

Norfolk Police and Crime Panel



Date: **3 February 2015**

Time: **10am**

Venue: **Edwards Room, County Hall, Norwich**

A pre-meeting has been arranged for Panel Members at 9.30am in the Colman Room.

Persons attending the meeting are requested to turn off mobile phones.

Membership

Main Member	Substitute Member	Representing
Mr William Richmond	Mr Mark Robinson	Breckland District Council
Mr Ian Graham	Mr Roger Foulger	Broadland District Council
Mr Trevor Wainwright	Mr Brian Walker	Great Yarmouth Borough Council
Mr Brian Long	Mrs Elizabeth Nockolds	King's Lynn and West Norfolk Council
Mr Alec Byrne	Michael Chenery of Horsburgh	Norfolk County Council
Mr David Harrison	Mr James Joyce	Norfolk County Council
Mr Fred Agnew	Mr Colin Aldred	Norfolk County Council
Mr Richard Shepherd	Mr Roy Reynolds	North Norfolk District Council
Mr Keith Driver	Mr Alan Waters	Norwich City Council
Dr Christopher Kemp	Ms Lisa Neal	South Norfolk Council

Ms Sharon Brooks	(no substitute member)	Co-opted Independent Member
Mr Alexander D Sommerville, CPM	(no substitute member)	Co-opted Independent Member

**For further details and general enquiries about this agenda
please contact the Committee Officer:**

Anne Pickering on 01603 223230
or email committees@norfolk.gov.uk

Under the Council's protocol on the use of media equipment at meetings held in public, this meeting may be filmed, recorded or photographed. Anyone who wishes to do so must inform the Chairman and ensure that it is done in a manner clearly visible to anyone present. The wishes of Members or any members of the public not to be recorded or filmed must be appropriately respected.

A g e n d a

- 1. To receive apologies and details of any substitute members attending**
- 2. Declarations of Interest**

Norfolk County Council and Independent Co-opted Members

If you have a **Disclosable Pecuniary Interest** in a matter to be considered at the meeting and that interest is on your Register of Interests you must not speak or vote on the matter. It is recommended that you declare that interest but it is not a legal requirement.

If you have a **Disclosable Pecuniary Interest** in a matter to be considered at the meeting and that interest is not on your Register of Interests you must declare that interest at the meeting and not speak or vote on the matter

In either case you may remain in the room where the meeting is taking place. If you consider that it would be inappropriate in the circumstances to remain in the room, you may leave the room while the matter is dealt with.

If you do not have a **Disclosable Pecuniary Interest** you may nevertheless have an **Other Interest** in a matter to be discussed if it affects:

- your well being or financial position
- that of your family or close friends
- that of a club or society in which you have a management role

- that of another public body of which you are a member to a greater extent than others in your ward.

If that is the case then you must declare such an interest but can speak and vote on the matter.

District Council representatives will be bound by their own District Council Code of Conduct.

3. To receive any items of business which the Chairman decides should be considered as a matter of urgency

4. Minutes

Page **5**

To confirm the minutes of the meeting held on 14 December 2014.

5. Public questions

No questions were submitted for a response at this meeting.

6. Police and Crime Commissioner for Norfolk's proposed precept for 2015-16

Page **39**

To review the Police and Crime Commissioner for Norfolk's proposed precept for 2015-16.

7. Complaints Monitoring Report

Page **88**

To consider the regular monitoring information.

8. Information bulletin – questions arising to the Commissioner

Page **91**

To hold the Commissioner to account for the full extent of his activities and decisions since the last Panel meeting.

9. Work Programme

Page **99**

To consider a proposed work programme for 2015-16.

Date Agenda Published: Monday 26 January 2015

All enquiries to:

Anne Pickering
Norfolk County Council,
Democratic Services,
County Hall,
Martineau Lane,
Norwich, NR1 2DH

Tel. 01603 223029
Fax. 01603 224377
Email committees@norfolk.gov.uk



If you need this document in large print, audio, Braille, alternative format or in a different language please contact 0344 800 8020 or 0344 800 8011 (textphone) and we will do our best to help.



Norfolk Police and Crime Panel
Minutes of the Meeting Held on Tuesday 16 December 2014 at 10.00 a.m.
Edwards Room, County Hall, Norwich

Main Panel Members Present:

Mr Alec Byrne (Chairman)	Norfolk County Council
Mr Keith Driver	Norwich City Council
Mr Ian Graham	Broadland District Council
Dr Christopher Kemp (Vice-Chairman)	South Norfolk Council
Mrs Elizabeth Nockolds	King's Lynn and West Norfolk Council
Mr William Richmond	Breckland Council
Mr Richard Shepherd	North Norfolk District Council
Mr A Somerville CPM	Co-opted Independent Member

Officers Present

Mr Greg Insull	Assistant Head of Democratic Services
Mrs Jo Martin	Democratic Services and Scrutiny Support Manager

Others Present

Mr Simon Bailey	Chief Constable for Norfolk
Mr Charlie Hall	Deputy Chief Constable
Mr Stephen Bett	Police and Crime Commissioner for Norfolk
Mr John Hummersone	Office of the Police and Crime Commissioner for Norfolk (OPCCN)
Mrs Sharon Lister	Performance and Compliance Officer
Mr Mark Stokes	Chief Executive, OPCCN

1. To receive apologies and details of any substitute members attending

- 1.1 Apologies were received from Mr B Long (substituted by Mrs E Nockolds), Mr F Agnew and his substitute Mr Colin Aldred, Mr D Harrison and Mrs S Brooks.

2. Members to Declare any Interests

- 2.1 No declarations of interest were made.

3. To receive any items of business which the Chairman decides should be considered as a matter of urgency

- 3.1 Mr A Sommerville brought to the Panel's attention that Her Majesty's Inspectorate of Constabulary (HMIC) had judged Norfolk Constabulary to be outstanding following the recent PEEL inspection report, and commended the force on its continued high performance in reducing crime and preventing offending and for its response to the financial challenge posed by the Government's spending review.

The Panel agreed that it should record its thanks to the Constabulary.

4. Minutes of the meeting held on 3 October 2014

- 4.1 The minutes of the meeting held on 3 October 2014 were considered by the Committee.

Mr W Richmond queried point 7.2 of the minutes as to whether Norfolk had been one of the constabularies named in Operation Spade. The Chief Constable confirmed that Norfolk Constabulary was one of the constabularies named.

The minutes were confirmed as a correct record and signed by the Chairman.

5. Public questions

- 5.1 There were no public questions received.

6. Police and Crime Commissioner for Norfolk's 2015-16 budget consultation

- 6.1 The Panel received the report from the Police and Crime Commissioner for Norfolk ("the Commissioner") which provided an overview of his forthcoming budget consultation.

- 6.2 The Panel received a presentation (attached at **Appendix A** of these minutes) from the Chief Constable and the Police and Crime Commissioner, which outlined the changes in demand on the Constabulary and provided an overview of the upcoming financial challenges.

- 6.3 During the discussion the following points were noted:

- Due to the changes in demand on the Constabulary, resources would be committed to new areas centred on Domestic Incidents and Sexual Offences.
- There had been an increase in the number of reports of historic abuse due to high profile cases in the media and the increasing confidence of victims in the handling of their cases by the police. There was now a 50% chance of a successful prosecution following charge where the case was more than 20 years old.

- The Chief Constable explained that he was drawing resource away from criminal investigation teams and traditional criminal investigations to ensure that the Constabulary was properly resourced and equipped to deal with these new types and volume of crimes, against a backdrop of significant budget reduction. His challenge was to ensure that the Constabulary's books remained balanced and that local vulnerable people were protected.
- In regards to the financial aspect of the report the Panel was informed that the referendum trigger for 2015/16 had not yet been confirmed but it was likely remain the same (no more than a 2% increase).
- A grant reduction of 4% during 2015/16 would equate to a loss of £3.7m each year. Raising the precept by 2% would bring in an additional £1m, but that would still leave a £2.7m deficit. It would not be possible to protect the front line if the Government's austerity programme continued.
- Income relating to the Proceeds of Crime Act amounted to £30,000 last year.
- Panel members raised the point that the 2% which equated to 80p a week could seem small but that members of the public were not getting an increase of 80p a week in their salaries.
- Panel members queried why such an increase was thought necessary, given that Norfolk Constabulary was a high performing force. The Commissioner provided the following response:
 - Norfolk was better placed than some counties but the outlook for the next 5 years looked bleak.
 - The Constabulary did not know what it may face in future years; the style of policing needed to change, different types of officers would be required with different training and skills.
- The Chief Constable raised the point that the Crime Survey undertaken had been misleading and there had not been a reduction in crime but rather a change in the type of crimes. Some crimes had reduced but the newer, more complex crimes were on the rise and this was where the focus of funding now needed to be directed. He stated that he believed it was his duty to protect the most vulnerable in society and that this was becoming increasingly difficult.

6.4 The Panel **NOTED** the overview of the Commissioner's forthcoming budget consultation.

7. Rural Crime

7.1 The Panel received a report by the Democratic Support and Scrutiny Team Manager which asked the panel to consider the impact of rural crime on Norfolk's communities and how the Commissioner is ensuring that this issue is being tackled.

- 7.2 The Panel received a presentation (attached at **Appendix B** of these minutes) from Deputy Chief Constable Hall which outlined the various issues that affect Rural Crime and the types of operations undertaken by the Constabulary.
- 7.3 During the discussion the following points were noted:
- The Panel discussed the increase in lead thefts from churches and queried where the lead was going and what was being done to prevent this. The Commissioner advised that discussions with the diocese were taking place to provide help and guidance and that operations, that were targeted and intelligence led, were being carried out in relevant areas.
 - Panel members queried the operational differences between policing urban and rural locations. The Chief Constable advised that operational assessments were taken for each event to determine necessary tactics, with officer safety being paramount.
 - Panel members questioned the Commissioner around how the financial cuts may affect the way that rural crime is dealt with. The Commissioner responded that tackling rural crime was part of the Constabulary's usual business activity. He would discuss the policing budget with the Chief Constable, but operational decisions about allocation of resources would be for the Chief Constable to make. He could not determine how rural crime may be affected in the long term; as the Panel had heard resources now needed to be focussed on new crime types.
 - Panel members queried why the Commissioner could not predict how cuts may affect Rural Crime over the upcoming years.
 - The Commissioner responded that he had budgeted for a continuing reduction in grant from Central Government, and that together with the Chief Constable he would decide where money would best be allocated.
 - The Chief Constable made Panel members aware that the Constabulary did have a financial plan that went up until 2017/18, which had been audited scrutinised and was considered by the HMIC to be robust and was awarded an outstanding grade in the recent PEEL report
- 7.4 The Panel **NOTED** the presentation on the impact of rural crime on Norfolk's communities and how the Commissioner is ensuring that this issue is being tackled.
- 8. Norfolk Police and Crime Plan consultation findings**
- 8.1 The Panel received a report by the Democratic Support and Scrutiny Team Manager which gave an update on the public consultation responses for the refresh of the Norfolk Police and Crime Plan conducted in October 2014.
- 8.2 During the discussion the following points were noted:
- There were 382 respondents.

- The feedback from the consultation stated that 88% of respondents agreed that the current three police and crime plan objectives were still the right priorities.
- Members of the panel questioned whether the percentages stated on the priorities would change due to the changing figures outlined in the budget. The Commissioner assured the panel that he would be working with partners to provide a holistic view.

8.3 The Panel **RESOLVED** to endorse the resulting recommendations being considered by the Commissioner.

8.4 The Commissioner outlined three additional areas that he considered to be of high importance.

- The Commissioner raised his concern about migrants who had a criminal record which did not currently need to be declared when they entered the country.
 - The Commissioner informed the Panel that he believed that all migrants should have to declare any previous convictions before entrance into the UK was granted and that he had raised this with the Home Office.
 - The Commissioner also raised concerns around the fact that local Constabularies could not share information they had discovered if an individual then moved to a different authority.
- The Commissioner also highlighted Digital Crime as an area that was becoming a greater threat, and that tackling this would require officers with a different skill set.
 - The Panel queried whether this was an issue for local Constabularies or whether this was being dealt with on a national level. The Commissioner advised that they would be dealing with issues that fell within the county.
- The Commissioner also highlighted that the Police Authority Office had undergone a restructure which had involved a lot of redundancies but that it was now fit for purpose and had made savings of £375,000 which the Commissioner had decided to give to the Constabulary to fund more Police Community Support Officer's (PCSO's) in schools. 52 secondary schools will now have a permanent PCSO.

8.5 Cllr C Kemp proposed, seconded by Mrs E Nockolds, that the Panel should authorise the Chairman and Vice-Chairman to lend support to the Commissioner with any representation he might make about requiring EU immigrants to declare their criminal convictions before entering the UK. The Panel **RESOLVED** accordingly.

9. Information Bulletin

- 9.1 The Panel received a report summarising the decisions taken by the Commissioner and the range of his activity since the last Panel meeting.
- 9.2 The Panel **RESOLVED** to note the report.
- 10. Forward Work Programme 2014-15**
- 10.1 The Panel received and **noted** the Panel's forward work programme for 2014-15 and **AGREED** that an additional meeting would be arranged in January 2015, if required, to discuss the outcome of the IPCC investigation into the Commissioner's expenses claims. It was anticipated that the IPCC's report would be published early in the new year.

The meeting closed 11:55am.

CHAIRMAN

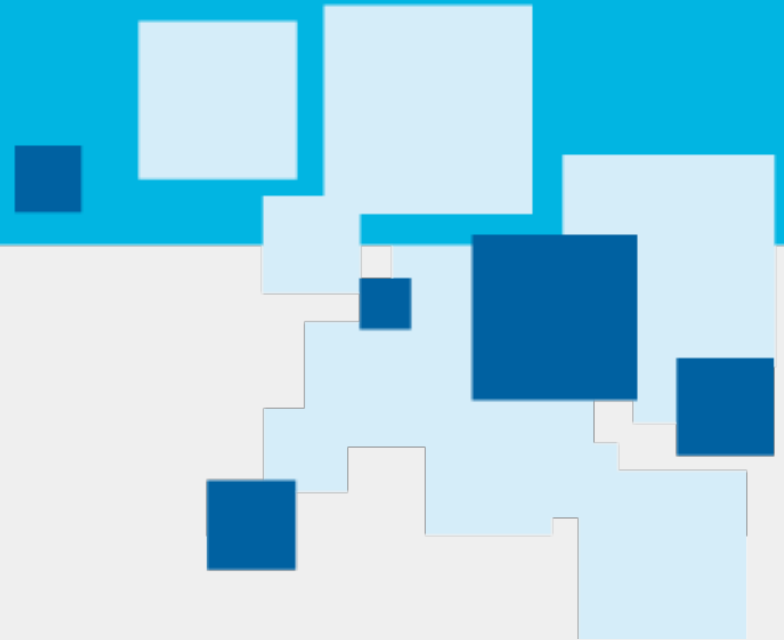


If you need this document in large print, audio, Braille, alternative format or in a different language please contact Democratic Services on 0344 800 8020 or 0344 800 8011 (textphone) and we will do our best to help.

