options developed by reviews and through Business Plans Frees up investment to drive future year savings 	<ul style="list-style-type: none"> Contingency for unknown events on either funding or cost

2.3 As part of the above, the normal process to develop future budget requirements was undertaken, details of which are set out within this Medium Term Financial Plan (MTFP). In developing the submissions by managers and this MTFP, the following were taken into account:

- Local and National priorities as set out in the Police and Crime Plan and the Force's Vision
- New and developing pressures
- The strategic planning process
- Force Management Statement
- Other Force strategies
- Current economic climate
- Estimates of resources available to fund the Medium Term Financial Plan
- Budget forecasts for the period including pay awards
- The current financial position
- The Capital Programme, Prudential Code and their effect on the Revenue Budget
- Reserves and Balances
- Income generation, trading activities and grants
- Collaboration
- COVID Recovery Plan

2.4 The Force Management Statement (FMS) has been published over the last two years. The FMS analyses future demand against the capacity and capability of our teams. It uses data analysis and interviews with subject matter experts. Previous FMSs informed the planning process, and the planning process will, in turn, inform the next FMS

2.5 The areas identified as potentially requiring investment within the FMS were as follows; this information was used as part of the planning process:

- The two year forecasts indicate that, if current working practices were maintained, growth in those areas of the Force that manage demand generated by violent crime and sexual offences (Crime Services & Protecting Vulnerable People Unit (PVPU) predominantly) would be required.
- The Force expects the demand for fraud investigations; especially those linked to cyber dependent and enabled offending, to increase beyond current investigative capacity within the next two years.
- The level of resources needed to manage the evidential workload from Organised Crime Groups (OCGs) investigations will increase as the geographical complexity of the groups, and the scale of digital device increases.
- The capability of our investigative and intelligence staff will need to be increased to deal with emerging technology-enabled OCG activity.
- Increased investment in Information Technology due to the availability of new hardware and software. There is an expectation that North Wales Police

will continue to keep pace with developments, in line with police forces throughout England and Wales.

- Investment in officers and staff, additional training demands and investment in the wellbeing of officers and staff.

2.6 The Business plans for each area were set out in a template with the following headings being addressed, with each section having a set of structured questions:

- Performance against objectives
- Finance against budgets
- Demand and projected demand
- Capacity and Capability
- Wellbeing
- Service Area Response
- Residual Demand
- Interdependencies
- Savings

2.8 The process - especially the interdependencies - was managed through the Organisational Planning Group chaired by the Chief Superintendent Corporate Services and attended by Service and Functional Leads. This enables a corporate strategy to be developed and presented to the Chief Officers rather than a competitive process.

2.9 Other areas that were specifically considered are set out below:

- Facilities and IT linking to agile working
- Fleet Review
- Digital Programme
- Analyst Review
- Officer/Staff mix
- Corporate Budgets review

2.11 Two meetings were held with the Chief Officer team to finalise the outcome from the planning process. This allowed known available resources to be applied to priorities and informed the allocation of the 62 additional Officers from the second phase of Operation Uplift. The outcome was then discussed at the annual Budget Setting meeting with Service Leads and others, bringing together the recommendation from the Organisational Planning Group, including Savings Plans and all other elements, to build this MTFP. This then formed the proposal put forward to the PCC and his team.

- 2.12 A meeting was held between the Commissioner, the Chief Constable and their representatives on 11 December to discuss the budget proposals with a final meeting held on 18 December after the Government funding announcement had been made.
- 2.13 The following sections detail all developments since the previous MTFP, giving the updated position for Revenue, Capital and Reserves.

3. 2020-21 Budget

- 3.1 The budget announcement for 2020-21 on 22 January 2020 included £6.872m additional funding but it was clearly set out that this funding was intended for in year and future Operation Uplift costs. This didn't provide any funding towards inflationary increases or growth beyond uplift. The changes are summarised below.

Settlement 2020-21	MTFP excluding Uplift £m	Settlement £m	Variance £m
Base Grant	73.234	78.714	5.480
Pension Grant	1.582	1.582	0
Ring Fenced (subject to uplift targets)	0	1.731	1.731
Capital Grant	0.462	0.123	-0.339
Total	75.278	82.150	6.872

- 3.2 Savings of £2.358m had been identified as part of the planning process. The PCC agreed an increase of 4.5% in the Council Tax which resulted in a budget increase of 2.57% excluding Operation Uplift costs. The Council Tax increase allowed the £2.358m to be re invested in the service. The allocation of 62 additional Officers from Operation Uplift were allocated to specific posts as part of the planning process. A further 23 staff were funded from the savings identified as well as investment in the non-staff investment in IT, Training, and Capital funding.

- 3.3 The recruitment of Operational Uplift police officers happens in two stages which overlap. The initial stage is additional recruitment of Police Officers in order to increase the total numbers; this was already under way prior to the start of 2020-21 financial years. 40 additional recruits were appointed in April 2020, this meant that the Uplift target had been passed. Further recruitment throughout the year maintained the numbers above the Uplift Target. By March 2021 it is expected that 134 additional Police Officers will have been recruited with 72 leaving, an increase of 81.
- 3.4 The additional increase above the 62 target will go towards the 2021-22 Uplift target of 58 officers for North Wales Police and 3 for the ROCU. The planning process had assumed that NWP would receive an allocation of 62 Uplift Officers in 2021-22, the actual figure was 58, however, the recruitment plan and funding allowed the planned 62 posts to be allocated. The 2021-22 budget allows for the recruitment of 65 officers in total (including ROCU). Final adjustments to the recruitment plan and establishment will be made once the final total allocation of Uplift Officers is known.
- 3.5 The 62 posts were allocated to Crime Services 34, Local Policing Services 23 and Specialist Posts 5, as Probationer Officers are appointed to their first posting within Response Teams the more experienced Officers are released to the new posts created. It is expected that all the new posts will have been filled by the end of the financial year. The 23 staff posts which were Analysts, Trainers and Business Support roles to support developments have all been appointed.
- 3.5 The non-staff investment in IT is part of the Digital Programme which consists of local, regional and national initiatives. During 2020-21 there were significant developments within IT, including the National Enablement Programme, Body Worn Video and personal issue 2 in 1 devices. Where these projects could support the changes required due to the lockdown these were accelerated, while the lockdown period did cause delays in other developments as resources were prioritised. The Training investment was linked to the commencement of the Policing Education Qualification Framework (PEQF) which brings Police Officer training to degree level, this commenced in September 2020 as planned.
- 3.6 The COVID pandemic and the various levels of lockdown that have been in place have had a significant effect on how policing and support for the front line officers is delivered. Around 800 staff have been in the main working from home since April 2020, and Operational Officers have had new requirements such as Personal Protective Equipment (PPE) which were not needed previously. This has had a significant effect on spending patterns. For example, non-staff costs have seen swings of between +180% to -69%. Staff costs have been more consistent with budget and prior year with significant effort being put into ensuring that recruitment continues. Assessment of the changes in spending patterns were included in the planning process to formalise reductions that could be continued, identify what would be delayed expenditure and fund the increases.

- 3.7 Initially it was unclear whether additional funding would be made available for COVID related costs and plans were put in place to fund these from reserves if necessary. Funding was confirmed for medical grade PPE (and, subsequently, all PPE) later in the year, and further funding for additional patrols during the pre-Christmas firebreak and for loss of income has been confirmed or received. It is expected that there will be an underspend at the end of the year, some of this will be needed to be earmarked in reserves for delayed Training and some will be able to be used to manage risk and manage change going forward.
- 3.8 Her Majesty's Inspectorate of Constabularies and Fire and Rescue Services (HMICFRS) and Wales Audit Office (WAO) normally review annually: the Force's financial position; planning process; savings already made; and savings yet to be made. The Force was required to produce a Force Management Statement (FMS) for the first time by May 2018 as part of the HMIC process, with the second being produced in June 2019. The FMS describes expected future demand, identifies potential gaps, this has been used as part of the OIP review and the planning process. The third FMS was due to be published in June 2020 but was delayed due to COVID, this will now be completed by the end of May 2021.
- 3.9 HMICFRS's *Valuing the Police* reviews have been incorporated into their new review programme *PEEL Reviews* (Police Efficiency, Effectiveness and Legitimacy). The overall efficiency question set by the HMIC is 'How efficient is the force at keeping people safe and reducing crime?' with the definition of 'efficiency' being '*an efficient force maximises the outcomes from its available resources*'. The Force was assessed as being 'Good' in terms of Effectiveness, Efficiency and Legitimacy.
- 3.10 The last published observations by Wendy Williams, Her Majesty's Inspector of Constabulary is set out below;

I am very pleased with North Wales Police's performance in keeping people safe and reducing crime. In particular, I note the improvements the force has made since 2017 in its efficiency.