**Stephen Bett,
Police and Crime Commissioner for Norfolk
Simon Bailey,
Chief Constable**

**Police and Crime Panel
16 December 2014**

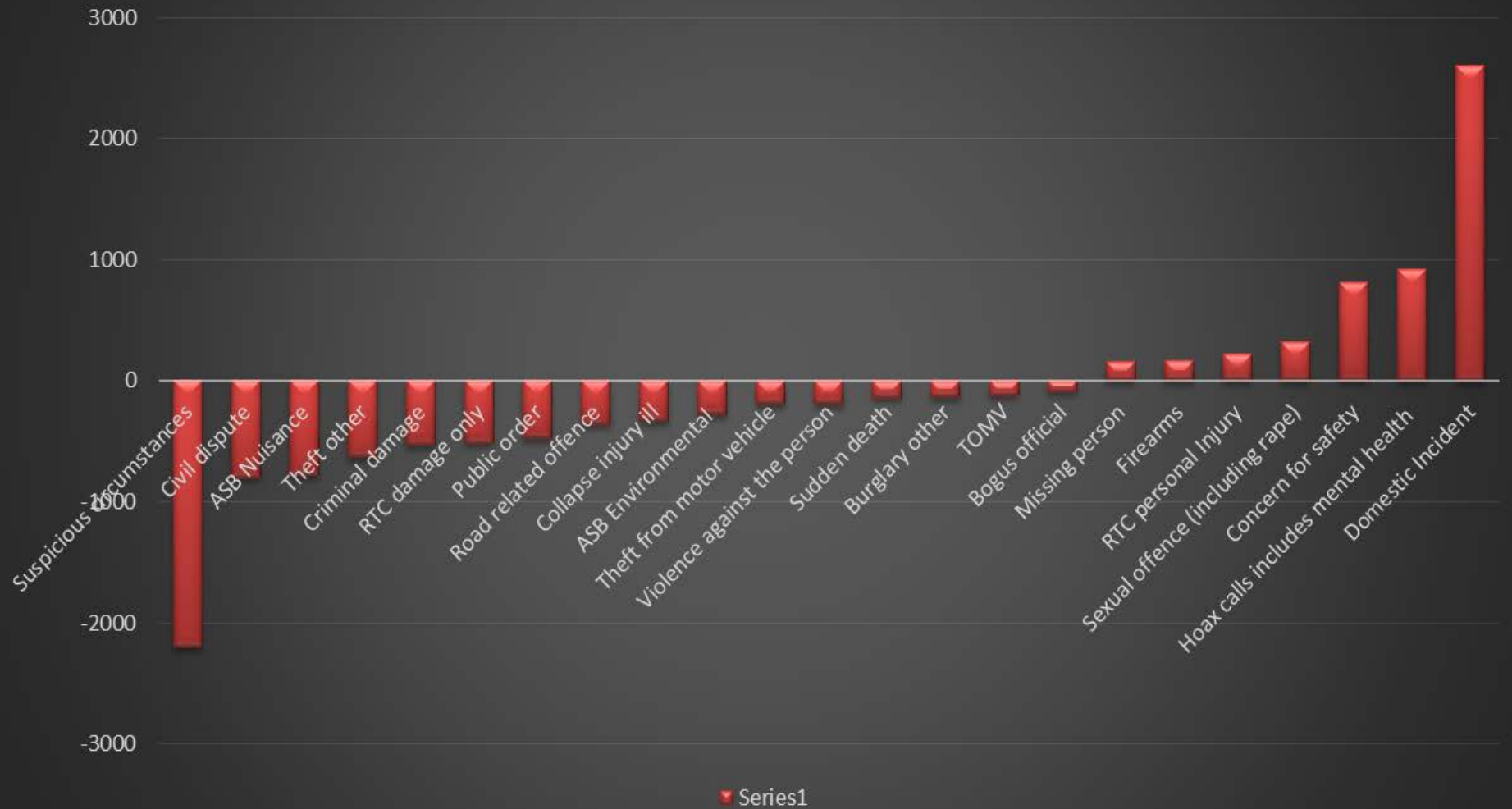
Operational Workload
Financial Planning



OPERATIONAL WORKLOAD



Change in demand



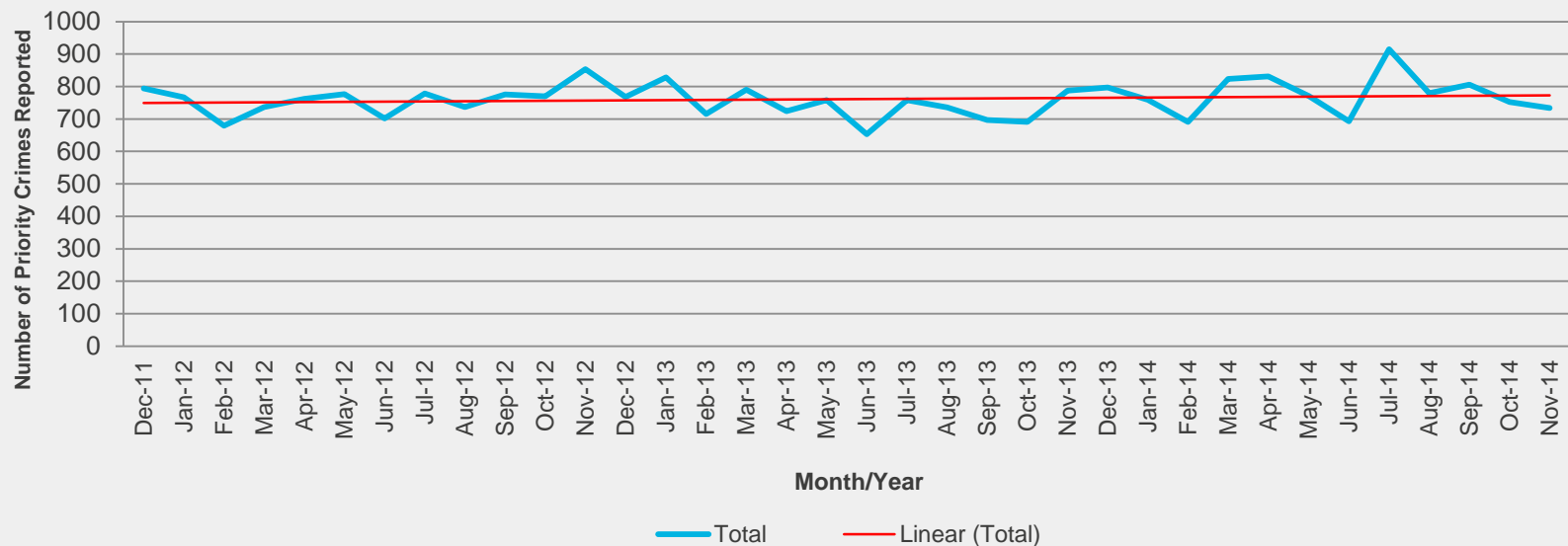
Priority Crime Overview

We have seen an overall slight increase in Priority Crime being reported

'Priority Crime' includes:

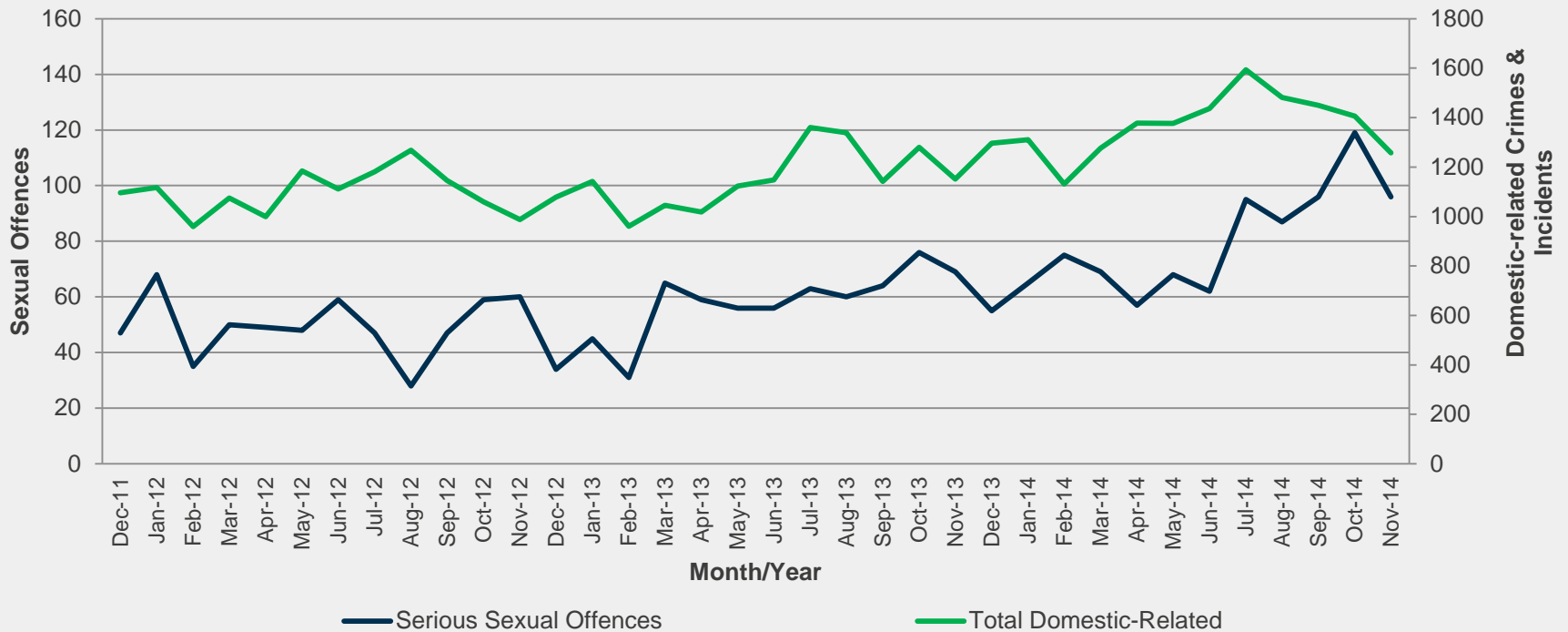
Burglary Dwelling, Burglary Non-Dwelling, Priority Criminal Damage, Priority Violence, Robbery, Theft from Motor Vehicle and Theft of Motor Vehicle.

**Norfolk Priority Crime Reported
(01/12/2011 - 30/11/2014)**



VULNERABILITY

**Number of Crimes & Incidents Reported
(01/12/2011 - 30/11/2014)**



The Changing Pattern of Demand around Vulnerability

Rape and Serious Sexual Offences

(Data for period 1st December – 30th November)

- Year 12/13 = 678 offences
- Year 13/14 = 944 offences
- **Increase of 266 offences which is a 39.2% growth**

Child Sexual Exploitation

(Data for period 1st April – 30th September. Data only available from 01/04/13 – 30/09/14)

- 2013 = 40 recorded referrals relating to 46 children
- 2014 = 145 recorded referrals relating to 150 children
- **Increase of 105 referrals, which is a rise of 263%.**

Adult Abuse

- (Data for period 1st December – 30th November)
- Year 2012/13 = 2062 referrals
- Year 2013/14 = 2221 referrals
- **Increase of 159 referrals, equal to 7.7%**



The Changing Pattern of Demand around Vulnerability

Child Abuse

- (Data for period 1st December – 30th November)
- Year 2012/13 = 2090 referrals
- Year 2013/14 = 2269 referrals
- **Increase of 179 referrals, equal to 8.6%**

Public Protection

- (Data for day of 30th November 2014)
- 834 at liberty
- 205 in custody
- 13 abroad
- **1052 total RSOs. Additional 90 since 30/11/13 - 9.4% increase.**



The Changing Pattern of Demand around Vulnerability

Domestic Abuse Incidents & Crimes (1st December – 30th November)

- Year 12/13 = 13788 incidents & crimes
- Year 13/14 = 16395 incidents & crimes
- **Increase of 2607 incidents & crimes which is a 18.9% growth**

Breakdown

Domestic Abuse Crimes (1st December – 30th November)

- Year 12/13 = 3421 offences
- Year 13/14 = 4717 offences
- **Increase of 1296 offences which is a 37.9% growth**

Domestic Abuse Incidents (1st December – 30th November)

- Year 12/13 = 10367 incidents
- Year 13/14 = 11678 incidents
- **Increase of 1311 incidents which is a 12.6% growth**



THE FINANCIAL CHALLENGE



The Medium Term Financial Plan

- Austerity will be with us until at least 2020. Government shows no signs of protecting policing.
- Provisional Settlement expected 18 December 2014 (including the referendum trigger announcement?).
- Grant reductions in the range 3% to 6% expected for 2015/16, i.e. £2.8m to £5.6m. Probably no clues about later years as a result of general election in May 2015.
- The PCC's existing MTFP is predicated on council tax increases year on year of 2%.
- A DCLG spokeswoman has been recently quoted as saying "Precise details of the 2015/16 threshold will be published in due course, but is likely to be in line with this year [i.e. less than 2%]."

The Budget Deficit (to end of 2017/18)

	Plan A	Plan B
Savings Areas	£m	£m
2017/18 Revenue Deficit before Savings	20.3	20.3
Norfolk Policing Model (Single Force)	-7.3	-7.3
Protective Services Command (Joint)	-1.7	-1.7
Custody & Case Investigation Unit (Joint)	-0.9	-0.9
Public Enquiry Offices/ Area Admin & Exec Support (Norfolk)	-1.1	-1.1
CCR (Joint)	-1.6	
CCR (Norfolk)		-0.7
ERP with SSP (Joint)	-2.3	
ERP without SSP (Joint)		-1.9
Contract Review (Joint)	-0.3	-0.3
Deficit after Savings	5.1	6.4
Plan A had to be revised to Plan B following Suffolk PCCs decision not to merge the Control Rooms and create the Shared Services Partnership		



Financial Planning Assumptions

	2015-16	2016-17	2017-18	2018-19
Government grant	-5%	-4.5%	-4.5%	-4.0%
Council tax base	+1%	+1%	+1%	+1%
Pay awards - officers	1%	1%	1%	1%
Pay awards - staff	1%	1%	1%	1%
Non-pay inflation (ave)	2%	2%	2%	1%
Borrowing (long term)	5%	5%	5%	5%
Investments	0.9%	0.9%	0.9%	0.9%



Budget Pressures for 2015/16

Additional Bank Holidays	£0.4m
LGPS Employer's Contribution	£0.3m
Medical costs (Custody)	£0.6m

From 2016/17...

Single Tier Pension	£1.9m
---------------------	-------

BUDGET PREPARATION STILL IN PROGRESS



Sensitivity Analysis

	Variation	Variation £000
Government grant	1%	900
Tax base increase	1%	500
Precept	1%	500
Pay awards – officers (full year impact)	1%	800
Pay awards – staff (full year impact)	1%	400
Non-pay inflation	1%	300
Cash Investments	1%	280



Norfolk Constabulary

Rural Crime

December 2014



NORFOLK
CONSTABULARY
Our Priority is You



Rural Crime

- The definition of rural crime is complex. A joint definition with Suffolk is being developed that is more specific than the ACPO definition.
- Currently any issues involving rural crime are dealt with as normal daily business.
- A number of operations and initiatives have taken place to target specific crime series in the county, led by intelligence and problem analysis.

Our Priority is You



Rural Crime

Rural theft cost an estimated **£44.5m** in the UK during 2013 – up 5.2% from 2012 figures. The cost to Norfolk is estimated in the region of £910,000. (2012 figure 890,000)

COUNTY	REGION	Rural Crime Estimate in 2013
Cambridgeshire	East of England	£2,700,000
Lincolnshire	Midlands	£2,300,000
Essex	East of England	£2,100,000
Suffolk	East of England	£1,500,000
Norfolk	East of England	£910,000

Information provided from claims to NFU Mutual

Our Priority is You



Operation Randall

- The overarching operation capturing all rural crime.
- Utilises partnership working between Norfolk Constabulary and other organisational stakeholders in the rural community.
- Includes Mounted Special Constables, and the utilisation of quad bikes to access hard-to-reach rural locations.
- A dedicated SPOC on each District.

Our Priority is You



Operation Randall

Funding secured from the Chief Constables Evidence Based Policing Fund for two Quad Bikes.



Joint Military/Police search for High risk MISPER

Stolen Motor Vehicle recovered
after overnight Theft



High Lodge/Forestry Engagement

Our Priority is You



Intelligence Led Operations

- Trends in crime are monitored daily through analysis of Incident and Crime reports.
- Immediate action commissioned through Daily Management Meetings.
- Longer term action via Tasking Coordination Group.
- ERSOU tasked regionally with regards to the exchange and proceeds of stolen goods.

Our Priority is You



Lead Theft

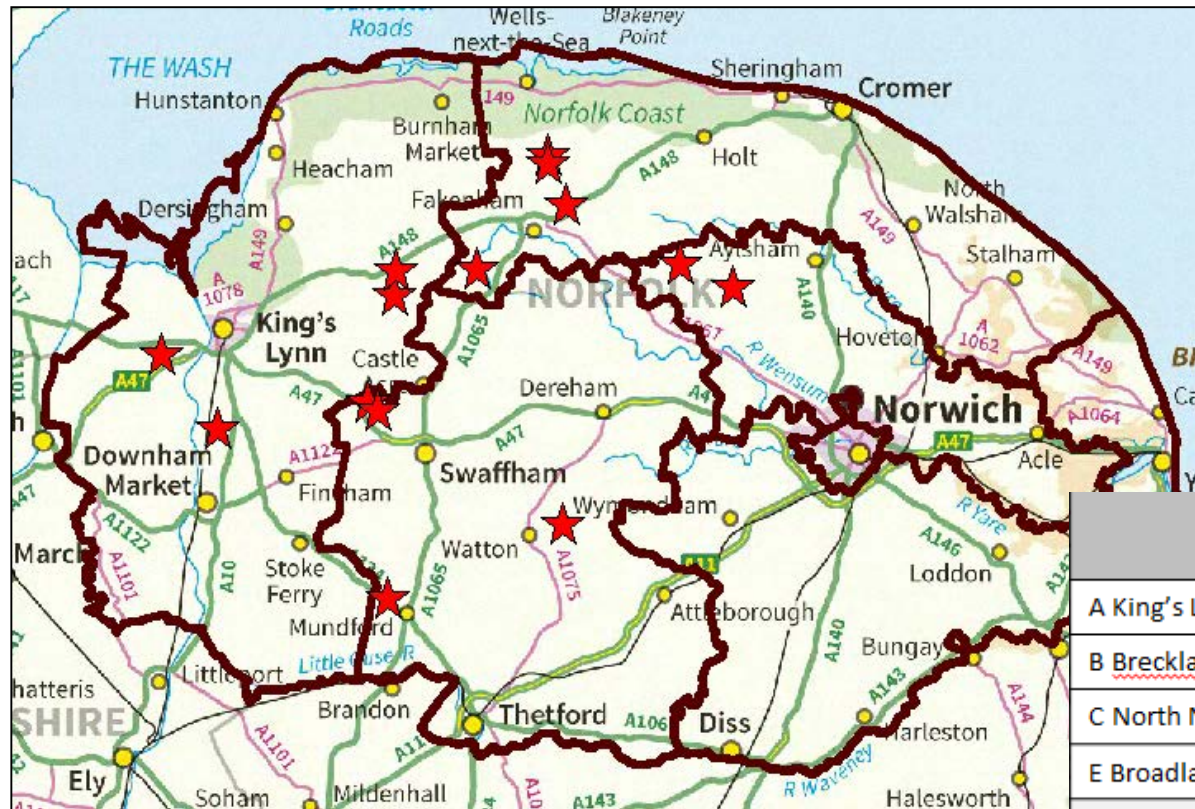
- Theft of lead is an issue of national significance given the record price for scrap lead.
- Recently we have seen churches in particular being targeted.