The force is good at preventing crime and [anti-social behaviour](#). It is also good at investigating crime and tackling [serious and organised crime](#). Keeping [vulnerable people](#) safe is a priority for the force and it works well with other agencies to identify and protect them.

North Wales Police understands the complexity and scale of the current demand for its services. It now needs to gain a better understanding of the skills its workforce currently has and those it is likely to need. This will enable it to develop strong, sustainable financial and workforce plans for the future.

The force continues to uphold an ethical culture and promote the standards of professional behaviour it expects. However, it should make sure that the necessary systems are in place to reassure the public that its use of powers, such as stop and search and the use of force, are conducted legitimately.

Overall, I commend North Wales Police for the progress it has made over the past year. This provides a strong foundation for continuing improvement in the year ahead.

The full assessment can be found at

<https://www.justiceinspectors.gov.uk/hmicfrs/peel-assessments/peel-2018/north-wales/>

- 3.11 The WAO made the following comments on their value for money assessment in their annual audit letter published on 1 December 2020;

'I am satisfied that both the P&CC and CC have appropriate arrangements in place to secure economy, efficiency and effectiveness in its use of resources'

The annual audit letter can be found at:

<https://www.northwales-pcc.gov.uk/en/Information/What-we-spend-and-How-we-spend-it.aspx>

- 3.12 Both assessments show that the budgets are being managed effectively and that the Force is performing well in maximizing the outcomes from available resources.

4 Funding Allocations and assumptions

- 4.1 No Provisional Government Funding Allocations for 2021-22 were given as part of the 2020-21 settlement. Announcements were made during 2020-21 to confirm the Government's commitment to Operation Uplift and increasing Police Officers numbers by 20,000 nationally. However, neither the numbers allocated to Forces nor the associated funding were announced in the early autumn as expected.
- 4.2 On 25 November 2020, Chancellor of the Exchequer, Rishi Sunak MP announced the outcome of the 2020 spending review (SR2020). Sometimes referred to as the 'Spending Round' or the 'SR', the SR2020 sets out public spending totals for the financial year 2021-22. This was the Chancellor's first SR following his succession from Sajid Javid MP earlier this year. The announcement gave Government Departmental spending totals, but not Force allocations. In the Autumn Statement it was also announced that there would not be an annual pay increase for Police Officer and Police Staff in September 2021.
- 4.3 The 2021-22 Provisional Settlement was announced on 17 December in a written statement by the Policing Minister, Kit Malthouse. Prior to the publication of settlement, the sector was expecting an additional £400m for the recruitment of 6,000 officers (towards the 20,000 total). Kit Malthouse confirmed that there would be an increase of £415m for PCCs to continue to recruit officers. The document goes on to state that "to ensure...progress in recruitment is maintained, and to track the use of this investment efficiently, the Government will continue to ring-fence £100 million of the additional funding". This ring-fenced grant will be akin to the previous settlement grant of £168m and will be split according to funding formula allocation.

Part of this funding allocation is to go to the recruitment of Regional Organised Crime Units (ROCU) officers through the same mechanism.

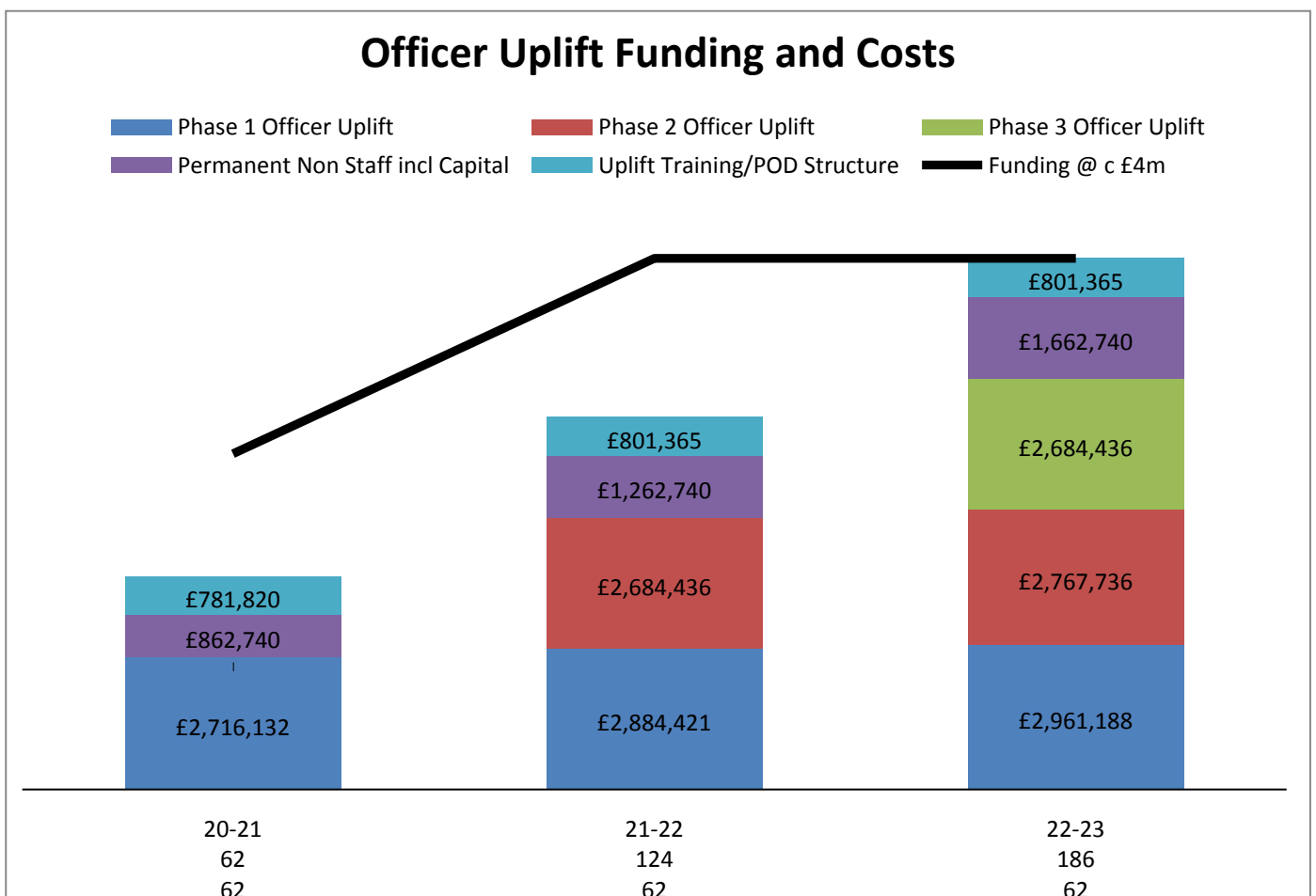
4.4 Additionally, the sector was expecting last year's Uplift funding (£700m) to be rolled into the baseline. The Ministerial Statement stated that in total PCCs will get an increase of £703m assuming that the full precept flexibility is taken. It was confirmed that the council tax referendum limit will be £15 per PCC in England, which, assuming every force maximised the increase, means an extra £288m for policing in 2021-22. The specific Pension Grant has been continued for another year as a specific grant.

4.5 The table below summarises the expectation following the Autumn Statement and the final announcement. The settlement exceeded some expectations in so far as Operational Uplift was funded. Similarly to the 2020-21 settlement the increase has been given in support of increasing Officer numbers, rather than to cater for inflationary increases or other demand changes.

Heading	Planning Assumption	Assumption after Autumn Statement	Announcement 18 December
Uplift numbers	62 to 78	* 62	* 58 + 3 for ROCU * Commitment on the 20,000
Funding	£0 to £3.2m	* £4m towards Uplift	* £4.3m to support Uplift * £1m of which ring fenced * Balance unclear but needed
Other Funding	0%	* 0%	* 0%
Council Tax/Precept	£12	* Cap of £15 in England	* Assumption of £15 increase in HO figures
Efficiency Savings	1% to 3%	* Our share of £120m	* £120m incl. above with £20m via Blulight * Efficiency in Policing Board
Top slicing	£1.1bn	* Flat at £1.1bn	* Reduced by £87m
Pension Grant	£1.582m	* £1.582m	* 1.582m
Capital	£0.123m	* £0.123m	* £0.123m

4.6 Top slicing, that is the amount the Home Office retain for central Police related expenditure rather than distributing to Forces, increased from £812m in 2017-18 to £1,120m in 2020-21, for the first time in a number of years this will reduce to £1,033m in 2021-22. If all of this were to be allocated based on the funding formula it would be equivalent to an additional £10.6m.