	2013	2014	Change
Number of lead thefts	25	24	-1
<i>Number of lead thefts from churches</i>	1	14	+13

Our Priority is You



Lead Theft *(from churches)*



Police District	Number of Crimes
A King's Lynn & West Norfolk	4
B <u>Breckland</u>	4
C North Norfolk	4
E Broadland	2
Grand Total	14

Our Priority is You



Lead Theft *(from churches)*

- Vulnerable sites are receiving visits from their local area SNTs to offer advice on crime prevention.
- Any sites identified as vulnerable can receive an Environmental Visual Audit (EVA) to further identify key crime prevention advice.
- Any sites that are vulnerable or subsequently become subject to offences receive additional visible patrols.

Our Priority is You



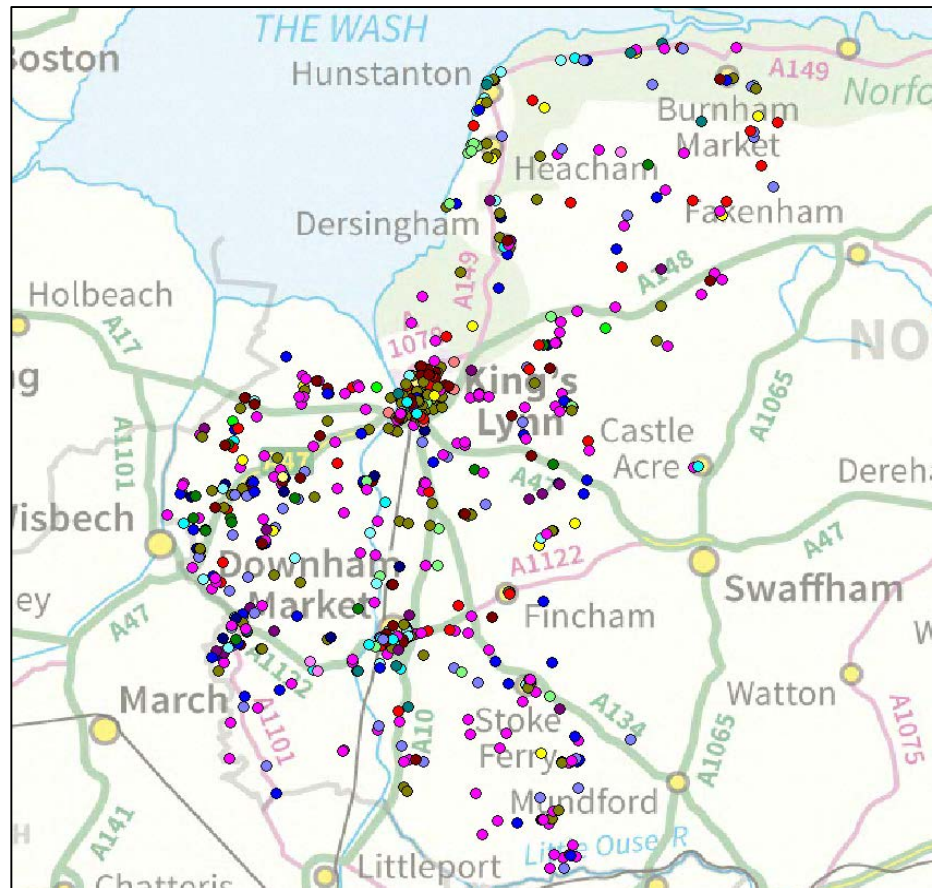
Operation Tank

- Aimed at reducing rural crime in the King's Lynn District.
- There has been a 22% reduction in offences during 2014.
- Intelligence submitted regarding fuel theft has increased following detections.
- 30% decrease in offending since addition of RPFOU resources.

Our Priority is You



Operation Tank



Op Tank offences since 2013

Op Tank

●	Diesel/Heating oil	(188)
●	Metal	(118)
●	Caravan/Trailers	(63)
●	Plant/Agricultural	(58)
●	Garden ornaments	(55)
●	Batteries/Fencing	(42)
●	Trees and plants	(33)
●	Pipes/Canisters	(30)
●	Livestock	(24)
●	Outboards/Boats	(24)
●	Garden equipment	(22)
●	Garden furniture	(18)
●	Gates	(14)
●	Horse tack	(14)
●	Blind scanner	(4)
●	Pellets	(4)

Our Priority is You



Preventative Work

- Newsletters distributed to land owners keeping them informed of developments of note.
- Allocation and attendance of a local Single Point of Contact to assist with enquiries and undertake a Crime Prevention Survey.
- Assisting premises with alarms, signage, perimeter sensors etc.
- Partner working with Norfolk Wildlife Trust, RSPCA/RSPB, Natural England, Environment Agency, Forestry Commission.

Our Priority is You



Information Availability

Police Connect provides valuable information about local areas.

Individuals can register to receive police information direct to their email inbox, mobile, landlines or fax by following registering at:

<http://www.norfolk.police.uk/footerspotlights/signup.aspx>

The public can opt to receive information about crime and policing issues where you live, as well as Safer Neighbourhood Team newsletters, Home Watch and information about schools, retail and business, agriculture, and tourism and leisure.

Our Priority is You



Thank you

www.norfolk.police.uk



NORFOLK
CONSTABULARY

Our Priority is You



Police and Crime Commissioner for Norfolk's proposed precept for 2015-16

Suggested approach from Jo Martin, Democratic Support and Scrutiny Team Manager

The Panel is recommended to:

- 1) Note the Police and Crime Commissioner for Norfolk's proposed Revenue Budget and Capital Programme for 2015/16, Medium-Term Financial Strategy 2015/16 to 2019/20, and the funding and financial strategies.
- 2) Decide whether or not it supports the Police and Crime Commissioner for Norfolk's proposed precept for 2015/16 and agree the content of the Panel's report which must be made to the Commissioner.
- 3) Agree to meet at 10am on 13 February 2015 to review a revised precept proposal, should it decide to veto the precept proposal at today's meeting.

1. Background

- 1.1 The Police Reform and Social Responsibility Act 2011 ("the Act") requires the Police and Crime Panel ("the Panel") to review the Police and Crime Commissioner for Norfolk's proposed precept (the amount he wants to raise from Council Tax) for the forthcoming financial year.
- 1.2 The Regulations require:
 - the Police and Crime Commissioner to notify the Panel of his/her proposed precept by 1 February 2015;
 - the Panel to review and make a report to the Commissioner on the proposed precept (whether it vetoes the precept or not) by 8 February 2015;
 - where the Panel vetoes the precept, the Commissioner is to have regard to and respond to the Panel's report, and publish his/her response, including the revised precept, by 15 February 2015;
 - the Panel, on receipt of a response from the Commissioner notifying it of his/her revised precept, to review the revised precept and make a second report to the Commissioner by 22 February 2015;
 - the Commissioner to have regard to and respond to the Panel's second report and publish his/her response by 1 March 2015.
- 1.3 The Panel may only veto the first proposed precept. For that purpose, the Panel must vote in favour of using its veto by the required majority of at least two-thirds of the Panel's membership (8 or more members). Where a veto

occurs, the report to the Commissioner must include a statement to that effect.

- 1.4 If the Panel fails to report to the Commissioner by 8 February 2015 the scrutiny process comes to an end, even if the Panel has voted to veto the proposed precept, and the Commissioner may issue his proposed precept.

2. The proposed precept for 2015-16

- 2.1 The Police and Crime Commissioner for Norfolk ("the Commissioner") is proposing to increase the police and crime element of the council tax in 2015/16 by 1.978% (£4.05 per annum) to £208.80 at Band D, subject to notification of final tax base figures by district councils and confirmation of the referendum trigger and the final grant settlement by the Government. He is recommending this increase as his preferred option for 2015/16 on the basis that:

- a) Determination of the precept needs to be seen not as a one-off decision in relation to next year, but as part of a strategy in relation to policing and crime over the medium to long-term.
- b) The proposals are consistent with the Commissioner's 10 point Pledge and his unchanged priorities, which are captured in the Police and Crime Plan for Norfolk 2015/16.
- c) The Constabulary faces considerable service pressures, including significantly increased demand in the area of vulnerability in the wake of recently discovered and nationally well publicised abuse cases.
- d) Advice from the Chief Constable has been considered alongside views from the community, key stakeholders and public sector bodies in the police, community safety and local criminal justice areas.

- 2.2 The Commissioner's report to the Panel, setting out his precept options for 2015/16, is attached at **Annex A** of this report. It sets out the reasons for the Commissioner's preferred option and the proposed increase in precept for 2015-16, and includes the following detailed supporting information:

- Appendix A (i) Budget and Medium Term Financial Plan 2015/20 (Option 1 and 2))
- Appendix A (ii) Analysis of Known/Expected Changes and Savings
- Appendix B Analysis of the Net Budget and Forecasts 2015/16 to 2019/20
- Appendix C Proposed Capital Programme 2015/16 to 2018/19
- Appendix D (i) Forecast movement in general balances and earmarked reserves 2014/15 to 2019/20 (Option 1)
- Appendix D (ii) Forecast movement in general balances and earmarked reserves 2014/15 to 2019/20 (Option 2)
- Appendix E Prudential Code Indicators 2015/16, 2016/17, 2017/18
- Appendix F Annual Investment and Treasury Management Strategy 2015/16
- Appendix G Minimum Revenue Provision Statement 2015/16
- Appendix H Precept (Option 1) 2015/16
- Appendix I Precept (Option 2) 2015/16

- 2.3 The Panel will wish to note the Commissioner's proposed Revenue Budget and Capital Programme for 2015/16, Medium Term Financial Strategy 2015/16 to 2019/20 and funding and financial strategies as background information for its consideration of the proposed precept. It is not required to approve the budget

or make recommendations on the allocation of resources.

- 2.4 The funding and financial strategies are based on the Provisional PCC Grant Settlement for 2015/16 that was announced by the Home Office on 17 December 2014, the latest estimates of tax base and collection fund positions from the seven billing authorities and the Commissioner and Chief Constable's proposed budget and saving plans for 2015-16.
- 2.5 In preparing the Revenue Budget and Capital Programme for 2015/16, his Medium-Term Financial Strategy 2015/16 to 2019/20 and funding and financial strategies, the Commissioner and Chief Constable and their respective Chief Finance Officers have followed the requirements of the Financial Management Code of Practice. Consideration has been given to the robustness of budget estimates and saving proposals, and the level of resources needed to meet the Strategic Policing Requirement and deliver a Police and Crime Plan for Norfolk.
- 2.6 The Chief Finance Officers have advised the Commissioner and Chief Constable on the level of risk and the adequacy of reserves in preparing the draft budget proposals. These are referred to throughout the report.
- 2.7 The final budget for 2015/16 will be agreed by the Commissioner in February 2015 when the final grant settlement is confirmed and confirmation of tax base collection fund position from billing authorities is received (before 31 January 2015). Should any change be necessary this will be dealt with by a transfer to or from the Budget Support Reserve, and the precept will therefore be unaffected.
- 2.8 The Panel will wish to note that the Commissioner's budget consultation is due to close on Friday 30 January 2014. The results of the consultation will be provided separately to the Panel.

3. Suggested approach

- 3.1 The Police and Crime Commissioner for Norfolk and his Deputy will attend the meeting to answer the Panel's questions and will be supported by members of his staff, including his Chief Executive and Chief Finance Officer, and the Chief Constable.
- 3.2 Norfolk County Council's Head of Budgeting and Financial Management will attend to provide independent financial advice to the Panel if required. He has considered the financial assumptions underpinning the Commissioner's budget proposals for 2015/16 and beyond and has discussed these with the Commissioner's Chief Finance Officer. The assumptions are considered to be reasonable and realistic in light of the current understanding of future funding levels, but will need to be kept under continued review.
- 3.3 After the Commissioner has presented his report, and the Panel has received a presentation from his Chief Finance Officer and the Chief Constable, the Panel may wish to question him on the following areas:
 - a) The options and implications that have been considered in formulating the proposed precept, including the Government offer of a 'freeze' grant.

- b) The Commissioner's rationale for increasing the precept and clarification of the use to which the additional precept income is to be put.
- c) How the proposed precept aligns with the resources required to deliver the Police and Crime Plan for Norfolk.
- d) Progress with agreed efficiency savings arising from the four year Comprehensive Spending Review period 1 (covering the period to 2014/15), CSR 2 (covering the one year period 2015/16), collaboration and the Challenge Programme.
- e) The level of risk and the adequacy of reserves in preparing the draft budget proposals.
- f) The affordability of the capital programme, which is being funded mainly from borrowing.
- g) How the Commissioner plans to address the projected significant funding shortfall when the Budget Support Reserve is anticipated to run out (e.g. the Reserve will be fully used during 2019/20 under Option 2).
- h) The key messages received through consultation.
- i) The implications for partnership working.
- j) The impact on commissioning intentions and the Community Safety Fund Crime and Disorder Reduction Grants.

4. Possible outcomes from reviewing the proposed precept

- 4.1 At the end of its review, the Panel must make a report to the Commissioner setting out whether or not it supports the proposed precept for 2015-16. This report must be published.
- 4.2 The Panel could:
 - a) Support the proposed precept without qualification or comment.
 - b) Support the proposed precept, but express reservations clearly stating the reasons why and, if appropriate, make recommendations to the Commissioner for his consideration.
 - c) Agree not to support the precept and to set out the reasons why, but fall short of exercising the veto against it.
 - d) Veto the proposed precept, stating whether this is because it is:
 - too high (in which case the revised precept must be lower than the previously proposed precept)
 - too low (in which case the revised precept must be higher than the previously proposed precept).

The Act requires at least two-thirds of the Panel's membership (8 or more members) to vote in favour of using its veto.

5. Reviewing a revised precept

- 5.1 Should the Panel decide to veto the original precept proposal, it is suggested that the Panel should agree to meet at 10am on 13 February 2015 to review the revised precept proposal.
- 5.2 On receipt of a response from the Commissioner notifying the Panel of a revised precept proposal, the Panel must review the revised precept proposal and make a second report to the Commissioner by 22 February 2015. This report may:
- a) Indicate whether the Panel accepts or rejects the revised precept (although rejection does not prevent the Commissioner from issuing the revised precept).
 - b) Make recommendations, including recommendations on the precept that should be issued.
- 5.3 If the Panel fails to make a second report to the Commissioner by 22 February 2015, the Commissioner may issue his revised precept.

6. Action

- 6.1 The Panel is recommended to:
- 1) Note the Police and Crime Commissioner for Norfolk's proposed Revenue Budget and Capital Programme for 2015/16, Medium-Term Financial Strategy 2015/16 to 2019/20, and the funding and financial strategies.
 - 2) Decide whether or not it supports the Police and Crime Commissioner for Norfolk's proposed precept for 2015/16 and agree the content of the Panel's report which must be made to the Commissioner.
 - 3) Agree to meet at 10am on 13 February 2015 to review a revised precept proposal, should it decide to veto the precept proposal at today's meeting.



If you need this report in large print, audio, Braille, alternative format or in a different language please contact Jo Martin on 0344 800 8011 or 0344 800 8011 (Textphone) and we will do our best to help.



OFFICE OF THE POLICE & CRIME COMMISSIONER FOR NORFOLK

REPORT TO THE POLICE AND CRIME PANEL 3rd FEBRUARY 2015

PROPOSED PRECEPT FOR 2015/16

Executive Summary:

This report outlines precept options for 2015/16, the Revenue Budget and Capital Programme for 2015/16 and the Medium Term Financial Strategy 2015/16 to 2019/20. Option 1 is a council tax freeze, taking the Council Tax Freeze Grant offered which is equivalent to a 1% council tax increase. Option 2 is for a 1.978% increase in council tax, the maximum permitted without triggering a referendum.

The report contains Appendices that provide more detailed information.

Appendix A (i)	Budget and Medium Term Financial Plan 2015/20 (Option 1 and 2)
Appendix A (ii)	Analysis of Known/Expected Changes and Savings
Appendix B	Analysis of the Net Budget and Forecasts 2015/16 to 2019/20
Appendix C	Proposed Capital Programme 2015/16 to 2018/19
Appendix D (i)	Forecast movement in general balances and earmarked reserves 2014/15 to 2019/20 (Option 1)
Appendix D (ii)	Forecast movement in general balances and earmarked reserves 2014/15 to 2019/20 (Option 2)
Appendix E	Prudential Code Indicators 2015/16, 2016/17, 2017/18
Appendix F	Annual Investment and Treasury Management Strategy 2015/16
Appendix G	Minimum Revenue Provision Statement 2015/16
Appendix H	Precept (Option 1) 2015/16
Appendix I	Precept (Option 2) 2015/16

Decision:

It is recommended that the Police and Crime Panel:

- a) Notes the proposed Revenue Budget and Capital Programme for 2015/16, the Medium Term Financial Strategy 2015/16 to 2019/20 and the funding and financial strategies.
- b) Endorses the proposal of the Police and Crime Commissioner to increase the police and crime element of the council tax in 2015/16 by 1.978% (£4.05 per annum) to £208.80 at Band D, subject to notification of final tax base figures by the district councils and confirmation of the referendum trigger and the final grant settlement by the government.

Police and Crime Commissioner

Signature:

Date:

1. Background

- 1.1 The decision on the level of the precept/council tax and the Revenue Budget and Capital Programme needs to be made in the context of continuing austerity and the current uncertain global and national economic climate. Determination of the precept needs to be seen, not as a one-off decision in relation to next year, but as part of a strategy in relation to policing and crime over the medium to long-term. The precept options and the budget proposals within this report are made within the context of a five year strategic and financial planning cycle. The figures contained within the unchanged strategy are based upon current information and the stated assumptions.
- 1.2 An integrated approach is taken to service and financial planning. The proposals in this report are consistent with the manifesto commitments of the Norfolk Police and Crime Commissioner (PCC).
- KEEPING Norfolk one of the lowest crime counties in the country
 - FIGHTING serious and organised crime
 - SUPPORTING victims of crime, vulnerable and elderly people
 - PROTECTING the frontline in the face of cuts
 - PROTECTING local policing from privatisation
 - USING targeting and prevention to reduce demand on police
 - WORKING with young people to stay clear of crime
 - LISTENING carefully to the community, reaching out to minority communities and the disengaged to ensure policing is fair and equitable
 - REJECTING party politics and working with other Independents to provide a national voice
 - USING Restorative Justice to achieve long-lasting solutions.
- 1.3 The PCC's priorities remain unchanged and are captured in the Police and Crime Plan for 2015/16:-
- Reducing priority crime, anti-social behaviour and reoffending
 - Reducing vulnerability, promote equality and support victims
 - Reducing the need for service, through preventative and restorative approaches and more joined up working with partners; protecting the availability of front line resources.
- 1.4 The constabulary faces considerable service pressures including significantly increased demand in the area of vulnerability in the wake of recently discovered and nationally well publicised abuse cases. The Chief Constable's advice to the PCC on how to meet this demand in this critical area is reflected in the spending assumptions within these plans.
- 1.5 In accordance with the requirements of the Police and Crime Panel (Precepts and Chief Constable Appointments) Regulations 2012, a precept is to be proposed for 2015/16. In doing so, advice from the Chief Constable has been considered alongside views from the community, key stakeholders and public sector bodies in the police, community safety and local criminal justice areas.

2. Overview of key financial issues

Provisional Grant Settlement

- 2.1 The Provisional PCC Grant Settlement for 2015/16 was announced on 17th December 2014. Government Grants have reduced by 4.6% and the Settlement will not be confirmed until February 2015. The Home Office core policing grant has reduced by £4.3m (5.1%), further details are in the table at paragraph 5.1.
- 2.2 Home Office Policing Grants are included within Spending Review. In June 2013 the Government announced the result of the 2015/16 Spending Review which is for one year only, pending a general election in May 2015.

Grant damping and the Police Funding Formula

- 2.3 There were no changes to grant damping in 2015/16 and all PCCs core Home Office funding has been subject to the same cash reduction of 5.1% in comparison with 2014/15.
- 2.4 The Home Office is committed to reviewing the Police Funding Formula, and as a result there could be changes to the grant damping mechanism. The Home Office is currently working on the basis that any changes would be implemented in 2016/17 at the earliest, and subject to decisions of the incoming Government in May 2015. Any change could have significant implications for police funding locally. This will be at a time when, it is clear from statements made by the Chancellor, that public expenditure will face considerable reductions until at least 2020. With all this uncertainty, a prudent and flexible approach to financial planning is essential and has been adopted.

Use of Reserves

- 2.5 The proposals in this report present a budget for 2015/16 that requires between £2.1m and £2.7m of financing from the Budget Support Reserve, dependent on the precept strategy adopted (see Appendix A). The ongoing use of this reserve over the medium term is a key strategy within the overall financing of future budgets. The use of the reserve enables budget reductions to be planned and implemented in a measured way, a glide path to a lower base budget, and it helps reduce the risk of hasty and poorly planned budget cuts. Based on current assumptions, the reserve will run out in 2018/19 or 2019/20 depending on the Option chosen and at that point all the required savings will need to have been realised.

Savings

- 2.6 The Chief Constable has agreed plans that identify significant savings to address the impact of the Spending Review announcement in June 2013 that related to 2015/16 and the impact of these savings through to 2019/20. The savings figures have been fully tested and revised for this report.
- 2.7 This report includes the cumulative savings of £17.2m identified in these announcements together with other base savings identified by the scrutiny process and the impact is shown to 2019/20. There remains a deficit of between

£9.3m and £14.7m by 2019/20 dependent on whether a precept is levied throughout the medium term (see Appendix A).

- 2.8 In order to bridge this gap additional savings plans will be progressed. These plans need to be fully developed and agreed between the PCC and the Chief Constable, and with counterparts in Suffolk where these plans affect joint areas of the collaboration.

Uncertainty over the medium-term

- 2.9 There is considerable uncertainty over future levels of government grant. The Office of Budget Responsibility is not forecasting public sector finances to achieve a surplus until 2018/19 at the earliest and austerity measures look set to continue to at least 2020. For this reason the Medium Term Financial Planning period has been extended to 2019/20.
- 2.10 The new government elected in May 2015 may, or may not, change the approach to managing the economy in future years. Health and education are normally protected ahead of other public sector areas. There is no indication at this stage that policing will be protected. Whilst the exact implications for police funding are unknown, all forecasts for 2015/16 onwards show considerable reductions in public expenditure.
- 2.11 On current grant and inflation/pay award assumptions, there will be a real terms reduction in the 2015/16 budget of over 7%. For the reasons outlined in this section it is essential that the financial strategy remains flexible and is kept under review.
- 2.12 During the coming year, there will be reviews of future funding, planning assumptions and service prospects undertaken in consultation with the Chief Constable. With the extensive collaboration arrangements with Suffolk, this will be undertaken with the Suffolk PCC and Chief Constable. More work will be required regionally and the use of priority based budgeting processes will be considered.

Budget 2015/16 and MTFP

- 2.13 Appendix A(i) sets out the budget and forecasts, A(ii) sets out the expected changes and savings and Appendix B shows a high level analysis of the Net Budget and Forecasts.

3. Collaboration and the Challenge Programme

- 3.1 Norfolk and Suffolk continue with the strategy of collaboration that is one of the most advanced in the country. Most operational areas, except for local policing, have become joint departments, as have most of the back office functions. This means that the financial decisions of both counties are closely linked.

Challenge Programme to 2014/15

- 3.2 The Chief Constable has a well-established Challenge Programme. The original part of the programme was developed to address the savings requirement arising from the four year Comprehensive Spending Review (CSR1) that covered the period to 2014/15.
- 3.3 The programme had a number of principal work streams, the first three of which are in collaboration with Suffolk:
- Business Support Review – to create joint back office functions such as HR, Finance and ICT.
 - Operational Collaboration – including establishing shared criminal justice, custody and custody investigation units under a Justice Services Command.
 - Protective Services Collaboration – joining protective services functions to establish a joint Protective Services Department.
 - Norfolk Change Initiatives – reviewing efficiencies that could be achieved on non-collaborated aspects of the constabulary.
- 3.4 The table below shows the level of savings that have been made in implementing the original element of the Challenge Programme. In total, by the end of 2014/15 some £13.7m of savings specific to Norfolk have already been taken from budgets through the Challenge Programme.

Savings delivered via Challenge Programme to end of 2014/15

Portfolio	Savings achieved to end of 2014/15 £000
Business Support	6,015
Justice Services	890
Protective Services	3,280
Norfolk Only	3,565
TOTAL PROGRAMME	13,749

- 3.5 An element of planned savings from the original programme now forms part of the next phase of the programme, described below. For example, some of the savings could not be realised until there had been investment in single ICT systems and platforms across both constabularies.
- 3.6 As the proposal to merge the Norfolk and Suffolk Control Rooms was not agreed it has been necessary to find £0.9m of savings from elsewhere.

Next phase of the Challenge Programme

- 3.7 In June 2013 the Spending Review (CSR2) was outlined by the Chancellor. This covered the one year period 2015/16, and the impact of this announcement, including a reduction in the level of grant from the Home Office, is reflected in the figures in this report.

- 3.8 To meet this new challenge, and to incorporate the final elements of the original programme as described above, the Challenge Programme has been reviewed and extended.
The projects that cover the entirety of the organisation include:
- A continued review of the Norfolk policing model and other Norfolk only savings initiatives
 - A further review of Protective Services including greater collaboration with the eastern region on serious and organised crime.
 - A further review of Justice Services
 - The development of continued efficiencies and closer working for back-office functions including Finance, HR, ICT, Procurement, Estates and Facilities and Transport services.
 - The development and implementation of major ICT applications to enable service redesign across the constabulary.
- 3.9 Appendix A shows the forecast savings in relation to the Change Programme.
- 3.10 New projects for the Challenge Programme will continue to be developed to address the deficits identified in Appendix A. Savings figures projected in later years require more detailed work and business case development, and therefore the figures outlined contain more risk than savings figures identified for 2015/16. There will be continued consultation between the PCCs and Chief Constables of both counties as the detailed business cases are developed in relation to these projects.
- 3.11 All collaborative initiatives are being co-ordinated and overseen by a Programme Management Office working within the joint Corporate Development and Change department and led by a Joint Head of Department.

4. Budget process and consultation

- 4.1 A joint financial planning process has been on-going over recent months in accordance with a timetable previously agreed by the Norfolk and Suffolk Chief Constables.
- 4.2 Chief Officers met with senior managers to review and challenge savings ideas and growth pressures for 2015/16 and beyond. The process concluded with Joint Norfolk and Suffolk Chief Officer meetings that agreed joint budgets, costs and savings to be included in spending plans.
- 4.3 Section 134 of the Local Government Act, requires consultation with business rate payers and there is also a general responsibility to consult with the public. Two open public consultation meetings were held in Norwich and King's Lynn on 19th and 21st January 2015 respectively.
- 4.4 The Office of the Police and Crime Commissioner has also been running an online poll seeking residents' views on the levels of council tax for next year.
- 4.5 The results of the consultations will be provided separately to the Panel.

5. Home Office Grant 2015/16

5.1 The changes in Government funding for 2015/16 are set out in the table below.

			Change	
	2014/15	2015/16	£	%
Council Tax Freeze Grant	1,428	1,428	0	0.0%
Council Tax Support Grant	7,877	7,877	0	0.0%
Police Main Grant	53,799	50,507	-3,292	-6.1%
ex DCLG grant	29,925	28,939	-986	-3.3%
Total Home Office	83,724	79,446	-4,278	-5.1%
Total all Grants	93,029	88,751	-4,278	-4.6%

5.2 The Council Tax Freeze Grant of £1.4m relates to the decision of the former Police Authority to freeze the Council Tax in 2011/12. The Council Tax Support Grant of £7.9m has been payable since April 2013 when the Government made significant changes to Council Tax Benefit arrangements, the effect of which was to reduce the taxbase.

5.3 The Government has announced a Council Tax freeze grant scheme for 2015/16. If the precept is frozen at the same level as 2014/15, Government grant of approximately £0.630m for 2015/16 would be receivable (equivalent to a 1% increase in council tax).

5.4 The Home Office has top-sliced £176m from the national grant pot (£90m in the prior year). The Government has taken this step to set up a fund of £40m for the development of the Emergency Services Mobile Communications Programme (ESMCP), £15m for a Police Special Grant contingency fund for police forces that face unplanned or unexpected additional pressures and £5m for a Police Knowledge Fund, the details of which are to be confirmed. The Government has also top-sliced an additional £20m for the national Police Innovation Fund, an additional £12m to make changes to improve the capability of the Independent Police Complaints Commission (IPCC), and set aside additional monies for the College of Policing of £1.6m. The effect of this is to reduce the Norfolk grant by approximately £2m.

5.5 Norfolk and Suffolk PCCs and constabularies have submitted bids for grants from the Innovation Fund against a variety of criteria that will promote collaboration with other forces and partner agencies, and improve their use of digital working and technology. However, these grants will be subject to approval in March 2015, and are not a guaranteed income source. This causes uncertainty in financial planning with budgets and precepts needing to be set before this date.

6. Council Tax Income

6.1 District Councils calculate the number of dwellings on which council tax can be levied and estimate the collection rate. Variations between actual and estimated income accrue in the District Council collection funds. A surplus or deficit on the collection fund is allocated between the District Council, the County Council and

the PCC in proportion to their share of the Band D council tax. In recent years there has tended to be an overall surplus on the collection fund.

- 6.2 The Council Tax base figures which have been provided by the District Councils are provisional, but reasonably certain, at this stage. The final figures, which are then notified to the Government, will not be available until the end of January 2015.
- 6.3 When the provisional settlement for 2015/16 was announced the Government gave an indication that a council tax increase of 2% or above would trigger a referendum.

7. Financial Planning Assumptions

- 7.1 A significant budget pressure has been included in respect of revised state pension arrangements. A Pensions Bill was published in January 2013, which outlined the Government's intention to a reformed State Pension of £144 per week from April 2017. In June 2013, the Government announced that the implementation date was being brought forward to April 2016. This change is to be financed by ending contracted out National Insurance contributions for employers and employees. This will have implications for both the OPCC and Constabulary budgets.
- 7.2 The cost is estimated to be £1.9m and has been included in the forecast from 2016/17.
- 7.3 It is likely that at the next Spending Review the legacy grants (Council Tax Freeze and Council Tax Support Grant) will become part of the main Home Office grant baseline and would therefore bear their share of austerity cuts. This has been reflected in the figures in this report.
- 7.4 In addition, the following financial planning assumptions have been used.

	2015/16	2016/17	2017/18	2018/19	2019/20
Government grant	-5.1%	-4.5%	-4.5%	-4%	-4%
Council tax base change	1.9%	1.5%	1.5%	1.5%	1.5%
Collection fund surplus	£1,177k	£500k	£0k	£0k	£0k
Pay awards - officers	1%	1%	1%	1%	1%
Pay awards - staff	1%	1%	1%	1%	1%
Non-pay inflation (average)	2%	2%	2%	2%	2%

- 7.5 It should be noted that inflationary pressures could change over the period of the medium-term and the impact of these changes can be seen in the sensitivity analysis below.

- 7.6 The following table identifies potential changes to the annual budget (up or down) if the planning assumptions are changed.

	Variation	Variation
		£000
Government grant	1.0%	837
Tax base increase	1.0%	546
Precept	1.0%	546
Pay awards officers (full year impact)	1.0%	784
Pay awards staff (full year impact)	1.0%	442
Non-pay inflation	1.0%	284

- 7.7 All the financial planning assumptions will be kept under review.

8. Base Budget Pressures

- 8.1 In Norfolk, even though traditional types of crime have been falling, there have been significant increases in serious sexual offences, domestic abuse, child sexual exploitation, adult abuse, and internet related crime. The Chief Constable does not anticipate the demands in these areas reducing over the medium-term and he has updated the Panel at previous meetings.
- 8.2 The PCC restructured his office in early 2014 making a saving of £350k per annum. From 2015/16 this money has been transferred to the Chief Constable and has enabled the protection of 10 PCSO posts which will be allocated to schools. The £350k saved in the current year will finance additional staff (one year only) in the Safeguarding and Investigations Command.
- 8.3 The table below highlights some of the other significant budget pressures for both 2015/16 and beyond. Full details are in Appendix A (ii).