4.7 It is anticipated that a 3 year spending review will be conducted over the summer of 2021 in preparation for the 2022-23 settlements. There is a great deal of uncertainty around future funding. There remains a commitment in the Home Office to increase Officer numbers by 20,000 by the end of 2022-23; however, funding for the final phase is unknown. The effect of the COVID pandemic and EU Exit on the economy are unclear. A view has been taken to project a flat level of funding from 2021-22 onwards and that a further 62 Uplift Officers will be allocated. The increase funding provided to date to support Uplift would be sufficient to cover the pay costs, the associated non staff costs and training, but not any additional staff to support the Policing roles. This is shown in the chart below. In the event that further funding were to be awarded to support the Uplift Officers, the supporting roles could also be considered for funding.



4.8 There remain no plans to review the Police Allocation Formula until after the spending review (SR), however this could change and will need to be carried out at some point. This will be kept under review as the effect for North Wales Police could be significant.

5. Council Tax and Precept

5.1 There are two main elements to the total net Police Budget: the total of the Police Grants and the Precept. The budget proposal includes a Council Tax increase of 5.14%, or £14.94 on a Band D Council Tax. The Tax Base for the whole of North Wales has increased by 0.37%, giving an overall increase in Precept of 5.53% and a total net budget of £173.365m for the Police and Crime Commissioner, made up as follows:

	2021-22	
Total Government Grants	£m	%
	83.677	48.73%
Total Precepts	89.688	51.73%
Total Budget Requirement	173.365	

5.2 Council Tax is calculated by dividing the total precept requirement by the tax base, the tax base being the number of Band D equivalent properties in each Force area. The Tax Base is provided by the six Local Authorities in North Wales. The tax base for 2021-22 has increased slightly by 0.37%. This means that the percentage increase in the precept can be achieved with a lower percentage increase in the council tax. This reflects the increase in households in North Wales.

5.3 The rules for limiting the increase in the Council Tax, called the capping rules, are different for England and Wales. In addition, English Police and Crime Commissioners have had continued access to separate grants if, in previous years, they agreed to limit the Council Tax increases. These were previously paid by the Department of Communities and Local Government (DCLG) but were consolidated into the Home Office Grant and total £507m in 2021-22. North Wales has the highest Council Tax in England and Wales, but if these legacy Council Tax Grants were taken into consideration, North Wales would be the 6th highest assuming all Forces increase their Council Tax by £15 in 2021-22.

5.4 No capping rules or assumed increase have been announced in Wales; this is in line with previous years.

6. Budget for 2021-22 and Planned Budget for 2022-23 to 2025-26

6.1 The detail of the Budget and changes for 2021-22 and future years are shown in Appendix B.

6.2 The main assumptions are as follows:

- Annual pay inflation 2.5% applied from September 2020 to August 2021, 0% increase from September 2021 and 2.5% increase from September 2022 onwards
- General Inflation 2%, specific inflation applied where known
- Council Tax increase of 5.14% in 2021-22 (£14.94) and £12 per annum in the following years which equate to 3.93% in 2022-23, 3.78% 2023-24, 3.64% 2024-25 and 3.51% in 2025-26
- General Government Grants increase of 0% in 2021-22, and a flat settlement of 0% grant increase for the following years
- Base Grant increased by £10.443m from 2020-21 earmarked towards current and future Operation Uplift costs, no further Uplift funding built in. Assumption of total 186 additional Officer in total by March 2024.
- A 0.25% increase in tax base from 2021-22 onwards
- Annual cost of £1.329m included for Emergency Service Network (ESN) from 2023-24 with a reserve being built up in preceding years (reducing the annual cost from £1.8m to £1.329 a reduction of £0.471m). The funding gap for ESN will be £0.579m as £0.750m will be included in the budget from 2021-22.
- Contributions to General Reserve to ensure the balance does not fall below the minimum of 3% of Net Budget value.

This gives an overall position of:

	Annual	Annual	Annual	Annual	Annual
	Budget	Budget	Budget	Budget	Budget
	2021-22	2022-23	2023-24	2024-25	2024-25
	£'000	£'000	£'000	£'000	£'000
Baseline	163,705	173,365	177,120	180,894	184,686
Inflation	2,893	1,017	4,583	4,806	5,058
Stand still structural	1,315				
Uplift	4,962	2,738	0	0	0
Efficiency Savings	-2,902				
Growth	2,642				
ESN	750	0	579	0	0
Budget Requirement	173,365	177,120	182,282	185,700	189,744
Total Grant	-83,677	-83,677	-83,677	-83,677	-83,677
Precept from Council Tax	-89,688	-93,443	-97,217	-101,009	-104,819
Total	-173,365	-177,120	-180,894	-184,686	-188,496
Annual Balance	0	0	1,388	1,014	1,248
Cumulative balance	0	0	1,388	2,402	3,650
Council Tax % increase	5.14%	3.93%	3.78%	3.64%	3.51%
£ increase	14.94	12.00	12.00	12.00	12.00

6.3 The planning cycle focused on aligning resources to priorities while setting a balanced budget and providing value for money to local tax payers over the medium term as set out in the Financial Strategy. Based on the assumptions set out the outputs and specific issues dealt with as part of the cycle were

- Inflation and unavoidable increases 2021-22 and future estimates
- Allocation of 62 Uplift Officers for 2021-22 and estimate of future costs
- Efficiency and savings available in 2021-22
- Priority areas that require investment in 2021-22
- Funding of ESN
- Estimate future costs and funding
- Estimate future Capital Requirements

- Estimate and make best use of Reserves to support the MTFP

6.4 The previous estimated inflation figure was £4.731m based on 2.5% pay award for a full year and 2% general inflation and other targeted increases where necessary. Following the announcement of a pay freeze from September 2021 the inflation figures was revised to £2.893m, an overall increase of 1.77%. Pay inflation at 2.5% to cover April 2021 to August 2021 has been included as this is a continuation of the pay award that was set in September 2020. In addition, other unavoidable structural costs have been included. A figure of £0.5m has been included following an increase in the number of existing Police Officers joining the pension scheme. A total increase of £0.745m has been included for national and regional collaboration cost increases. A further £0.070m relates to changes in conditions of service. Further details are included in the MTFP.

Standstill Structural Costs	£'000	Explanation
Pension Auto Enrolment	500	Officer Auto Enrolment where all officers were Auto Enrolled into the Pension scheme and were required to opt out if they no longer wanted to be in the pension scheme. A total of c30 officer have remained in the pension scheme increasing the cost base by £500k
National IT Charges 20/21	150	Above inflationary increases in 20/21 which only emerged after budget set and thus built into 21/22 budget
National IT Charges 21/22	146	Advised to plan for a 9.6% inflation on National IT Systems plus contribution to new National Police Cyber Centre
National Collaborations (FCIN, FCN etc)	156	Primarily contribution to Forensics Capability Network and Forensic Collision Investigation network
North West Collaborations	185	Combination of Armed Alliance/Dog Alliance, West Coast Collaboration, Telecoms SPOC 24/7 with Cheshire, North West Chronicle
All Wales Collaboration	56	All Wales Recruitment Business as Usual Team and Regional Federation
Comms Data Charges	52	Home Office - New Comms Data Subscription Costs @ £52k per annum
Changes in Pay and Injury Pension Conditions of Service	70	On call allowances for Superintendent Ranks and additional Injury Payments following court judgement
Total	1,315	

6.5 Based on announcements made to date North Wales Police expect a total allocation of 186 additional Officers through Operation Uplift. 62 roles were allocated in 2020-21. The Home Office allocation fro 2021-22 was 58 plus the requirement to recruit

an additional 3 to source increases in the Regional Organised Crime Unit (ROCU). It is expected, but not confirmed, that a further 62 will be allocated in 2022-23. A major part of the planning cycle was to match the expected 62 additional Officers becoming available in 2021-22 to priorities. The recruitment plan has sufficient headroom to recruit the original estimated 62 allocation for 2021-22 and the 3 additional for ROCU, and therefore it was agreed to allocate 62 2021-22 Uplift posts . This recruitment plan can be funded from the increase provided to support Operation Uplift. Final adjustment to the establishment can be made once the 2022-23 Uplift numbers are known. The table below summarises how 62 Operation Uplift additional posts were allocated within the 2021-22 establishment.

Prevention & Proactivity	Digital & Demand Management	Wellbeing
Total 43	Total 14	Total 5
<ul style="list-style-type: none"> • Prevention Model – 20 Officers • Proactive SOC & CL Teams – 10 officers • Drone Unit – 5 Officers • Response Officers for PEQF – 6 Officers • Intercept Team Inspector • ANPR Intelligence Officer 	<ul style="list-style-type: none"> • Digital Media Investigation team – 4 Officers • Cyber Fraud Officer • CSE / CSA Prevention Officer • IIOC Victim Identification Officer • DFU Mobile Data Extraction • Officer Conversion to improve demand management- 6 posts. 	<ul style="list-style-type: none"> • Force Development Officer • Workforce Representation Officer • CI for Diversity and Citizens in Policing • OPCC and POD Liaison Officer • Staff Officer

6.6 Funding of £10.4m has been provided for Operation Uplift as growth in 2020-21 and 2021-22. The funding is intended to cover the recurring costs of the additional Officers, including associated non-staff, as well as any infrastructure costs including the additional Training costs that are required. Once the in-year costs have been allocated there will be a balance of £2.864m in 2021-22 that will be added to the Uplift Reserve to fund future years’ Training and Infrastructure costs. The final allocation and whether additional funding will be provided for 2022-23 is unlikely to be announced until mid-December 2021. In the event that no further funding is

provided, the current increase is sufficient to fund the Officers and their direct non-staff costs, but not any support staff requirements.

- 6.7 In order to fund growth not provided or required to support Operation Uplift Officers an assessment of potential savings were made by Service and Functional Leads, and these were then assessed on a corporate basis. A total of £2.9m has been identified and assessed to be deliverable. Of this £1.816m are non-staff and £1.103m are Officer or Staff posts. A summary of the efficiency savings in each area is given below:

Category	Savings Identified
	£'000
Local Policing Services	445
Operational Support Services	337
Crime Services	200
Corporate Services	293
Professional Standards	18
<i>F&R incl Central Reviews</i>	1,361
Officer Mix	266
Grand Total	2,920

- 6.8 Identifying the above efficiency savings enabled £2.642m to be re allocated and invested in priority areas. These are detailed below in the strategic heading of Prevention and Proactivity (£0.621m), Digital and Demand Management (£1.825m) and Wellbeing (£0.196m).

Prevention & Proactivity	£'000	Explanation
External Forensic Contracts (Toxicology/Drug Testing Kits)	200.00	Increasing our spend on kits for roadside drug testing. External forensic contract costs have increased.
CS TELECOMS/SPOC - 2fte	82.10	2 SPOCs to deal with the increase in demand for telecommunications data for investigations.
Prevention Business Case	67.35	Early help coordinators, Offender Management Administration Officer, Hospital Inspector post having lost part funding from BCUHB
Social Media Software	50.00	Continued licensing for Hoot suite which is used to manage our corporate social media accounts.
CS MOBILE DEVICE EXTRACTION CONSTABLE - 1fte	44.18	Constable to deal with the increased demand caused by seizure of digital devices and their analysis.
TPAC - Accident Repairs	40.00	To cover costs incurred by deployment of TPAC which will likely result in damage to fleet vehicles.
ANPR Maintenance	39.00	Welsh Assembly have funded the capital aspect of the new ANPR infrastructure with NWP picking up the revenue costs associated with the maintenance contract.
Community Engagement Software	25.00	Humber Talks
CS ANPR AUDITOR - 0.5fte	18.77	Part time role to ensure compliance with national ANPR standards.
Kinesense - CCTV product reviews	15.00	Partially automates and sequences CCTV footage. Primarily deployed in support of Major Incidents and serious crime.
CHIS system	12.80	Electronic system to administer and record CHIS details. Currently not on an accredited system.
COTS Standard Surveillance (RIPA) System	11.20	Electronic system to administer and record RIPA authorities. Currently not on an accredited system.
E-safe Offender Monitoring System	10.00	Software to install on Sex Offender digital devices to monitor activity.
Prevention Business Case - Licensing software	6.00	Software to manage details, conditions and breaches for licensed premises.
Total	621.40	

Digital & Demand Management	£'000	Explanation
Mobile App	460.00	Frontline Application to enable greater visibility, agile working, reduce time spent on data entry, get higher quality information to the frontline.
Analyst Business Case	236.29	Software to Analyse covertly obtained communications data as part of SOC investigations / Analyst in FCC to improve public contact performance and support Single Online Home rollout.
MI Systems - Software	150.00	New Business Intelligence software and development support to improve provision of information to frontline and improve understanding of demand on police
Innovation Fund incl Automation	150.00	To encourage innovation particularly in the field of automation.
Command & Control Revenue Implication	150.00	Increase revenue costs associated with upgrading or replacing Command and Control System (current system is end of life).
Digital Plan	113.85	Body Worn Video Storage Costs / Automation software for digital forensic submissions / NICE Digital Evidence Management Kiosks support/ ANPR costs associated with moving to new system in 2021.
Officer Equipment costs	101.00	Additional costs for equipment including ICT.
Digital Forensics Viewing Platform	79.39	Enabling officers to view digital product without travelling to St Asaph.
Internet Intelligence & Investigation	63.02	Covert Open Source Investigation software.
IT Security Manager	59.77	Ensure force meets legal obligations relating to data and infrastructure security.
Single Online Home	58.00	Costs associated with the platform have increased.
PMO - CORP BENEFITS REALISATION OFFICER	43.60	Ensure we deliver benefits and get value for money from change projects.
POD SSF - CORP BUSINESS SYSTEMS OFFICER	42.36	Systems technical role for roll out of major ICT projects.
Electric Vehicles	41.00	Working towards replacing the fleet with electric vehicles.
Crime Services Bespoke Systems	39.38	Software to match cell tower data to call data for SOC investigations / Telematics software for Road collision investigations / Increased costs from SPOC Data moving to Cloud nationally.
OSS FIM Restructure	16.05	Increase FIM numbers to ensure better coverage and put less pressure on staff.
SPU - Process Evolution Software	8.50	Software used to analyse resource requirements - used to support OIP and all future departmental reviews.
PMO - CORP PROJECT SUPPORT OFFICERS	6.10	Increase capacity to manage change projects particularly digital.

POD Training - Hydra in the Cloud	6.00	Cloud based Hydra training delivering Pip 2 & 3 Investigative training reducing outsourcing costs. Set-up of 60k already funded by NWRP.
Dorset Intelligence Portal - Briefing Tool	1.00	Frontline briefing tool recommended as good practice nationally.
Total	1825.31	

Wellbeing	£'000	Explanation
OHU Restructure/Medical Budgets	94.36	Re-structure of the OHU provision to align with wellbeing and HR and ensure a better service to officers and staff.
Wellbeing Budget	30.00	Permanent resource to support proactive welfare activities
POD HR - BAME and Senior Female Leader Development Programmes	30.00	Budget to accelerate efforts regarding equal representation of BAME and female staff at senior leader level.
Health and Safety Administrator	27.15	Permanent resource to ensure hrs. compliance is appropriately tracked and audited.
POD HR - Staff Advertising linked to WFR	13.99	Budget to accelerate Workforce Representation work with targeted advertising.
Total	195.50	

6.11 ESN is the replacement for the current Airwave emergency service communication system. Although this is a national project no additional funding has been provided or promised. The capital cost is expected to be in the region of £8m for infrastructure and communication equipment. Details of coverage, cost of units and numbers required (personal and vehicles) have not been confirmed but the current best estimate is of a magnitude that cannot be ignored. This equipment will also need replacing, this is currently estimated on a 5 year cycle. Unless budgetary action is taken now to address this, the only remaining option to fund this would be by prudential borrowing; the initial estimate based on the full amount being funded this way is an increase of £1.8m in revenue to service the borrowing from 2023-24.

6.12 The £1.8m required to fund ESN would either have to be found from cuts to services, or additional council tax in one year if no action were taken now. The 2021-22 settlement enabled a sum of £0.750m to be included in the budget towards the ESN costs; this will be allocated to an ESN reserve initially. In 2022-23 it is expected that this sum plus an additional £0.6m due to the pay freeze can be added to the reserve. This will mean that there will be £2.1m of reserve to fund ESN, reducing the borrowing requirement to £5.9m, and the revenue cost to service the borrowing to £1.329m (£0.750m of which is now already included in the budget). This will leave a

balance of £0.579m relating to ESN as part of the saving requirement for 2023-24 which is a more manageable figure than the £1.8m. These figures will be refined and reviewed annually as part of the budget setting process over the next two years.

- 6.13 Based on these assumptions this gives a balanced budget for the next two years, and a deficit of £1m to £1.4m per year in the following 3 years (detailed in the table below), which includes the ESN requirements. However the level of uncertainty around all the assumptions is exceptional. It is not clear currently whether the Government intends to try and balance the national budget and reduce the deficit created due to the COVID pandemic in the short, medium or long term. This in turn will influence whether the next Spending Review (covering 2022-23 to 2024-25) will result in cuts, growth or steady state.