	2015/16	2016/17
	£000	£000
LG Pension Scheme – Employer contributions	326	648
Bank Holidays (timing)	393	(44)
Single Tier Pension (additional NI)	-	1,937
Job Evaluation	1,000	1,000
Safeguarding and Investigations posts	700	350
Revenue costs of capital programme	535	1,185

- 8.4 A 1% pay increase has been included in the budget for 2015/16 (and the forecasts); the full year cost is £1.2m.
- 8.5 A high level analysis of the net budget is shown in Appendix B.

9. Council Tax Options

9.1 The Chief Constable has been consulted on possible precept options for 2015/16 and has considered these options in the context of the increasing and more complex demand pressures faced by the police, as well as the financial pressures outlined in this report.

9.2 In summary, the 2 budget options for 2015/16 result in the following financial positions in year 4 and year 5.

	2018/19	2019/20
Option 1 – Council Tax Freeze		
Budget Deficit at year end	£10.7m	£14.7m
Budget Support Reserve at year end	nil	nil
Option 2 – Increase 1.978%		
Budget Deficit at year end	£6.6m	£9.3m
Budget Support Reserve at year end	£5.6m	nil

9.3 At this point last year the Budget Support Reserve was forecast to have a balance of £1.9m at 31 March 2018 and to be fully drawn down in early 2018/19. Under Option 2 above the Reserve will fully support the budget deficit in 2018/19 and be exhausted during 2019/20. This position arises as a result of a review of reserves, with balances on the Operational Contingency and the Job Evaluation Reserve transferred to Budget Support and adjustments to the timing of savings realisation.

9.4 Given the pressures outlined, and the context of the medium-term financial picture, the Chief Constable has recommended the PCC to raise the precept by 1.978% in 2015/16.

9.5 **Having considered the advice of the Chief Constable, advisers, the community views so far received and the overall financial situation for the medium to long-term, the PCC is minded to increase the police element of the council tax by 1.978% (£4.05 per annum at Band D) in 2015/16 SUBJECT TO (i) the final announcement on the referendum trigger, (ii) the final grant settlement and (iii) final taxbase figures from the district councils.**

10. Capital Programme and Financing

10.1 The Capital Programme plays an integral part in delivering the infrastructure that enables the Chief Constable to maintain and improve operational performance and to reduce future revenue costs. The revenue consequences of the Capital Programme have been taken into account wherever they are known and assessed.

- 10.2 Appendix C provides an analysis of the outline Capital Programme over the medium term. The table below summarises these spending plans.

	2015/16	2016/17	2017/18	2018/19
	£000	£000	£000	£000
ICT Replacement	1,301	1,013	638	608
Other ICT Related Projects and Schemes	1,004	107	30	30
Vehicles and Equipment	1,340	1,101	1,059	995
Building Schemes	5,873	10,698	4,245	150
Total	9,518	12,919	5,972	1,783

The Programme (Appendix C) is arranged in 3 tables:-

Table A Schemes approved for immediate start on 1 April 2015,

Table B Schemes requiring a business case or further report to the PCC(s) for approval,

Table C Longer term, provisional schemes requiring further reports.

- 10.3 The Programme identifies those schemes which are joint projects with Suffolk. Where applicable, the figures shown relate to the Norfolk share of the overall cost, calculated in proportion to net revenue budget.
- 10.4 Key aspects of the programme are outlined below.

ICT Related Projects and Schemes

- 10.5 This section contains those schemes relating to the cyclical renewal of computer hardware (PCs and servers) and some significant collaborative scheme designed to deliver future efficiencies including:

- Replacement of Back Office System (ERP) – The implementation of an Enterprise Resource Planning system for Norfolk and Suffolk (covering Finance, Payroll, Procurement, Duties Management, HR and Learning and Development) is due for completion in 2015/16. The Norfolk share of spending in the year is £0.208m.
- Project Athena – a 7 force collaboration to replace a host of legacy systems with an integrated system for managing police investigations, intelligence and defendants (both custody and case preparation).

Vehicles and Equipment

- 10.6 This section includes;

- Vehicles and body armour within the Norfolk replacement programme

Building Schemes

- 10.7 The police estate still has buildings which need to be adapted to meet future policing requirements, including the former headquarters buildings in Norwich, King's Lynn and Great Yarmouth. The Norfolk Estates Programme is driven by the requirement to make revenue savings. All our major building schemes have to

pass the test that once completed, the ongoing revenue costs will be less than if we did not carry out the scheme (taking account of all running, maintenance, and capital financing costs).

- 10.8 Due to this previous uncertainty, there is slippage of £0.2m from 2014/15 into 2015/16.

Capital Financing

- 10.9 The following financing sources have been identified for the outline capital programme. These will be updated wherever there are changes to the programme.

	2015/16 £000	2016/17 £000	2017/18 £000	2018/19 £000
Capital Receipts			200	125
Home Office Capital Grant	1,273	1,273	1,273	1,273
Specific Grants				
Borrowing	7,893	11,294	4,147	33
Revenue Contribution	352	352	352	352
Total	9,518	12,919	5,972	1,783

- 10.10 Since 2009/10 interest rates for borrowing have been higher than the rates obtainable for the investment of funds. Consequently, since that time the agreed Treasury Management Strategy has been to borrow funds internally in the first instance from cash that would otherwise have been invested. The cash flow position suggests that borrowing relating to 2015/16 can also be covered internally in the first instance. Therefore, no additional borrowing costs have been built into the revenue budget next year. However, the situation will be monitored during the year in order to identify the most advantageous policy.

Compliance with the Prudential Code

- 10.11 The level of borrowing for the Capital Programme needs to be based on capital investment plans that are affordable, prudent and sustainable. Treasury management decisions need to be taken in accordance with best professional practice outlined in a Prudential Code published by CIPFA.
- 10.12 To demonstrate that objectives of affordability, prudence and sustainability have been achieved, the Prudential Code requires Prudential Indicators to be determined by the PCC. These are designed to support and record local decision making and for comparison over time. They are not designed to be comparative performance indicators. Details of the proposed indicators for 2015/16 are provided in Appendix E. For illustrative purposes the indicators are based on a Council Tax increase in 2015/16 of 1.978%. If other options are chosen, this will not make any material difference to the figures. Progress against the indicators will be monitored throughout the year.
- 10.13 A number of treasury management indicators were formerly reported as part of the suite of Prudential Indicators. The latest Code of Practice for Treasury

Management recommends that these now form part of the Treasury Management Strategy. Accordingly, they are now incorporated in this Strategy, at Appendix F.

11. Reserves and Risk Management

11.1 The PCC's reserves comprise two main categories:

- General Reserve – held to enable the PCC to manage unplanned or unforeseen events. In forming a view on the level of the General Reserve, account is taken of the level of financial control, comparisons with similar bodies and the risk of unforeseen expenditure occurring, such as for major operations.
- Earmarked Reserves – These are reserves held for a specific purpose.

11.2 The PCC complies with the definition of reserves contained within CIPFA's Accounting Code of Practice.

11.3 General and earmarked reserves play a vital role in the financial management and financial standing of the PCC. The current policy of the PCC is to maintain the general reserve at around 3% of net revenue expenditure. This strategy maintains that position.

11.4 Through sound financial management the PCC has set aside earmarked reserves to meet future spending needs. Two in particular are critical to the financial strategy in this report, namely the Budget Support Reserve and the Invest to Save Reserve.

Budget Support Reserve

11.5 The Budget Support Reserve is designed to support the budget over the medium term in order to help offset the effects of significant future budget reductions. The use of the Reserve has been modelled when considering the precept options. The Reserve will be fully used during 2019/20 under Option 2.

Invest-to-Save Reserve

11.6 The Invest to Save Reserve provides funding for one off costs associated with restructuring and the funding of initiatives which will generate future savings. Examples include funding of redundancies from the savings programmes, and support of a number of temporary posts for the collaboration agenda. At this stage it is intended to retain this reserve as opportunities frequently present themselves.

11.7 A forecast for the use of the reserves is shown in Appendix D (Option 1 and Option 2).

Other Earmarked reserves

11.8 A description of each of the PCC's earmarked reserves is set out below. Each reserve is periodically reviewed to ensure that the level of funding is still appropriate for the purpose of the reserve.

- **OCC Sinking Fund -Unitary Charge**
The reserve represents the excess of PFI government grant over and above the unitary charge for the OCC building at Wymondham during the early years of the contract. The reserve will be written off over the remaining life of the contract.
- **Police Investigation Centres Sinking Fund - Unitary Charge**
The reserve represents the excess of PFI government grant over and above the unitary charge for the Police Investigation Centres during the first year of the contract. The reserve will be written off over the remaining life of the contract.
- **Insurance**
Allows for anticipated future claims beyond the provision included in the budget. The level of the reserve is reviewed by independent actuarial advisers.
- **Operational Contingency**
Transferred to Budget Support Reserve.
- **Job Evaluation**
Allows for potential costs arising from the job evaluation review. The potential liabilities have been reduced.
- **Safety Camera Reserve**
This reserve is held by the Norfolk PCC on behalf of Norfolk Police and Norfolk County Council. Decisions as to allocations are made by the Safety Camera Oversight and Scrutiny Board.
- **PCC Reserve**
The PCC holds a separate reserve as a contingency.

12. Chief Financial Officer's Section 25 Responsibilities

Background

- 12.1 Section 25 of Part 2 of the Local Government Act 2003 places responsibility on the PCC Chief Finance Officer (CFO) to report on the robustness of the budget estimates, the adequacy of balances and reserves and issues of risk. The PCC CFO confirms that he can provide all the required statutory assurances.

Robustness of the Budget

- 12.2 The budget proposals have been through a rigorous process of assessment by officers, with particular scrutiny by Constabulary executive officers, both individually and as a group.
- 12.3 Whilst there are always risks on delivering savings, controls will be maintained on overall numbers of officers and staff meaning that spending levels will be contained overall. Identified savings will be removed from budgets prior to allocation at the start of the financial year.

- 12.4 The purpose and proposed use of reserves is outlined in this report. The PCC CFO has considered the proposed level of reserves and believes that they are adequate for the purposes for which they were intended.

13. Risk and the Budget

- 13.1 Risk management is a key consideration for the PCC and the Chief Constable. There is an overall risk management strategy. Risk management is embedded throughout and is an integral part of the decision making process. Local risk registers are in use throughout the Constabulary and significant risks are reported to the corporate level.
- 13.2 The Chief Constable's corporate risk register is updated on an ongoing basis and presented for review to the Command Team on a regular basis. A dedicated risk manager is in place to support the process. This Chief Constable corporate risk register is combined with the PCC risk register to facilitate an overall approach to risk management as advised by the Audit Committee.
- 13.3 The main risks that may impact upon the delivery of the 2015/16 budget and Capital Programme are:
- Exceptional demands placed upon the service, particularly in relation to major incidents
 - Requirements of new legislation or government directives
 - Achieving the required outcomes from collaboration with other forces
 - Delivering the planned level of savings
 - Maintaining an acceptable level of performance with a shrinking resource base.
- 13.4 To manage these risks it is essential that there is a robust monitoring procedure, and action is taken to offset the risks with continual review processes.

14. Efficiency

- 14.1 Implicit throughout all financial planning is the need to deliver efficiency and value for money (VFM) including partnership arrangements. There is a strong VFM focus through representation on a national high level working group and an internal working group and the Audit Committee reviews the VFM strategy and HMIC profiles.

15. Treasury Management Strategy

- 15.1 Government regulations require the PCC to approve an annual investment strategy prior to the start of the financial year. This is incorporated within an overarching treasury management strategy. The proposed strategy is shown in Appendix F.

16. Minimum Revenue Provision Statement

- 16.1 The Local Authorities (Capital Finance and Accounting) (England) (Amendment) Regulations 2008 place a duty on local authorities including the PCC to make a Minimum Revenue Provision (MRP) each year that is considered to be “prudent”. The regulations are backed up by statutory guidance to which local authorities and PCC are required to have regard. The guidance requires that an annual MRP statement is agreed. The statement for 2015/16 at Appendix G accords with this guidance.

CONCLUSION

- 17.1 This report outlines the proposed precept and the medium term financial strategy for the period 2015/16 to 2019/20. The level of policing that can be provided in future years faces considerable challenge and much uncertainty. Prudent and flexible financial planning is essential.
- 17.2 The level of the Budget Support Reserve and its assistance in funding the budget in future years is a key factor in overall planning. On current projections, this Reserve will be exhausted in 2018/19 or 2019/20 depending on the option taken.
- 17.3 If austerity continues until 2020 it is clear that the front line will not be able to be completely protected. At some point significant reductions in officer or staff numbers will be necessary.

OTHER IMPLICATIONS

The allocation of resources in accordance with the annual budget has implications for all areas of business. All of these are referred to in the report except diversity and sustainability. There are no specific diversity impacts. The budget reflects potential reductions in the use of natural resources. All significant projects, business cases and policy decisions are required to be reviewed for sustainability implications.

PUBLIC ACCESS TO INFORMATION: *Information contained within this submission is subject to the Freedom of Information Act 2000 and wherever possible will be made available on the OPCC website. Submissions should be labelled as ‘Not Protectively Marked’ unless any of the material is ‘restricted’ or ‘confidential’. Where information contained within the submission is ‘restricted’ or ‘confidential’ it should be highlighted, along with the reason why.*

Intentionally blank

Budget Option 1 – Council Tax Freeze

		2015/16 £000	2016/17 £000	2017/18 £000	2018/19 £000	2019/20 £000
Forward Projection of 2014/15 Revenue Budget						
Revenue Expenditure (excluding capital financing)	1	169,175	171,038	172,925	174,836	176,773
Revenue Financing of Capital Expenditure	2	1,783	1,783	1,783	1,783	1,783
Revenue Income including Specific Grants	3	(16,130)	(16,148)	(16,167)	(16,186)	(16,205)
Main Policing Grant (including ex DCLG Grants)	4	(79,446)	(75,871)	(72,457)	(69,558)	(66,776)
Precept Income	5	(56,928)	(57,023)	(57,371)	(58,231)	(59,105)
Council Tax Freeze Grant (for no precept increase in 2011/12 and 15/16)	6	(2,061)	(1,997)	(1,935)	(1,883)	(1,833)
Council Tax Support Grant	7	(7,877)	(7,523)	(7,184)	(6,897)	(6,621)
Deficit Before Known Changes	8	8,517	14,260	19,595	23,865	28,017
Known / Expected Changes	9	2,721	4,006	4,095	3,847	3,876
Planned use of reserves (excluding Budget Support)	10	(1,624)	(1,120)	(116)		
Deficit Before Savings	11	9,614	17,146	23,574	27,712	31,893
Change Programme - Norfolk Policing Model (incl. PCSO's)	12	(1,618)	(4,491)	(6,542)	(6,863)	(6,930)
Change Programme - Other Savings	13	(2,106)	(3,807)	(5,349)	(5,863)	(5,915)
Other Savings	14	(3,276)	(3,839)	(4,287)	(4,303)	(4,318)
Total Cumulative Permanent Savings	15	(7,000)	(12,138)	(16,178)	(17,029)	(17,163)
Deficit After Savings	16	2,614	5,009	7,396	10,682	14,730
Financed by:-						
Use of Budget Support Reserve	17	(2,614)	(5,009)	(7,396)	(7,232)	
Savings to be found	18				(3,450)	(14,730)
	19	(2,614)	(5,009)	(7,396)	(10,682)	(14,730)

Budget Option 2 – Council Tax increase 1.978%

	Line	2015/16 £000	2016/17 £000	2017/18 £000	2018/19 £000	2019/20 £000
Forward Projection of 2014/15 Revenue Budget						
Revenue Expenditure (excluding capital financing)	1	169,175	171,038	172,925	174,836	176,773
Revenue Financing of Capital Expenditure	2	1,783	1,783	1,783	1,783	1,783
Revenue Income including Specific Grants	3	(16,130)	(16,148)	(16,167)	(16,186)	(16,205)
Main Policing Grant (including ex DCLG Grants)	4	(79,446)	(75,871)	(72,457)	(69,558)	(66,776)
Precept Income	5	(58,029)	(59,284)	(60,851)	(62,992)	(65,210)
Council Tax Freeze Grant (for no precept increase in 2011/12)	6	(1,428)	(1,364)	(1,302)	(1,250)	(1,200)
Council Tax Support Grant	7	(7,877)	(7,523)	(7,184)	(6,897)	(6,621)
Deficit Before Known Changes	8	8,049	12,632	16,748	19,737	22,545
Known / Expected Changes	9	2,721	4,006	4,095	3,847	3,876
Planned use of reserves (excluding Budget Support)	10	(1,624)	(1,120)	(116)		
Deficit Before Savings	11	9,146	15,518	20,727	23,584	26,421
Change Programme - Norfolk Policing Model (incl. PCSO's)	12	(1,618)	(4,491)	(6,542)	(6,863)	(6,930)
Change Programme - Other Savings	13	(2,106)	(3,807)	(5,349)	(5,863)	(5,915)
Other Savings	14	(3,276)	(3,839)	(4,287)	(4,303)	(4,318)
Total Cumulative Permanent Savings	15	(7,000)	(12,138)	(16,178)	(17,029)	(17,163)
Deficit After Savings	16	2,146	3,381	4,549	6,554	9,257
Financed by:-						
Use of Budget Support Reserve	17	(2,146)	(3,381)	(4,549)	(6,554)	(5,621)
Savings to be found	18					(3,636)
	19	(2,146)	(3,381)	(4,549)	(6,554)	(9,257)

Analysis of Known/Expected Changes and Savings (Same for both Options)

	Line	2015/16 £000	2016/17 £000	2017/18 £000	2018/19 £000	2019/20 £000
Known/Expected Changes - Line 9						
Continuity Commitments -						
Bank Holidays - effect of timings	20	393	(44)	139	(139)	
Local Government Pension Scheme increase	21	326	648	648	648	648
Single tier pension	22		1,937	1,937	1,937	1,937
Other	23	(259)	(631)	(343)	(329)	(429)
Total	24	460	1,910	2,381	2,117	2,156
Policy Commitments -						
Force Medical Examiner Contract	25	(78)	(91)	(91)	(91)	(91)
Job Evaluation scheme	26	1,000	1,000			
Safeguarding & Investigation posts	27	700	350	350	350	350
	28	1,622	1,259	259	259	259
Policy Changes -						
3 month delay in recruitment	29	195	195	195	195	195
Technical Support Unit Equipment	30	32	32	32	32	32
	31	227	227	227	227	227
Cost Pressures -						
Removal of 2014/15 one year only funding	32	(814)	(794)	(794)	(794)	(794)
Norfolk/Joint temporary/permanent additional staffing	33	908	474	484	514	514
Other Developments	34	(217)	(255)	(384)	(500)	(500)
	35	(123)	(575)	(694)	(780)	(780)
Financing -						
Minimum Revenue Provision	36	316	975	1,221	1,332	1,332
Revenue contributions to capital	37	302	302	302	302	302
Interest (Borrowing)	38			500	500	500
Interest (Investment)	39	(83)	(92)	(101)	(110)	(120)
	40	535	1,185	1,922	2,024	2,014
Total Known/Expected Changes	41	2,721	4,006	4,095	3,847	3,876
Change Programme - Other Savings - Line 13						
Norfolk/Suffolk -						
Strategic Back Office	42	(163)	(285)	(417)	(421)	(425)
SSP/ERP	43	(351)	(709)	(1,180)	(1,250)	(1,263)
Criminal Justice	44	(41)	(410)	(772)	(780)	(787)
Protective Services	45	(166)	(890)	(1,446)	(1,868)	(1,887)
Norfolk only -						
Contact & Control Room	46	(383)	(387)	(391)	(394)	(398)
Public Enquiry Room	47	(272)	(367)	(370)	(374)	(378)
Admin	48	(730)	(760)	(772)	(775)	(778)
Total Change Programme - Other Savings	49	(2,106)	(3,807)	(5,349)	(5,863)	(5,915)
Other Savings - Line 14						
Norfolk/Suffolk Scrutiny savings	50	(324)	(363)	(376)	(379)	(383)
Norfolk Scrutiny savings	51	(849)	(1,086)	(1,236)	(1,244)	(1,250)
Contract savings	52	(141)	(141)	(141)	(141)	(141)
Abatement (staff turnover) adjustment	53	(752)	(752)	(752)	(752)	(752)
2014/15 inflation not allocated	54	(260)	(260)	(260)	(260)	(260)
2015/16 non pay inflation - 1%	55	(284)	(568)	(852)	(852)	(852)
OCC rate review	56	(155)	(155)	(155)	(155)	(155)
Bank charges	57	(6)	(4)			
PCSO base adjustment	58	(505)	(510)	(515)	(520)	(526)
Total Other Savings	59	(3,276)	(3,839)	(4,287)	(4,303)	(4,318)

Analysis of the Net Budget and Forecasts 2015/16 to 2019/20

Option 1 - Precept 0% increase						
Year	OPCCN	PCC's Commissioning	Chief Constable	Capital Financing	Use of Reserves	Net Budget
	£000	£000	£000	£000	£000	£000
2015/16	1,000	1,018	143,836	3,072	(2,614)	146,312
2016/17	1,010	1,018	141,598	3,796	(5,009)	142,413
2017/18	1,020	1,018	139,690	4,615	(7,396)	138,947
2018/19	1,030	1,018	136,948	4,805	(7,232)	136,569
			above includes savings of £3,450k to be found			
2019/20	1,040	1,018	127,481	4,796	0	134,335
			above includes savings of £14,730k to be found			
Option 2 - Precept 1.9+% increase						
Year	OPCCN	PCC's Commissioning	Chief Constable	Capital Financing	Use of Reserves	Net Budget
	£000	£000	£000	£000	£000	£000
2015/16	1,000	1,018	143,836	3,072	(2,146)	146,780
2016/17	1,010	1,018	141,598	3,796	(3,381)	144,041
2017/18	1,020	1,018	139,690	4,615	(4,549)	141,794
2018/19	1,030	1,018	140,398	4,805	(6,554)	140,697
2019/20	1,040	1,018	138,574	4,796	(5,621)	139,807
			above includes savings of £3,636k to be found			

Capital Programme 2015/19 – page 1

	2014/15	2015/16	2015/16	2016/17	2017/18	2018/19
	Carried Forward	New Requirement	Including Carried Forward	Outline	Outline	Outline
	£000	£000	£000	£000	£000	£000
Table A - Approved Schemes						
ICT Replacement Programme						
<u>Norfolk Only Projects</u>						
Desktop Services		240	240	190	190	190
Communications		25	25	25	33	25
<u>Joint Norfolk / Suffolk projects (Norfolk share)</u>						
Server Applications		208	208	132	143	201
Network		102	102	427	252	172
Communications		20	20	20	20	20
ANPR Refresh		96	96	107		
INCA Refresh				112		
ERP		208	208			
Total ICT Replacement Programme	0	899	899	1,013	638	608
Projects & Other ICT Related Schemes						
<u>Norfolk Only Projects</u>						
Athena		429	429			
Pensions Administration		31	31			
<u>Joint Norfolk / Suffolk projects (Norfolk share)</u>						
Live Link		56	56			
Community Messaging		16	16	16	16	16
Privasoft Case Management		34	34			
Total Projects & ICT Related Programme	0	566	566	16	16	16
Vehicles and Equipment						
<u>Norfolk Only Projects</u>						
Body Armour		224	224	45	44	44
Vehicle Replacement Programme		1,031	1,031	1,056	1,015	951
Total Vehicles & Equipment Programme	0	1,255	1,255	1,101	1,059	995
Building Schemes						
<u>Norfolk Only Projects</u>						
Estates Strategy	200	3,700	3,900	4,391	195	
Carbon Management		100	100	75	50	25
<u>Joint Norfolk / Suffolk projects (Norfolk share)</u>						
PSU Training Facility	23		23			
Total Building Programme	223	3,800	4,023	4,466	245	25

Capital Programme 2015/19 – page 2

	2014/15	2015/16	2015/16	2016/17	2017/18	2018/19
	C/fwd	New	Inc c/fwd	Outline	Outline	Outline
	£000	Requirement	£000	£000	£000	£000
Table B - Business Case required prior to approval						
ICT Replacement Programme						
<u>Joint Norfolk / Suffolk projects (Norfolk share)</u>						
Internet Mapping Solution		85	85			
Intranet Refresh		56	56			
HTCU Refresh		113	113			
IP Contact Centre		53	53			
CCR Telephony	95		95			
Total ICT Replacement Programme	95	307	402	-	-	-
Projects & Other ICT Related Schemes						
<u>Joint Norfolk / Suffolk projects (Norfolk share)</u>						
Intranet		42	42	6	6	6
Constabulary Website		141	141	85	8	8
Electronic Access Control	199		199			
Total Projects & ICT Related Programme	199	183	382	91	14	14
Equipment						
<u>Joint Norfolk / Suffolk projects (Norfolk share)</u>						
Confidential Waste		85	85			
Total Equipment Programme	0	85	85	-	-	-
Building Schemes						
<u>Norfolk Only Projects</u>						
Estates Strategy		1,200	1,200	5,732	2,275	
OCC (PFI) - Firing range improvements		100	100			
Total Building Programme	0	1,300	1,300	5,732	2,275	-
Table C - Provisional						
Projects & Other ICT Related Schemes						
<u>Joint Norfolk / Suffolk projects (Norfolk share)</u>						
Automated Filing Solution		56	56			
Total Projects & ICT Related Programme	0	56	56	-	-	-
Building Schemes						
<u>Norfolk Only Projects</u>						
Estates Strategy				50	1,725	125
Security		50	50	450		
OCC (PFI) - PV panel project		500	500			
Total Building Programme	0	550	550	500	1,725	125

TOTAL OUTLINE CAPITAL PROGRAMME 2014-15 TO 2018-19						
	2014/15	2015/16	2015/16	2016/17	2017/18	2018/19
	C/fwd £000	New Requirement £000	Inc c/fwd £000	Outline £000	Outline £000	Outline £000
Table A - Approved Schemes						
Norfolk only	200	5,780	5,980	5,782	1,527	1,235
Joint	23	740	763	814	431	409
Total Approved Schemes	223	6,520	6,743	6,596	1,958	1,644
Table B - Business Case required prior to approval						
Norfolk only	0	1,300	1,300	5,732	2,275	0
Joint	294	575	869	91	14	14
Total Business Case Required	294	1,875	2,169	5,823	2,289	14
Table C - Provisional						
Norfolk only	0	550	550	500	1,725	125
Joint	0	56	56	0	0	0
Total Provisional	0	606	606	500	1,725	125
TOTAL PROGRAMME	517	9,001	9,518	12,919	5,972	1,783
	2014/15	2015/16	2015/16	2016/17	2017/18	2018/19
	C/fwd £000	New Requirement £000	Inc c/fwd £000	Outline £000	Outline £000	Outline £000
ICT Replacement Programme	95	1,206	1,301	1,013	638	608
Projects & Other ICT Related	199	805	1,004	107	30	30
Vehicles and Equipment	0	1,340	1,340	1,101	1,059	995
Building Schemes	223	5,650	5,873	10,698	4,245	150
TOTAL PROGRAMME	517	9,001	9,518	12,919	5,972	1,783
FUNDING OF OUTLINE CAPITAL PROGRAMME 2014-15 TO 2018-19						
		2015/16 £000	2016/17 £000	2017/18 £000	2018/19 £000	
Capital Receipts				200	125	
General Capital Grant (estimated - to be confirmed)		1,273	1,273	1,273	1,273	
Borrowing		7,893	11,294	4,147	33	
Revenue Contribution		352	352	352	352	
TOTAL FUNDING		9,518	12,919	5,972	1,783	
Borrowing may be undertaken internally in the first instance from temporary cash resources, dependent upon the cash flow and interest rate position.						

FORECAST MOVEMENT IN GENERAL AND EARMARKED RESERVES 2014/15 to 2018/19

Option 1 - 0% CT increase	Total General Reserves £000	OCC Sinking Fund £000	PIC Sinking Fund £000	Insurance £000	Operational Contingency £000	Budget Support £000	Invest to Save £000	Job Evaluation £000	Safety Camera £000	PCC £000	Total Earmarked Reserves £000
31/03/2014 Actual	4,475	1,920	438	786	400	21,782	2,000	3,200	1,180	659	32,365
Proposed Changes 2014/15:											
Transfer to Revenue from Reserves		(80)	(18)			(1,903)	(434)			350	(2,085)
Transfer from Revenue to Reserves						772					772
31/03/2015 Forecast	4,475	1,840	420	786	400	20,651	1,566	3,200	1,180	1,009	31,052
Proposed Changes 2015/16:											
Movement between Reserves					(400)	1,600		(1,200)			
Transfer to Revenue from Reserves		(80)	(18)			(2,614)	(274)	(1,000)		(350)	(4,336)
Transfer from Revenue to Reserves											
31/03/2016 Forecast	4,475	1,760	402	786		19,637	1,292	1,000	1,180	659	26,716
Proposed Changes 2016/17:											
Transfer to Revenue from Reserves		(80)	(18)			(5,009)	(120)	(1,000)			(6,227)
Transfer from Revenue to Reserves											
31/03/2017 Forecast	4,475	1,680	384	786		14,628	1,172		1,180	659	20,489
Proposed Changes 2017/18:											
Transfer to Revenue from Reserves		(80)	(18)			(7,396)	(116)				(7,610)
Transfer from Revenue to Reserves											
31/03/2018 Forecast	4,475	1,600	366	786		7,232	1,056		1,180	659	12,879
Proposed Changes 2018/19:											
Transfer to Revenue from Reserves		(80)	(18)			(7,232)					(7,330)
Transfer from Revenue to Reserves											
31/03/2019 Forecast	4,475	1,520	348	786			1,056		1,180	659	5,549
Proposed Changes 2019/20:											
Transfer to Revenue from Reserves		(80)	(18)								(98)
Transfer from Revenue to Reserves											
31/03/2020 Forecast	4,475	1,440	330	786			1,056		1,180	659	5,451

FORECAST MOVEMENT IN GENERAL AND EARMARKED RESERVES 2014/15 to 2018/19

Option 2 - 1.9780% CT increase	Total General Reserves	OCC Sinking Fund £000	PIC Sinking Fund £000	Insurance £000	Operational Contingency £000	Budget Support £000	Invest to Save £000	Job Evaluation £000	Safety Camera £000	PCC £000	Total Earmarked Reserves £000
31/03/2014 Actual	4,475	1,920	438	786	400	21,782	2,000	3,200	1,180	659	32,365
Proposed Changes 2014/15:											
Transfer to Revenue from Reserves		(80)	(18)			(1,903)	(434)			350	(2,085)
Transfer from Revenue to Reserves						772					772
31/03/2015 Forecast	4,475	1,840	420	786	400	20,651	1,566	3,200	1,180	1,009	31,052
Proposed Changes 2015/16:											
Movement between Reserves					(400)	1,600		(1,200)			
Transfer to Revenue from Reserves		(80)	(18)			(2,146)	(274)	(1,000)		(350)	(3,868)
Transfer from Revenue to Reserves											
31/03/2016 Forecast	4,475	1,760	402	786		20,105	1,292	1,000	1,180	659	27,184
Proposed Changes 2016/17:											
Transfer to Revenue from Reserves		(80)	(18)			(3,381)	(120)	(1,000)			(4,599)
Transfer from Revenue to Reserves											
31/03/2017 Forecast	4,475	1,680	384	786		16,725	1,172		1,180	659	22,586
Proposed Changes 2017/18:											
Transfer to Revenue from Reserves		(80)	(18)			(4,549)	(116)				(4,763)
Transfer from Revenue to Reserves											
31/03/2018 Forecast	4,475	1,600	366	786		12,176	1,056		1,180	659	17,823
Proposed Changes 2018/19:											
Transfer to Revenue from Reserves		(80)	(18)			(6,554)					(6,652)
Transfer from Revenue to Reserves											
31/03/2019 Forecast	4,475	1,520	348	786	0	5,621	1,056		1,180	659	11,170
Proposed Changes 2019/20:											
Transfer to Revenue from Reserves		(80)	(18)			(5,621)					(5,719)
Transfer from Revenue to Reserves											
31/03/2020 Forecast	4,475	1,440	330	786			1,056		1,180	659	5,451

Prudential Code Indicators 2015/16, 2016/17, 2017/18

1. Background

- 1.1 The Prudential Code for capital investment came into effect on 1st April 2004. It replaced the complex regulatory framework, which only allowed borrowing if specific government authorisation had been received. The Prudential system is one based on self-regulation. All borrowing undertaken is self determined under the prudential code.
- 1.2 Under Prudential arrangements the PCC can determine the borrowing limit for capital expenditure. The Government does retain reserve powers to restrict borrowing if that is required for national economic reasons.
- 1.3 The key objectives of the Code are to ensure, within a clear framework, that capital investment plans are affordable, prudent and sustainable. The Code specifies indicators that must be used and factors that must be taken into account. The Code requires the PCC to set and monitor performance on:
 - capital expenditure
 - affordability
 - external debt
 - treasury management (now included within Treasury Management strategy)
- 1.4 The required indicators are:
 - Capital Expenditure Payment Forecast
 - Ratio of Capital Financing costs to Net Revenue Budget
 - Capital Financing Requirement
 - Net Borrowing for Capital Purposes
 - Authorised Limit for External Debt
 - Operational Boundary Limit for External Debt
 - Incremental Impact of Capital Programme on Band D Council Tax
- 1.5 Once determined, the indicators can be changed so long as this is reported to the PCC.
- 1.6 Actual performance against indicators will be monitored throughout the year. All the indicators will be reviewed and updated annually.