	2021-22	2022-23	2023-24	2024-25	2024-25
	£'000	£'000	£'000	£'000	£'000
Annual Balance	0	0	1,388	1,014	1,248
Cumulative balance	0	0	1,388	2,402	3,650

7. Risks

- 7.1 Funding for 2022-23 has not been announced and could be insufficient to fund the Plan, including the Uplift officers. The Government's planned Spending Review to cover 3 years of public spending was postponed by a year due to the COVID pandemic. The 3 year review is now due to be undertaken in 2021 and there is the potential that it could lead to reduced funding.
- 7.2 The uncertainty around the effect of the UK leaving the European Union and the eventual economic consequences creates further risk. The direct impacts on pricing and any potential tariffs impacting the supply chain also remain unclear.
- 7.3 One of the biggest risks over the next few years is the funding formula due to the sensitivity and lack of information around the new formula. The figures provided by the Home Office during the 2015-16 review showed North Wales's allocation increasing from 1.03% to 1.06% of the total, this equated to £2m additional funding; estimates later provided by Devon and Cornwall showed North Wales's allocation reducing by £14.5m, demonstrating the sensitivity of such changes. The Home Office has not announced their intentions in terms of reviewing the formula, only that they do intend to review at some point.
- 7.4 New and emerging national and local risks that must be resourced, such as County Lines, Child Sexual Exploitation and Cyber Crime, have been addressed within the budget. However, new risks continually develop and the increase in volume and complexity of crimes is a risk.
- 7.5 National developments such as Operation Uplift and PEQF detailed in earlier sections create financial and operational risks. The replacement system for Police

Communications (ESN) was intended to deliver savings, but these have not transpired. The estimated cost of implementing ESN is substantial and steps have been taken within this plan to address these, however there is still a gap and still uncertainties around the final costs. The additional cost of providing the latest IT, whether these are mandatory national systems or not, and the change in provision model from purchase to subscription is an additional funding risk.

- 7.6 Planned savings in 2021-22 have yet to be delivered. These plans are mature and it is expected that these savings will be achieved. Plans beyond 2022-23 are in development. Cashable efficiencies will become harder to deliver with the requirements of Operation Uplift, meaning that officer numbers must be maintained.
- 7.7 The estimated budgets set out are based on the planning assumptions for increases in Council Tax being agreed. If this were to be reduced each reduction of 1% would mean an additional £0.896m cut in budgets. This risk is increased due to the PCC elections in May with potentially a new PCC being elected.
- 7.8 The Home Office has top-sliced the amounts allocated to Police areas in recent years to fund national units and initiatives. Top slicing was increased by 27% over the period 2017-18 to 2021-22 to a total of £1,033m. Any new initiatives may result in further top slicing.
- 7.9 Further cuts could be applied if the economic climate worsens. Each additional 1% cut to the General Grant Funding is a cash reduction of £0.896m.
- 7.10 As 80% of the net budget is spent on pay any small changes in pay increase, pension contribution or National Insurance contributions, Apprenticeship Levy, or any other pay-related expenditure can have a disproportionate effect on the budget. Each 1% pay increase has a full year's effect of an additional £1.414m increase in costs. If grants are not increased in line with inflationary costs, the cost of pay inflation either falls on the council tax or has to be funded by cuts. The risk of inflation not being recognised as part of the Government settlement is substantial. This has been mitigated in 2021-22 with the announcement of a pay freeze, but this will lead to pressure for higher increases in subsequent years.
- 7.11 Increases in pension employer contributions costs were seen in 2019-20, which had a significant effect on budgets. A number of discrimination cases have been taken out against the Police Pensions and other schemes, the main one being the McCloud Case which will lead to additional pension payment to those that have already retired funded centrally, but also increased future liability on the pension schemes which could lead to increases in employer contributions. A 1% increase in the Police Officer scheme would be a £0.611m increase and a 1% increase in the Staff scheme would be a £0.379m increase. The increase in the Police Officer Scheme in 2019-20 was 7%. Estimate of the effect of the McCloud on contribution rates range up to an additional 10% from 2023-24. Discussions are on-going as to whether the additional cost will be funded centrally.

- 7.12 The MTFP reflects the historical cost of the National Police Air Services (NPAS). However, the operating model has been under review for some time and the definitive position is still unclear at the time of issuing the MTFP. The expectation is that the financial landscape for 2021-22 and beyond becomes clearer over the coming months but for that reason it is worth highlighting as a risk of increased costs in the MTFP.
- 7.13 Inflation has been low in recent years and the budget assumptions reflect this, however this could change especially in areas such as fuel and energy where prices can be very volatile.
- 7.14 The table below highlights the sensitivity of the main assumptions

Sensitivity main variables	£m
1% change in Council Tax	0.896
1% change in grant	0.837
A 1% change in pay	1.414
1% change in Employer Pensions Contributions	0.940
1% change in general inflation	0.477

8. Capital

- 8.1 The Capital Programme which commenced in 2013-14 has come to its conclusion. By the end of 2019-20 the following will have been delivered:
- 4 major new facilities in: Llangefni, Llandudno and Wrexham (2 builds)
 - 20 refurbishments and relocations
 - Continuation of the Vehicle replacement Programme
 - Upgraded Network, Servers, Desk Tops, Mobile devices and the replacement of the Control Room Technology systems.
- 8.2 The PCC's assets and infrastructure need continual investment in order to ensure an efficient and modern working environment. Strategies for the Estates, IT and Fleet were developed last year and a new Capital Programme agreed in 2020-21. The implementation of Operation Uplift; reviewing the requirements as part of the planning cycle; and the COVID recovery plan, has resulted in revisions to the planned Programme. COVID has resulted in some re phasing of the Programme due to delays. Major projects such as ESN and the Command and Control System upgrade have also been under review. The summary of the changes in each area are
- Revised Estates Programme £17.3m – an increase of £0.427m from last year's programme
 - Revised Fleet Programme £8.2m – a reduction of £0.341m per annum of direct revenue funding

- Revised IT Programme £21.1m
 - Known future major requirements – Command and Control (£2.5m), ESN (£7.2m+£0.9m), IT Sourcing (£1.0m)
 - Future replacements of laptops/2 in 1's/Desktops (£2.9m), BWV (£1.0m), Life X (£1.1m),etc.

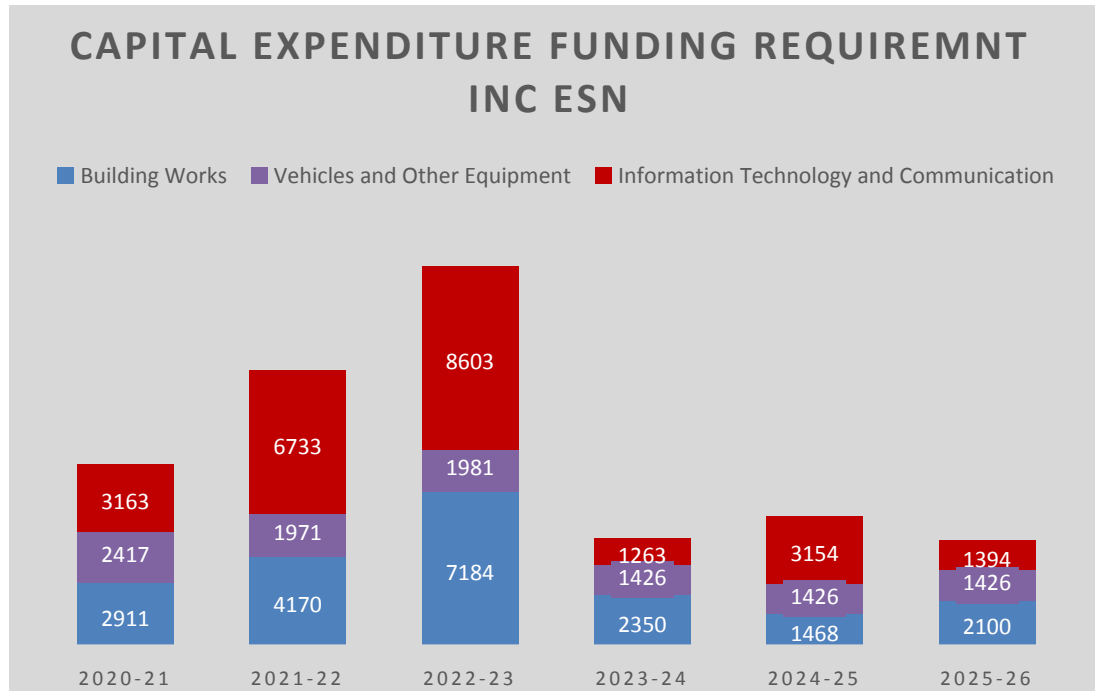
8.3 **Estates** - The refurbishment of Pwllheli is due to finish this financial year. The relocation of the Vehicle Workshop, currently rented, is due to start next year subject to final Business Case. Other projects are in development stages and will be assessed in line with developments in agile working which could potentially reduce Estates requirements – either to deliver savings or to accommodate Operation Uplift and other growth.

8.4 **Fleet** – A detailed review of Fleet requirement has been made using the Telematics management information data, this has resulted in a reduction of £0.341m in the annual cost previously estimated (including Uplift requirements). An additional amount has been included to trail electronic vehicles as part of the normal replacement programme.

8.5 **IT and Communication** - Substantial investment is required for IT. This is being directed by the Digital Transformation Programme Board. The personal issue of internet-enabled devices to operational officers and staff will enable agile working – this project was accelerated as a result of COVID and will be completed by the end of 2020-21. In due course all devices will be able to utilise the National Enablement Programme in terms of the latest software available. Outline business cases have been provided in each area, the detailed cases and business benefits are being developed. The Programme also includes the replacement of Body Worn Video equipment. A significant upgrade in the Command and Control system is included at £2.5m, funding for this was put in place as part of 2019-20 reserve allocation. ESN has been included; funding is detailed in 6.11 to 6.12. The main IT contract is due for renewal in April 2022 and the associated upgrade costs have been included. Replacement for IT equipment has been built into future years.

8.6 Without the inclusion of ESN the programme was largely affordable, being funded from a combination of grants, reserves, direct revenue contribution and borrowing. The overall strategy is to minimise borrowing and maximise the amounts funded fully in the year of purchase by use of direct revenue contribution and capital receipts, which in turn minimises interest and capital repayments in subsequent years. Funding ESN without further investment would result in developments and replacements having to put on hold, which in turn would cause operational issues and a backlog in investment. Sections 6.11 to 6.12 explain how this is being addressed with the gap being included in the estimated saving requirement within the revenue budget. With the assumption that this gap, which has been reduced

from £1.8m annually to £0.579m annually with the steps taken in this MTFP, can be funded from savings, meaning the Programme is affordable. The issue is demonstrated in the graph below showing that the 2022-23 year will be significantly higher than normal due to the inclusion of ESN.



8.7 The capital figures are shown in Appendix C; the final detailed plan will be formally approved by the PCC as part of the Capital Strategy, which is a statutory requirement, and incorporates the Treasury Management and Prudential Code Strategies before the end of March 2021. A summary of the Programme and funding is given below.

8.8 Capital Programme 2020-21 to 2025-26

Description	2020-21	2021-22	2022-23	2023-24	2024-25	2025-26
	Revised Estimate	Est	Est	Est	Est	Est
	£000	£000	£000	£000	£000	£000
Total Building Works	2,911	4,170	7,184	2,350	1,468	2,100
Total Vehicles and Other Equipment	2,417	1,971	1,981	1,426	1,426	1,426
Total Information Technology and Communication	3,163	6,733	8,604	1,263	3,154	1,394
Total Capital Expenditure	8,491	12,874	17,769	5,039	6,048	4,920
Funding						
Home Office Grant	123	123	123	123	123	123
Revenue Contribution	2,691	2,070	2,054	2,053	2,268	1,753
Earmarked Reserves	1,403	4,465	2,100	0	0	0
Capital Receipts	203	100	100	370	750	100
Borrowing for Estates	2,445	4,070	7,084	2,250	718	2,000
Borrowing for replacement programme	1,626	2,046	6,308	243	2,189	944
Total Funding	8,491	12,874	17,769	5,039	6,048	4,920
External sources						
External sources	123	123	123	123	123	123
Own resources	4,297	6,635	4,254	2,423	3,018	1,853
Debt	4,071	6,116	13,392	2,493	2,907	2,944
TOTAL	8,491	12,874	17,769	5,039	6,048	4,920

9. Reserves

- 9.1 The Commissioner has a duty to ensure that he holds adequate financial reserves to manage risks. In addition to the funding and forecasting risks detailed above, the Commissioner needs to allow for expenditure risk (spending over budget), as well as unforeseen events such as costly major incidents, natural disasters or other unforeseen events. An element of this risk is managed through the in-year budgets through the contingency budgets. However, these contingency budgets have been reduced, with a greater proportion of that risk being transferred to Reserves.
- 9.2 The Reserves are reviewed as part of the budget setting process and again as part of producing the Statement of Accounts at the end of the financial year when the final position is known.
- 9.3 There is a planned reduction in reserves from £25.218m to £16.039m over the next 10 years. A description of each reserve is given in paragraph 9.6.
- 9.4 It is considered prudent to maintain General Reserves at between 3% and 5% of Net Revenue Expenditure (NRE). As there are earmarked reserve to mitigate risk the General Reserve has been maintained at just above 3%. However, as the NRE increases it is necessary to increase the General Reserve to maintain a 3% balance, this has been included into future plans and is reflected in the summary below.

Reserve Position	Balance	Balance	Balance	Balance	Balance	Balance	Balance	Balance	Balance	Balance	Balance
	31.3.20	31.3.21	31.3.22	31.3.23	31.3.24	31.3.25	31.3.26	31.3.27	31.3.28	31.3.29	31.3.30
	Balance	Balance	Balance	Balance	Balance	Balance	Balance	Balance	Balance	Balance	Balance
	£m	£m	£m	£m	£m	£m	£m	£m	£m	£m	£m
Usable Reserves at											
General Fund Balance	5.189	5.427	5.427	5.541	5.655	5.769	5.883	6.001	6.121	6.243	6.365
Earmarked General Fund	19.975	20.099	16.672	13.074	9.982	9.279	8.581	8.006	7.502	6.959	6.959
Capital Receipts Reserve	0.054	2.151	2.911	2.961	3.091	2.716	2.716	2.716	2.716	2.716	2.716
Total Usable Reserves	25.218	27.677	25.009	21.575	18.727	17.763	17.179	16.722	16.338	15.917	16.039

- 9.5 The use of the reserves will depend on the final decisions on capital expenditure and the final revenue outturn in 2020-21, therefore the table below shows the current estimate of how the earmarked reserves may be best used to support service provision and reduce the pressure on the revenue budget. Where the use of the

Reserve is not known (such as the Major Incident Reserve) no changes are shown. Details of the projected Reserve position at the end of each year are given below the table and a description of each reserve and its purpose is set out below the table.

Description	31.3.20	31.3.21	31.3.22	31.3.23	31.3.24	31.3.25	31.3.26	31.3.27	31.3.28	31.3.29	31.3.30
	£m	£m	£m	£m	£m	£m	£m	£m	£m	£m	£m
Capital Investment	3.001	2.740	0.840	0.090	0.090	0.090	0.090	0.090	0.090	0.090	0.090
Major Incident	2.435	2.211	2.211	2.211	2.211	2.211	2.211	2.211	2.211	2.211	2.211
Pension Ill Health Reserve	1.115	0.690	0.690	0.690	0.690	0.690	0.690	0.690	0.690	0.690	0.690
Insurance Reserve	1.173	1.173	1.173	1.173	1.173	1.173	1.173	1.173	1.173	1.173	1.173
Training Reserve	0.100	0.600	0.350	0.100	0.100	0.100	0.100	0.100	0.100	0.100	0.100
PFI Reserve	3.177	3.106	2.918	2.678	2.385	2.040	1.642	1.192	0.688	0.145	0.145
Uplift Reserve	0.000	1.577	4.441	2.441	0.000	0.000	0.000	0.000	0.000	0.000	0.000
Fuel Reserve	0.000	0.200	0.200	0.200	0.200	0.200	0.200	0.200	0.200	0.200	0.200
Estates Security and Maintenance	2.279	1.625	1.325	1.025	0.725	0.425	0.125	0.000	0.000	0.000	0.000
Management of Change	5.291	4.824	1.171	1.113	1.055	0.997	0.997	0.997	0.997	0.997	0.997
Partnerships Reserve	0.675	0.624	0.624	0.624	0.624	0.624	0.624	0.624	0.624	0.624	0.624
Commissioner Community Safety Fund	0.549	0.549	0.549	0.549	0.549	0.549	0.549	0.549	0.549	0.549	0.549
OPCC Legal Reserve	0.056	0.056	0.056	0.056	0.056	0.056	0.056	0.056	0.056	0.056	0.056
OPCC Participatory Budget	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000
OPCC Reserve	0.124	0.124	0.124	0.124	0.124	0.124	0.124	0.124	0.124	0.124	0.124
Total	19.975	20.099	16.672	13.074	9.982	9.279	8.581	8.006	7.502	6.959	6.959

9.7 Summary of Earmarked Reserves

Capital Investment Fund (Capital) – To be used to invest in the assets and infrastructure of the Force to improve service provision and reduce revenue expenditure. Additional funds will be contributed to this reserve as set out in previous sections to fund ESN. £2.1m of the reserve is earmarked to fund the upgrade of the Command and Control system.

Major Incident Reserve (Risk) – To be used in the event of a Major Incident requiring additional resources beyond those available within the annual budget. This reserve has enabled the Major Incident Contingency budget to be reduced. £0.224m of the reserve has been earmarked to fund additional COVID costs in 2020-21.