2. The Indicators

- 2.1 The **Capital Expenditure Payment Forecast** is detailed in Appendix B. The total estimated payments are:

	2015/16	2016/17	2017/18
	£m	£m	£m
Capital Expenditure Forecast	9.518	12.919	5.972

The PCC is being asked for approval to an overall Capital Programme based on the level of capital financing costs contained within the draft revenue budget.

- 2.2 The **ratio of capital financing costs to net revenue budget** shows the estimated annual revenue costs of borrowing (net interest payable on debt and the minimum revenue provision for repaying the debt), as a proportion of annual income from council taxpayers and government. Estimates of the ratio of capital financing costs to net revenue budget for future years are:

Ratio of Capital Financing Costs to Net Revenue Budget		
2015/16 Estimate	2016/17 Estimate	2017/18 Estimate
1.73%	2.26%	3.41%

The ratios increase over the period as new capital borrowing increases the level of outstanding debt.

- 2.3 The **capital financing requirement** represents capital expenditure financed by external debt and not by capital receipts, revenue contributions, capital grants or other sources of external funding. Estimates of the end of year capital financing requirement for future years are:

Capital Financing Requirement			
31/03/15 Estimate £m	31/03/16 Estimate £m	31/03/17 Estimate £m	31/03/18 Estimate £m
91.232	97.483	106.402	107.847

The capital financing requirement measures the underlying need to borrow for a capital purpose.

- 2.4 The guidance on **net borrowing for capital purposes** advises that:

“In order to ensure that over the medium term net borrowing will only be for a capital purpose, the PCC should ensure that net external borrowing does not, except in the short term, exceed the total of capital financing requirement in the preceding year plus the estimates of any additional capital financing requirement for the current and next two financial years.”

Net borrowing refers to the PCC's total external borrowing net of any temporary cash investments and must work within this requirement.

- 2.5 The Code defines the **authorised limit for external debt** as the sum of external borrowing and any other financing long-term liabilities e.g. finance leases. It is recommended that the PCC approve the 2015/2016 and future years limits.

For 2015-2016 this will be the statutory limit determined under section 3(1) of the Local Government Act 2003.

As required by the Code, the PCC is asked to delegate authority to the Chief Finance Officer (OPCCN), within the total limit for any individual year, to effect movement between the separate limits for borrowing and other long term liabilities. Any such changes made will be reported to the PCC.

Authorised Limit for External Debt			
	2015/16	2016/17	2017/18
	£m	£m	£m
Borrowing	13.161	13.161	13.161
Other long term liabilities (OCC PFI)	26.552	26.217	25.842
Other long term liabilities (PIC PFI)	37.01	36.463	35.875
Safety net	7.371	7.309	7.241
Total	84.095	83.150	82.119

These proposed limits are consistent with the Capital Programme. They provide headroom to allow for operational management, for example unusual cash movements.

- 2.6 The Code also requires the PCC to approve an **operational boundary limit for external debt** for the same time period. The proposed operational boundary for external debt is the same calculation as the external debt limit without the additional headroom. The operational boundary represents a key management tool for in year monitoring.

Within the operational boundary, figures for borrowing and other long-term liabilities are separately identified again. The PCC is asked to delegate authority to the Chief Finance Officer (OPCCN), within the total operational boundary for any individual year, to make any required changes between the separately agreed figures for borrowing and other long-term liabilities. Any changes will be reported to the PCC.

Operational Boundary Limit for External Debt			
	2015/16 £m	2015/16 £m	2017/18 £m
Borrowing	13.161	13.161	13.161
Other long term liabilities (OCC PFI)	26.552	26.217	25.842
Other long term liabilities (PIC PFI)	37.011	36.463	35.875
Total	76.724	75.841	74.878

2.7 The **incremental impact on Band D Council Tax** resulting from the Capital Programme is:

Incremental Impact of Capital Programme on Band D Council Tax		
2015/16	2016/17	2017/18
£1.17	£1.71	£0.54

This reflects the cumulative impact of funding new capital schemes and associated capital commitments each year.

Annual Investment and Treasury Strategy 2015/16

1. Introduction

- 1.1 The Chartered Institute of Public Finance and Accountancy's (CIPFA's) Code of Practice for Treasury Management in the Public Services (the Code) requires local authorities to produce a treasury management strategy for the year ahead. The PCC is required to comply with the Code through regulations issued under the Local Government Act 2003 and has adopted specific clauses and policy statements from the Code as part of its Financial Regulations.
- 1.2 Complementary to the CIPFA Code is the Department for Communities and Local Government's (DCLG's) Investment Guidance, which requires local authorities and PCCs to produce an Annual Investment Strategy. This report combines the reporting requirements of both the CIPFA Code and DCLG's Investment Guidance.
- 1.3 The primary objectives of the PCC's Investment Strategy are to safeguard the timely repayment of principal and interest, whilst ensuring adequate liquidity for cash flow and the generation of investment yield. A flexible approach to borrowing for capital purposes will be maintained which avoids the 'cost of carrying debt' in the short term. This strategy is prudent while investment returns are low and counterparty risk (the other party involved in a financial transaction, typically a bank or building society) remains relatively high.

2. The Treasury Management Function

- 2.1 The CIPFA Code defines treasury management activities as "the management of the PCC's cash flows, its banking, money market and capital market transactions; the effective management of the risks associated with those activities; and the pursuit of optimum performance consistent with those risks."
- 2.2 The PCC is required to operate a balanced budget, which broadly means that cash raised during the year will meet its cash expenditure. Part of the treasury management operations ensures this cash flow is adequately planned, with cash being available when it is needed. Surplus monies are invested in low risk counterparties, providing adequate liquidity before considering investment return.
- 2.3 A further function of the treasury management service is to provide for the borrowing requirement of the PCC, essentially the longer term cash flow planning, typically 30 years plus, to ensure the PCC can meet its capital spending obligations. This management of longer term cash may involve arranging long or short term loans, or using internal cash balances on a temporary basis. Debt previously borrowed may be restructured to meet PCC risk or cost objectives.
- 2.4 The PCC has delegated responsibility for treasury management decisions taken within the approved strategy to the PCC CFO. Day to day execution and administration of investment and borrowing decisions is undertaken by Norfolk County Council through contractual arrangements. Day to day cash flow operations are managed by the Constabulary.

- 2.5 External treasury management services are provided by Capita Asset Services. Capita Asset Services provides a range of services which include:
- Technical support on treasury matters and capital finance issues.
 - Economic and interest rate analysis.
 - Debt services which includes advice on the timing of long term borrowing.
 - Debt rescheduling advice surrounding the existing portfolio.
 - Generic investment advice on interest rates, timing and investment instruments.
 - Credit ratings/market information service for the three main credit rating agencies (Fitch, Moody's and Standard & Poor's).
- 2.6 Whilst Capita Asset Services and Norfolk County Council provide support to the treasury function, under market rules and in accordance with the CIPFA Code of Practice, the final decision on treasury matters remains with the PCC.
- 2.7 Performance will continue to be monitored and reported to the PCC as part of the budget monitoring report.

3. Capita Asset Services Economic Forecast

3.1 Economic Overview

- 3.1.1 UK GDP growth surged during 2013 and the first half of 2014. Since then it appears to have subsided somewhat but still remains strong by UK standards and is expected to continue likewise into 2015 and 2016. However, there needs to be a significant rebalancing of the economy away from consumer spending to manufacturing, business investment and exporting in order for this recovery to become more firmly established. One drag on the economy is that of wage inflation, which has only recently started to exceed CPI inflation, so enabling disposable income and living standards to start improving.

The plunge in the price of oil brought CPI inflation down to a low of 1.0% in November, the lowest rate since September 2002. Inflation is expected to stay around 1.0% for the best part of a year. This will help improve consumer disposable income and so underpin economic growth during 2015.

The United States, the biggest world economy, has generated stunning growth of 4.6% (annualised) in Q2 2014 and 5.0% in Q3. This is highly promising for the outlook for strong growth going forward and it very much looks as if the US is now firmly on the path of full recovery from the financial crisis of 2008. Consequently, it is now confidently expected that the US will be the first major western economy to start on central interest rate increases by mid 2015.

The current economic outlook and structure of market interest rates and government debt yields have several key treasury management implications:

- Greece: the general election on 25th January 2015 is likely to bring a political party to power which is anti EU and anti austerity. However, if this eventually results in Greece leaving the Euro, it is unlikely that this will directly destabilise the Eurozone as the EU has put in place adequate firewalls to contain the immediate fallout to just Greece. However, the indirect effects of the likely strengthening of anti EU and anti austerity political parties throughout the EU is much more difficult to quantify;
- As for the Eurozone, the downturn in growth and inflation during the second half of 2014, have led to concerns that it could be heading into deflation and prolonged very weak growth. Sovereign debt difficulties have not gone away and major concerns could return in respect of individual countries that do not dynamically address fundamental issues of low growth, international uncompetitiveness and the need for overdue reforms of the economy (as Ireland has done). It is, therefore, possible over the next few years that levels of government debt to GDP ratios could continue to rise to levels that could result in a loss of investor confidence in the financial viability of such countries. Counterparty risks therefore remain elevated. This continues to suggest the use of higher quality counterparties for shorter time periods;
- Investment returns are likely to remain relatively low during 2015/16 and beyond;
- Borrowing interest rates have been volatile during 2014 as alternating bouts of good and bad news have promoted optimism, and then pessimism, in financial markets. During July to October 2014, a building accumulation of negative news has led to an overall trend of falling rates. The policy of avoiding new borrowing by running down spare cash balances has served well over the last few years. However, this needs to be carefully monitored to avoid incurring higher borrowing costs in later times, when local authorities will not be able to avoid new borrowing to finance new capital expenditure and/or to refinance maturing debt;
- There will remain a cost of carry to any new borrowing which causes an increase in investments as this will incur a revenue loss between borrowing costs and investment returns.

3.1.2 The following table gives Capita Asset Services central view of UK Base Rate and Public Works Loan Board (PWL) borrowing rates:

Quarter Ending	Base Rate (%)	PWL Borrowing Rates (%)		
		5 year	25 year	50 year
Mar 2015	0.50	2.20	3.40	3.40
June 2015	0.50	2.20	3.50	3.50
Sept 2015	0.50	2.30	3.70	3.70
Dec 2015	0.75	2.50	3.80	3.80
Mar 2016	0.75	2.60	4.00	4.00
June 2016	1.00	2.80	4.20	4.20
Sept 2016	1.00	2.90	4.30	4.30
Dec 2016	1.25	3.00	4.40	4.40
Mar 2017	1.25	3.20	4.50	4.50
June 2017	1.50	3.30	4.60	4.60
Sep 2017	1.75	3.40	4.70	4.70
Dec 2017	1.75	3.50	4.70	4.70
Mar 2018	2.00	3.60	4.80	4.80
Increase over the 3 year period	+1.50	+1.40	+1.40	+1.40

4. Investment Strategy 2015/16

- 4.1 Forecasts of short-term interest rates, on which investment decisions are based, suggest that the 0.5% Bank Rate will remain unchanged until the fourth quarter of 2015. There is a risk that if economic growth weakens, increases in the Bank Rate will be pushed back.
- 4.2 The investment earnings rates which most closely matches our average deposit profile is the 3 month LIBID (London Intra Bank Bid rate for money market trades) forecast. The suggested budgeted interest rates for the following 3 financial years are as follows:

Financial Year	Budgeted Interest Earnings
2015/16	0.60%
2016/17	1.25%
2017/18	1.75%

- 4.3 There are 3 key considerations to the treasury management investment process. CLG's Investment Guidance ranks these in the following order of importance:
- security of principal invested,
 - liquidity for cash flow, and
 - investment return (yield).

Each deposit is considered in the context of these 3 factors, in that order.

- 4.4 CLG's Investment Guidance requires local authorities and PCCs to invest prudently and give priority to security and liquidity before yield, as described above. In order to facilitate this objective, the Guidance requires the PCC to have regard to CIPFA's Code of Practice for Treasury Management in the Public Sector.
- 4.5 The key requirements of both the Code and the Investment Guidance are to produce an Annual Investment and Treasury Strategy covering the following:
- Guidelines for choosing and placing investments – Counterparty Criteria and identification of the maximum period for which funds can be committed – Counterparty Monetary & Time Limits (Section 5).
 - Details of Specified and Non-Specified investment types (Section 6).

5. Investment Strategy 2015/16 - Counterparty Criteria

- 5.1 Norfolk County Council, on behalf of the PCC, as part of its contractual arrangement, works closely with its external treasury advisors to determine the criteria for high quality institutions. The minimum rating criteria uses the 'lowest common denominator' method of selecting counterparties and applying lending limits to those counterparties. This means that the application of the PCC's minimum criteria will apply to the lowest available rating for any institution. For example, if an institution is rated by all three credit rating agencies, two meet the PCC's criteria, the other does not, the institution will fall outside the lending criteria. This is in compliance with the CIPFA Treasury Management Code of Practice.
- 5.2 Continuing regulatory changes in the banking sector are likely to result in the withdrawal of implied sovereign support ratings (viability, financial strength and support credit ratings) currently used by both Moody's and Fitch. This will result in the key ratings used to monitor counterparties being Short Term and Long Term ratings only. To pre-empt this change the PCC approved in November 2014, a revision to the Council's credit rating criteria.
- 5.3 The criteria for providing a pool of high quality investment counterparties for inclusion on the PCC's 'Approved Authorised Counterparty List' is provided below.
- **UK Banks** which have as a minimum, the following Fitch, Standard and Poor's and Moody's credit ratings:

UK Banks	Fitch	Standard & Poor's	Moody's
Short Term Ratings	F1	A-1	P-1
Long Term Ratings	A-	A-	A3

- **Non-UK Banks** domiciled in a country which has a minimum sovereign rating of AAA and as a minimum, the following Fitch, Standard and Poor's and Moody's credit ratings:

Non-UK Banks	Fitch	Standard & Poor's	Moody's
Short Term Ratings	F1+	A-1+	P-1
Long Term Ratings	AA-	AA-	Aa3

- **Part Nationalised UK Banks** – Lloyds Banking Group and Royal Bank of Scotland Group. These banks are included while they continue to be part nationalised or they meet the ratings for UK Banks above.
- **The PCC's Corporate Banker** – If the credit ratings of the PCC's corporate banker (currently Barclays Bank plc) fall below the minimum criteria for UK Banks above, then cash balances held with that bank will be for account operation purposes only and balances will be minimised in terms of monetary size and time.
- **Building Societies** – The PCC will use Building Societies which meet the ratings for UK Banks outlined above.
- **Money Market Funds (MMFs)** – which are rated AAA by all three major rating agencies. MMF's are 'pooled funds' investing in high-quality, high-liquidity, short-term securities such as treasury bills, repurchase agreements and certificate of deposit. Funds offer a high degree of counterparty diversification that include both UK and Overseas Banks.
- **UK Government** – including the Debt Management Account Deposit Facility & Sterling Treasury Bills. Sterling Treasury Bills are short-term (up to six months) 'paper' issued by the UK Government. In the same way that the Government issues Gilts to meet long term funding requirements, Treasury Bills are used by Government to meet short term revenue obligations. They have the security of being issued by the UK Government.
- **Local Authorities, Parish Councils etc.** – Includes those in England and Wales (as defined in Section 23 of the Local Government Act 2003) or a similar body in Scotland or Northern Ireland.

5.4 All cash invested by the PCC in 2015/16 will be either Sterling deposits (including certificates of deposit) or Sterling Treasury Bills invested with banks and other institutions in accordance with the Approved Authorised Counterparty List.

5.5 The Code of Practice requires local authorities and PCCs to supplement credit rating information. Whilst the above criteria relies primarily on the application of credit ratings to provide a pool of appropriate counterparties for use, additional market information will be used to inform investment decisions. This additional market information includes, for example, Credit Default Swap rates and equity prices in order to compare the relative security of counterparties.

- 5.6 The current maximum lending limit of £10M for any counterparty will be maintained in 2015/16 to reflect the level of cash balances and to avoid large deposits with the DMO.
- 5.7 In addition to individual institutional lending limits, “Group Limits” will be used whereby the collective investment exposure of individual banks within the same banking is restricted to a group lending limit of £10M.
- 5.8 The Strategy permits deposits beyond 365 days (up to a maximum of 2 years) but only with UK banks which have a long term credit rating of AA- (or equivalent). Deposits may also be placed with UK Part Nationalised Banking and Local Authorities for periods of up to 2 years.