Pension Ill Health Reserve (Risk) – The Force has to pay a one off sum equivalent to twice an officer’s annual pay for each Ill Health Retirement. Holding the Reserve addresses the variability year to year of these low volume, high cost items.

Insurance (Risk)- This relates to the Municipal Mutual Insurance Limited scheme of Arrangement, which could result in a final payment of an estimated £0.432m; the balance is earmarked for unknown emerging claims, and unknown future claims highlighted by the Insurance Broker.

Training Reserve – This is a new reserve set up at the end of 2019-20 to manage peaks and troughs within the Training budget. The COVID pandemic has resulted in a delay in external training, this under spend will be added to the reserve and used to catch up with training requirements when possible.

PFI Reserve (Earmarked Revenue) – This is required as the funding for PFI from the Government reduces annually, the fund will eventually reduce over the life of the PFI contract.

Uplift Reserve – This is a new reserve from 2020-21. The Government have provided in year funding for Operation Uplift which is also intended to fund implementation an infrastructure costs over the next 2 to 3 years.

Fuel Reserve – this is a new reserve from 2021-22. Fuel costs have reduced during 2020-21, this reduction has been reflected in the plans for 2021-22 onwards, but due to the volatility of fuel cost a sum of £0.2m has been set aside to manage this risk of significant sudden price increases.

Estates Security and Maintenance (Earmarked Revenue) - To fund backlog maintenance and additional security not covered in the revenue or capital budgets.

Management of Change (Earmarked Revenue) - Investment required facilitating change and reducing cost in the longer term.

Partnerships Reserve (Earmarked Revenue) – Balances held for specific Partnerships which will either be used or are held in the event of funding being withdrawn resulting in additional costs.

Community Safety Fund (Earmarked Revenue) - To provide additional resources to the Community Safety Fund

Office of the PCC Reserves (Earmarked Revenue) – OPCC reserve; legal reserve and participatory budget.

9.6 The Capital Receipts Reserves holds the proceeds received for sale of assets. These can only be used to fund capital expenditure. Projections are made on how much receipts are expected but these are not committed until the funds have been received.

9.6 The Policing Minister announced new guidelines on transparency of reserves during 2018-20. The tables below show the reserves as categorised by the guidelines.

	31.3.20	31.3.21	31.3.22	31.3.23	31.3.24	31.3.25	31.3.26	31.3.27	31.3.28	31.3.29	31.3.30
	£m	£m	£m	£m	£m	£m	£m	£m	£m	£m	£m
Reserves at Year End	25.164	25.526	22.099	18.615	15.637	15.048	14.464	14.007	13.623	13.202	13.324
General Reserves	5.189	5.427	5.427	5.541	5.655	5.769	5.883	6.001	6.121	6.243	6.365
Earmarked Revenue Reserves											
of which held to meet budgetary risks	5.003	5.054	4.804	4.554	4.554	4.554	4.554	4.554	4.554	4.554	4.554
of which held to support the medium term budget	0.549	2.126	4.990	2.990	0.549	0.549	0.549	0.549	0.549	0.549	0.549
of which held to facilitate change programmes	7.570	6.449	2.496	2.138	1.780	1.422	1.122	0.997	0.997	0.997	0.997
of which held pending future deficits on PFI contracts	3.177	3.106	2.918	2.678	2.385	2.040	1.642	1.192	0.688	0.145	0.145
of which committed to future year capital programmes	3.001	2.740	0.840	0.090	0.090	0.090	0.090	0.090	0.090	0.090	0.090
of which Other Earmarked Reserves											
of which Reserves held on behalf of other organisations	0.675	0.624	0.624	0.624	0.624	0.624	0.624	0.624	0.624	0.624	0.624
Total Revenue Reserves	25.164	25.526	22.099	18.615	15.637	15.048	14.464	14.007	13.623	13.202	13.324
Capital Reserves											
of which capital receipts reserve	0.054	2.151	2.911	2.961	3.091	2.716	2.716	2.716	2.716	2.716	2.716
TOTAL Reserves	25.218	27.677	25.009	21.575	18.727	17.763	17.179	16.722	16.338	15.917	16.039

Total Revenue Reserves Broken down as follows:											
Funding for projects & programmes over the period of the current MTFP	11.795	11.939	8.950	5.842	3.043	2.685	2.385	2.260	2.260	2.260	2.260
Funding for projects & programmes beyond the current MTFP	8.180	8.160	7.722	7.232	6.939	6.594	6.196	5.746	5.242	4.699	4.699
General Contingency	5.189	5.427	5.427	5.541	5.655	5.769	5.883	6.001	6.121	6.243	6.365
TOTAL Revenue Reserves	25.164	25.526	22.099	18.615	15.637	15.048	14.464	14.007	13.623	13.202	13.324

10 Summary

- 10.1 The Medium Term Financial Plan sets out the Commissioner's and the Chief Constable's plans for the revenue and capital budgets over the next 5 years, and the use of reserves over the next 10 years.
- 10.2 Operation Uplift has provided opportunities for growth, but also cost pressures and limitations of efficiencies. Increased cost pressures from inflation and new requirements have resulted in difficult decisions having to be made during this planning cycle. These additional costs follow on from a period of ten years where £35.4m of savings have been taken from budgets. The emerging demands on operational resources also add to the financial pressure.
- 10.3 The Commissioner has considered all of the options within the resources available. Extensive work was carried out by the Organisational Planning Process in order to identify savings and move resources within the organisation. The planning process also enabled the intelligent allocation of 62 Operation Uplift officers, based on priorities. It would not be prudent to leave the funding problem relating the mandatory introduction ESN until future years. A council tax increase of 4.73% would be needed to cover inflation assuming a cash flat grant settlement. Additional resources have become available by the announcement of additional officers; however it is unclear whether the full cost of the additional officers, including support and infrastructure, will be funded. Taking all these factors into consideration a council tax increase of £14.94 (5.14%) is proposed which matches the Home Office's assumed increase. This is a prudent council tax/precept increase, given that general funding and the allocation of phase 3 Operation Uplift have not been announced. Consideration has also been given to the level of uncertainty over future funding due to the COVID Pandemic and the economic consequence of EUexit which are not known.

The Financial Strategy

Financial Strategic Objectives:

- Prioritise resources to align spending plans with the Police and Crime Commissioner's vision and the Chief Constable's strategic objectives as set out in the Police and Crime Plan and the Force's Delivery Plan
- Maintain a balanced budget position and to set a medium term financial plan that supports the service through the period
- Deliver value for money for local taxpayers
- Exercise probity, prudence and strong financial control
- Provide a robust framework to assist the decision making process
- Manage risk, including maintaining reserves at a suitable level whilst only incurring a sustainable level of debt
- Continually review budgets to ensure that resources are targeted on key objectives

To achieve the strategic objectives planning is undertaken in the following areas:

Corporate and Business Planning

- To integrate operational and financial planning to ensure that resources are directed to support the priorities set out in the Police and Crime Plan and to match resources with corporate objectives
- To produce a financial plan for the next 3 to 5 years which will incorporate the PCC's and force's major capital and revenue projects and the IT and Estates strategies and provide sustainable funding over the short and medium term
- To produce a detailed annual revenue and capital budget which supports the most effective deployment of resources

Risk Management - Reserves and Provisions

- To maintain adequate reserves and provisions to ensure that the medium term policy programme is sustainable and can be delivered
- To aim to balance the revenue budget over the medium term without reliance on the use of the General Reserve
- To maintain the 3 levels of resilience to deal with exceptional events by use of reserves and provisions:
 1. Annual Budget Management
 2. Earmarked Reserves including the Major Incident Reserve
 3. A General Reserve at a minimum of 3% of net revenue expenditure

Risk Management - Financial Control Framework

- To maintain a financial control framework; this is key to maintaining effective standards of financial administration and stewardship. This will be achieved through the following:
 - Adherence to:
 - Statutory Rules and Regulations
 - Home Office Financial Management Code of Practice
 - Code of Corporate Governance
 - CIPFA Financial Management Code
 - Policies and Procedure notes
 - Financial Regulations and Standing Orders
 - Capital Strategy including the Treasury Management Policy and adherence to the Prudential Code
 - Codes of Professional Conduct
 - And also:
 - Implementation of Internal and External Audit recommendations
 - Management of Risk

- To maintain and develop adequate financial systems to record and control resources

- To align financial responsibility at the operational level with the appropriate management control or influence

- To ensure that accurate, up to date and timely financial information is available to enable users to apply it effectively in decision making.

Revenue Budget 2020-21 to 2025-26

Ref	Description	Annual Budget 2020-21	+ 'Inc -' Redn 2021-22	Annual Budget 2021-22	Annual Budget 2022-23	Annual Budget 2023-24	Annual Budget 2024-25	Annual Budget 2025-26
	<u>Budget 2020-21 to 2025-26</u>	£000	£000	£000	£000	£000	£000	£000
	Expenditure							
1.1	Police Officer Pay Establishment	85,463	4,891	90,354	94,479	97,534	100,090	102,571
2.1	Police Staff Pay	41,988	226	42,214	42,800	43,912	45,052	46,220
2.2	PCSO's	6,126	-21	6,105	6,226	6,350	6,477	6,607
3	Police Officer Overtime	2,207	-16	2,191	2,246	2,302	2,359	2,418
4	Police Staff Overtime	617	-16	601	617	632	648	664
5	Allowances	1,297	7	1,304	1,300	1,297	1,295	1,293
6	Training	1,210	152	1,362	1,390	1,418	1,446	1,475
7	Other Employee	655	101	756	771	787	803	819
8	Direct Pension Payments	3,346	-65	3,281	3,360	3,440	3,523	3,607
9	Energy Costs	1,420	43	1,463	1,506	1,552	1,598	1,646
10	Building Running Costs	6,539	18	6,557	6,688	6,822	6,959	7,098
11	Repairs & Maintenance of Vehicles	606	-24	582	594	606	618	630
12	Vehicle Running Costs	1,944	-103	1,841	1,890	1,940	1,992	2,045
13	Car & Travelling Allowances	540	-81	459	469	478	487	497
14	Air Support Unit	589	113	702	719	737	755	773
15	Equipment	1,094	-26	1,068	1,089	1,111	1,133	1,155
16	Clothing and Uniforms	589	-59	530	541	551	562	574
17	Printing and Stationery	366	-72	294	300	306	312	319
18	IT and Communications	10,984	1,590	12,574	12,825	13,082	13,344	13,610
19	Subsistence	295	-24	271	276	282	287	293
20	Other Supplies and Services	2,665	-4	2,661	2,713	2,765	2,819	2,874
21	Collaboration and Partnerships	5,833	543	6,376	6,535	6,699	6,866	7,038
22	Forensics	754	165	919	938	957	976	995
23	Debt Charges & Contribution to Capital	4,630	-276	4,354	4,384	5,593	5,547	5,775
24	Special Situations Contingency	400	0	400	400	400	400	400
25	Inflation and General Contingency	1,977	1,437	3,414	652	652	652	652
26	Community Safety Fund	2,850	57	2,907	2,965	3,025	3,085	3,147
	Gross Expenditure	186,984	8,556	195,540	198,673	205,230	210,085	215,195

	Annual Budget 2020-21	'Inc -' Redn 2021-22	Annual Budget 2021-22	Annual Budget 2022-23	Annual Budget 2023-24	Annual Budget 2024-25	Annual Budget 2025-26
Expenditure	£000	£000	£000	£000	£000	£000	£000
Income							
27 Secondments	-6,138	-128	-6,266	-6,358	-6,517	-6,680	-6,847
28 Interest on Balances	-100	0	-100	-100	-100	-100	-100
29 Income	-2,563	-41	-2,604	-2,604	-2,604	-2,604	-2,604
30 Specific Grants	-14,407	640	-13,767	-13,714	-13,662	-13,609	-13,556
Total Income	-23,208	471	-22,737	-22,776	-22,883	-22,993	-23,107
31 PFI Reserve	-71	-117	-188	-241	-293	-346	-398
32 ESN Reserve	0	750	750	1,350	0	0	0
33 Contribution to General Reserve	0	0	0	114	228	342	456
Net Expenditure	163,705	9,660	173,365	177,120	182,282	187,088	192,146
34 Total Grants	-78,715	-4,962	-83,677	-83,677	-83,677	-83,677	-83,677
35 Precept	-84,990	-4,698	-89,688	-93,443	-97,217	101,009	104,819
Funding	163,705	-9,660	173,365	177,120	180,894	184,686	188,496
Annual Balance	0		0	0	1,388	1,014	1,248
Cumulative Balance	0		0	0	1,388	2,402	3,650

Draft Capital Programme 2020-21 to 2025-26

Description	2020-21	2021-22	2022-23	2023-24	2024-25	2025-26	Total Project Costs (inc pre 20-21)
	Revised Estimate	Est	Est	Est	Est	Est	
	£000	£000	£000	£000	£000	£000	£000
<u>Estate Programme</u>							
Retentions, Consultancy and QS	25						25
Sustainability Improvements	102	100	100	100	100	100	602
Estates estimate 25-26 onwards						2,000	2,000
Pwllheli PS	879						980
Holyhead PS	0	750	2,593				3,343
FHQ Complex + Canteen	257						257
Caernarfon & North Gwynedd Estate Area	300	500					800
VCC / Vehicle Workshop	1,000	1,870					2,870
Dolgellau PS					1,000		1,000
Abergele PS			391				391
Llanrwst PS					178		178
Flintshire Hub		500	4,000	1,500			6,000
Force Control Room Upgrading			100				100
Archive Store				750			750
Rhosllanerchrugog PS					190		190
Re locate/ co locate/ vacate	50	300					350
Custody CCTV	6						75
Firearms Base works	292						391
CS - SARC ISO Accreditation		150					150
Total Building Works	2,911	4,170	7,184	2,350	1,468	2,100	20,452
<u>Vehicles and Other Equipment</u>							
Vehicle Purchase Replacement Programme	2,234	1,426	1,981	1,426	1,426	1,426	9,919
Tranman development	0	75					75
Dexun System (Strategic Control Centre)	22						78
Intoxilators x 3	30						30
ANPR replacement	0	470					470
Collision Surveying Equipment	131						131
Total Vehicles and Other Equipment	2,417	1,971	1,981	1,426	1,426	1,426	10,703

	2020-21	2021-22	2022-23	2023-24	2024-25	2025-26	Total Project Costs (inc pre 20-21)
Description	Revised Estimate	Est	Est	Est	Est	Est	
	£000	£000	£000	£000	£000	£000	£000
Information Technology and Communication Equipment							
Desk Top Replacement (Replacement Programme)	1,237	300	750	750	750	300	6,960
Lockers for charging and storage	50	150					200
Mobile app		471					471
Server Replacement		700				700	2,072
Business Systems Servers (Replacement Programme)		145				150	457
Mobile data devices	566				460		1,976
Airwave (replacement units)	79						533
DFU Server replacement				270			562
Mobile Responder App	3	83					200
NEP Infrastructure/Sail Point/Internet Links	491						1,180
Connectivity Software	85						85
Wifi	110	296					500
Digital Workplace audio visual	26	100					200
Single on line Home (Digital Public Contact)		40					40
Digital Intelligence & Investigation		196					196
DFU Automate	15						15
Digital Evidence Management	125						125
CISCO Telephony	0	250					250
Nexus Memory Upgrade	13	37					50
Backup	30						157
LAN	20	60					80
Unsupported systems (Risk Register)	124						124
ICAD Upgrade Phase 1	130						172
Command and Control Upgrade - Phase 2		2,458					2,458
Body Worn Video	59						592
GIS Update							70
LPS - Community Safety - Prevention		30					30
CS - COTS Standard Surveillance (RIPA) System		80					80
CS - CHIS system		88					88
POD - 360 Virtual Training		53					53
Digital - BIU - Mgmt Info Data Warehouse		50					50
CHORUS new module		35					35
ICT Sourcing Strategy		250	750				1,000
Life-X Deployment			300		800		1,100
Emergency Service Network		686	6,560		900		8,146
NEP Device Re-build		175					175
Body Worn Video (replacement costs)			244	243	244	244	974
Total Information Technology and Communication	3,163	6,733	8,604	1,263	3,154	1,394	31,456
Total Capital Expenditure	8,491	12,874	17,769	5,039	6,048	4,920	62,611

NORTH WALES POLICE AND CRIME PANEL
FORWARD WORK PROGRAMME 2021/22

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Date	Subject	Responsible Officer (including e-mail address)
June 2021	Update on the Complaints Model for Police Complaints	Stephen Hughes, Chief Executive (Office to the Police and Crime Commissioner)
June 2021	Update on the Checkpoint Programme	Stephen Hughes, Chief Executive (Office to the Police and Crime Commissioner)
June 2021	Member Expenses and Allowances 2018/19	Richard Jarvis, Lead Officer and Legal Advisor to the Police and Crime Panel
TBC	Presentation on Leader's Unlocked on developing a Youth Commission	Stephen Hughes, Chief Executive (Office to the Police and Crime Commissioner)
TBC	Update on the Estates Strategy for North Wales Police	North Wales Police and Crime Commissioner
TBC	Presentation by Flintshire Youth Service on the Enhanced Case Management Approach	James Warr, Flintshire Youth Justice Service

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