6. Investment Strategy 2015/16 – Specified & Non-Specified Investments

- 6.1 As determined by CLG’s Investment Guidance, Specified Investments offer “high security and high liquidity”. They are Sterling denominated and have a maturity of less than one year. Institutions of “high” credit quality are deemed to be Specified Investments. From the pool of high quality investment counterparties identified in Section 5, the following are deemed to be Specified Investments where the period of deposit is 364 days or less:
- Banks: UK and Non-UK;
 - Part Nationalised UK Banks;
 - The PCC’s Corporate Banker (Barclays Bank plc)
 - Building Societies (which meet the minimum ratings criteria for Banks);
 - Money Market Funds;
 - UK Government;
 - Local Authorities, Parish Councils etc.
- 6.2 Non-Specified Investments are those investments that do not meet the criteria of Specified Investments. From the pool of counterparties identified in Section 5, they include:
- Any investment greater than 364 days.
- 6.3 The categorisation of ‘Non-Specified’ does not in anyway detract from the credit quality of these institutions, but is merely a requirement of the Government’s guidance.
- 6.4 The PCC’s proposed Strategy for 2015/16 therefore includes both Specified and Non-Specified Investment institutions.

7. Borrowing Strategy 2015/16

- 7.1 Capital expenditure can be paid for immediately by applying capital receipts, capital grants or revenue contributions. Capital expenditure in excess of available capital resources or revenue contributions will add to the PCC's borrowing requirement. The PCC's need to borrow is measured by the Capital Financial Requirement, which simply represents the total outstanding capital expenditure, which has not yet been paid for from either capital or revenue resources.
- 7.2 For the PCC, borrowing principally relates to long term loans (i.e. loans in excess of 364 days). The borrowing strategy includes decisions on the timing of when further monies should be borrowed.
- 7.3 The main source of long term loans is the Public Works Loan Board (PWLB), which is part of the UK Debt Management Office (DMO). The maximum period for which loans can be advanced by the PWLB is 50 years.
- 7.4 In accordance with the approved 2014/15 Investment and Treasury Strategy, the PCC has postponed any new borrowing for capital purposes, using cash balances on a temporary basis to avoid the cost of 'carrying' debt in the short term. "Cost of carry" is the difference between interest paid and interest earned on borrowed monies while temporarily held as cash balances until used to fund capital expenditure. Delaying borrowing and running down the level of investment balances also reduces the PCC's exposure to investment counterparty risk. This strategy will be continued in 2015/16.
- 7.5 Total external borrowing currently stands at £13.161M, with an additional £19.805M financed internally from temporary cash resources. The PCC's overall new borrowing requirement in 2015/16 is estimated at £7.893M. The 2015/16 budget provision for interest payable is around £748K. This covers interest on existing loan debt and the borrowing requirement. It is not envisaged that borrowing will be required during 2015/16 for capital expenditure finance internally since 2009-10. By financing internally there will be an interest saving of around £1.0M.
- 7.6 The challenging and uncertain economic outlook outlined by Capita Asset Services in Section 3, together with managing the cost of "carrying debt" requires a flexible approach to borrowing. The PCC, under delegated powers, will take the most appropriate form of borrowing depending on the prevailing interest rates at the time, taking into account the risks identified in Capita Asset Services economic overview (Section 3).
- 7.7 The level of outstanding debt and composition of debt, in terms of individual loans, is kept under review. The PWLB provides a facility to allow the restructure of debt, including premature repayment of loans, and encourages local authorities and PCCs to do so when circumstances permit. This can result in net savings in overall interest charges. The PCC CFO and Capita Asset Services will monitor prevailing rates for any opportunities during the year.
- 7.8 The PCC has flexibility to borrow funds in the current year for use in future years. For example, the PCC CFO may do so under delegated powers where a sharp rise in interest rates is expected and so borrowing early at fixed interest rates may be economically beneficial or meet budgetary constraints. Whilst the PCC CFO will adopt a cautious approach to any such borrowing, where there is a clear business

case for doing so borrowing will be undertaken to fund the approved capital programme. Risks associated with any advance borrowing will be subject to appraisal in advance and subsequent reporting through the established reporting process.

- 7.9 PWLB borrowing has become less attractive in recent years, due to its policy decision to increase the margin payable over interest rates (Gilts). In response, the Local Government Association is currently in the process of setting up a “Municipal Bond Agency.” While it is hoped that the Agency’s borrowing rates will be lower than those offered by the PWLB, this is by no means guaranteed. Initially it is unlikely that the Agency will be able to offer the same degree of operational flexibility as the PWLB regarding loan advances and repayments. The PCC will continue to use the most appropriate source of borrowing at the time of making application, including; the PWLB, commercial market loans and the Municipal Bond Agency.

8. Treasury Management Prudential Indicators

- 8.1 There are four treasury related Prudential Indicators. The purpose of the indicators is to restrict the activity of the treasury function to within certain limits, thereby managing risk and reducing the impact of an adverse movement in interest rates. However, if these indicators are too restrictive, they will impair the opportunities to reduce costs/improve performance. The Indicators are:

- **Upper Limits on Variable Interest Rate Exposure** – This identifies a maximum limit for variable interest rates based upon the debt position net of investments. It is recommended that the PCC set an upper limit on its variable interest rate exposures for 2015/16, 2016/17 and 2017/18 of 30% of its net outstanding principal sums. This is consistent with policy followed in previous years.
- **Upper Limits on Fixed Interest Rate Exposure** – Similar to the previous indicator, this covers a maximum limit on fixed interest rates. It is recommended that the PCC set an upper limit on its fixed interest rate exposures for 2015/16, 2016-2017 and 2017-2018 of 100% of its net outstanding principal sums.
- **Maturity Structures of Borrowing** – These gross limits are set to reduce the PCC’s exposure to large fixed rate sums falling due for refinancing and require upper and lower limits. It is recommended that the PCC sets the following limits for the maturity structures of its borrowing. These limits follow existing treasury management policy and are unchanged from 2014-2015:

	Lower Limit	Upper Limit
Under 12 months	0%	15%
12 months and within 24 months	0%	15%
24 months and within 5 years	0%	45%
5 years and within 10 years	0%	75%
10 years and above	0%	100%

- **Total Principal Funds Invested for Greater than 364 Days** – This limit is set with regard to the PCC's liquidity requirements. It is estimated that in 2015/16, the maximum level of PCC funds invested for periods greater than 364 days will be no more than £10M.

MINIMUM REVENUE PROVISION STATEMENT 2015/16

Introduction

1. The PCC is required to make a charge against the revenue budget each year in respect of capital expenditure financed by borrowing or credit arrangement. The annual charge is set aside for the eventual repayment of the loan and is known as the Minimum Revenue Provision (MRP). This is separate from any annual interest charges that are incurred on borrowing.
2. The Local Authorities (Capital Finance and Accounting) (England) (Amendment) Regulations 2008 amend the way in which MRP can be calculated so that each authority must consider what is “prudent”. The regulations are backed up by statutory guidance which gives advice on what might be considered prudent.

Options for Making Prudent Provision

3. Four options are included in the guidance, which are those likely to be most relevant for the majority of authorities. Although other approaches are not ruled out, authorities must demonstrate that they are fully consistent with the statutory duty to make prudent revenue provision.

Option 1 - Regulatory Method

Authorities may continue to use the formulae put in place by the previous regulations.

Option 2 - Capital Financing Requirement Method

This is a technical calculation based upon taking 4% of the level of outstanding debt as signified by the previous year’s balance sheet.

Option 3 – Asset Life Method

This is to make provision over the estimated life of the asset for which the borrowing is undertaken. This could be done by:

- (a) Charging MRP in equal instalments over the life of the asset
- (b) Charging MRP according to the flow of benefits from an asset where the benefits are expected to be different between years (CIPFA guidance is awaited for this methodology)

Option 4 - Depreciation

The asset is depreciated in accordance with standard accounting methods

4. The regulations make a distinction between capital expenditure incurred before 1 April 2008 and capital expenditure incurred from 1 April 2008 in terms of the options available.
5. Options 1 and 2 are to be used for capital expenditure incurred pre April 2008. Options 3 and 4 are to be used for Capital expenditure incurred post April 2008.

Recommendations

6. In order to avoid complexity and to spread the charge to the revenue budget over the life of the asset, it is recommended that for MRP purposes the PCC continues with the current approach, namely that:
 - Capital expenditure incurred before April 2008 is treated in accordance with option 1 of the regulatory guidance; and
 - Capital expenditure incurred from April 2008 is treated in accordance with option 3(a) of the regulatory guidance.

COUNCIL TAX PRECEPT PROPOSED OPTION 2015/16			
Option 1 – 0% increase in council tax in 2015/16			
		£	
Budget Requirement		146,311,903	
Less Government Funding		89,384,215	
To be met from council tax (incl. surplus)		56,927,688	
Billing Authority	Precept Amount	Surplus on Collection Fund	Total Payments Due
	£	£	£
Breckland	8,119,238	238,734	8,357,972
Broadland	8,866,494	(26,000)	8,840,494
Kings Lynn & West Norfolk	9,681,399	282,444	9,963,843
Norwich	6,913,998	203,647	7,117,645
Great Yarmouth	5,355,236	96,701	5,451,937
North Norfolk	7,631,852	146,096	7,777,948
South Norfolk	9,119,156	298,693	9,417,849
	55,687,373	1,240,315	56,927,688
Vaulation Band		Council Tax 2015/16	
		£	
A		136.50	
B		159.25	
C		182.00	
D		204.75	
E		250.25	
F		295.75	
G		341.25	
H		409.50	
(i) As in previous years instalment payments will be made to the PCC by the district councils on the day that they receive their government grant instalments. This will minimise the cash flow effect on the collection authorities.			
(ii) Where a surplus on collection of 2014/15 council tax has been estimated, the District Council concerned will pay to the PCC its proportion of the sum by ten equal instalments, as an addition to the May 2015 to February 2016 precept payments.			
(iii) Where a deficit on collection of 2014/15 council tax has been estimated, the District Council concerned will receive from the PCC its proportion of the sum by ten equal instalments, as a reduction to the May 2015 to February 2016 precept payments.			

COUNCIL TAX PRECEPT PROPOSED OPTION 2015/16			
Option 2 – 1.978% increase in council tax in 2015/16			
		£	
Budget Requirement		146,780,003	
Less Government Funding		88,750,807	
To be met from council tax (incl. surplus)		58,029,196	
Billing Authority	Precept Amount	Surplus on Collection Fund	Total Payments Due
	£	£	£
Breckland	8,279,839	238,734	8,518,573
Broadland	9,041,875	(26,000)	9,015,875
Kings Lynn & West Norfolk	9,872,899	282,444	10,155,343
Norwich	7,050,759	203,647	7,254,406
Great Yarmouth	5,461,164	96,701	5,557,865
North Norfolk	7,782,811	146,096	7,928,907
South Norfolk	9,299,534	298,693	9,598,227
	56,788,881	1,240,315	58,029,196
Vaulation Band		Council Tax 2015/16	
		£	
A		139.20	
B		162.40	
C		185.60	
D		208.80	
E		255.20	
F		301.60	
G		348.00	
H		417.60	
(i) As in previous years instalment payments will be made to the PCC by the district coucils on the day that they receive their government grant instalments. This will minimise the cash flow effect on the district councils.			
(ii) Where a surplus on collection of 2014/15 council tax has been estimated, the district council concerned will pay to the PCC its proportion of the sum by ten equal instalments, as an addition to the May 2015 to February 2016 precept payments.			
(iii) Where a deficit on collection of 2014/15 council tax has been estimated, the district council concerned will receive from the PCC its proportion of the sum by ten equal instalments, as a reduction to the May 2015 to February 2016 precept payments.			

Complaints Monitoring Report

Suggested approach from Jo Martin, Democratic Support and Scrutiny Team Manager

The Panel is recommended to consider the regular monitoring information from the Commissioner's Chief Executive and Norfolk County Council's Head of Democratic Services.

1. Background

- 1.1 The Panel has delegated the Initial Handling of Complaints and Conduct Matters (as set out in The Elected Local Policing Bodies (Complaints and Misconduct) Regulations 2012, Part 2) to the Commissioner's Chief Executive, in consultation with a nominated member of the Panel.
- 1.2 The Panel has also delegated the resolution of other complaints (as set out in The Elected Local Policing Bodies (Complaints and Misconduct) Regulations 2012, Part 4) to the County Council's Head of Democratic Services for informal resolution, in consultation with a nominated member of the Panel.
- 1.3 The Commissioner's Chief Executive and the County Council's Head of Democratic Services agreed to provide the Panel with monitoring reports, at least annually, setting out the number and spread of complaints handled during the period.

2. Ongoing complaints relating to the Commissioner

- 2.1 The Commissioner's Chief Executive has confirmed the following update in relation to ongoing complaints to date:

- **Complaint 2 – Dated: 8th November 2013**

The complaint relates to the publicity regarding the Commissioner's travelling expenses.

This was referred to the IPCC. The IPCC announced on 18 June 2014 that it was to conduct a managed investigation into an allegation relating to the Commissioner's expenses claims. On 23 December the IPCC issued a statement saying: "A report from an investigation into claims for travel expenses made by the Police and Crime Commissioner for Norfolk Stephen Bett will not be referred to the Crown Prosecution Service (CPS). The investigation, carried out by City of London Police under the direction and control of the Independent Police Complaints Commission (IPCC), has now ended. It began in June 2014 following a referral from the Norfolk Police and Crime Panel. Nothing in the referral demonstrated there had been any steps

to validate the claims made by Mr Bett. The IPCC Commissioner overseeing the investigation, James Dipple-Johnstone, has reviewed the findings and decided that a referral to the CPS should not be made as there is no evidence that Mr Bett committed a criminal offence. The report will be sent to the Police and Crime Panel for Norfolk and prepared for publication.” The IPCC report had not been released at the time of this agenda being published.

On-going

• **Complaint 3 – Dated: 15th November 2013**

The complaint relates to the publicity regarding the Commissioner’s travelling expenses.

In light of the similarities to Complaint 2, this complaint has been held in abeyance to be reviewed again following receipt of the IPCC’s report.

On-going

2.2 As a consequence, the sub-committee that the Panel established (to review the Commissioner’s external audit report on his office’s internal control procedures relating to expense claims) remains on hold. The Panel agreed that the sub-committee should not carry out its review until any complaints relating to the same matter had been through due process.

2.3 A complaint was received on 16 January 2015 and at the time of writing this report is currently being assessed for a recording decision in line with the complaints policy.

3. Freedom of Information Requests

3.1 As background information for the Panel, the Commissioner’s Chief Executive has also confirmed that since the Panel’s last monitoring report (October 2014), 5 FOI (Freedom of Information) requests have been received. The main themes of the FOI requests are:

- Payments to Confederation of Business Industry
- Remuneration above £100k
- Attendance at PCC Events
- PCCs Working Diary
- Chief Officer Payments above annual salary

3.3 The Commissioner’s Chief Executive will attend the meeting to respond to any questions that the Panel may have.

4. Complaints/FOI requests relating to the Panel

4.1 No complaints or FOI requests relating to the Panel have been received since the Panel’s AGM in July 2014.

5. Action

5.1 The Panel is recommended to consider the regular monitoring information.



If you need this report in large print, audio, Braille, alternative format or in a different language please contact Jo Martin on 0344 800 8011 or 0344 800 8011 (Textphone) and we will do our best to help.

Information bulletin – questions arising to the Commissioner

Suggested approach from Jo Martin, Democratic Support and Scrutiny Team Manager

This information bulletin summarises for the Panel both the decisions taken by the Commissioner and the range of his activity since the last Panel meeting.

1. Background

- 1.1 The Police Reform and Social Responsibility Act describes the Police and Crime Panel's role as including to "review or scrutinise decisions made, or other action taken, by the PCC". This is an opportunity for the Panel to publicly hold the Police and Crime Commissioner for Norfolk ("the Commissioner") to account for the full extent of his activities and decisions since the last Panel meeting.

2. Summary of the Commissioner's decisions and activity since the last Panel meeting

- 2.1 A summary of both the decisions taken by the Commissioner and the range of his activity since the last Panel meeting are set out below.

a) Decisions taken

All decisions made by the Commissioner, except those containing confidential information, are recorded and published on the Commissioner's website. Decisions made since the last Panel meeting, up until the 23 January 2015, are listed at **Annex A** of this report.

b) Items of news

Items of news, covering the Commissioner's activity and including the key statements he has made, are recorded and published on his website. A summary of those items published since the last Panel meeting, up until the 23 January 2015, are listed at **Annex B** of this report.

c) Police Accountability Forum meetings

Agendas for these meetings are published on the Commissioner's website. Items discussed at the most recent meeting are set out at **Annex C** of this report.

d) Norfolk and Suffolk Collaboration Panel meetings

Agendas for these meetings are published on the Commissioner's website. Items discussed at the most recent Collaboration Panel meeting are set out at **Annex D** of this report.

e) Other out-of-county activity

Commissioner:

No out-of-county activity has taken place since the Panel's last meeting.

Deputy Commissioner:

31 January 2015 -National Crime Agency Annual PCC Engagement Day, London

22 January 2015 - Norfolk & Suffolk Criminal Justice Board, Suffolk

f) Audit Committee

The Panel was advised at its 16 December 2014 meeting that the agendas for these meetings will be published on the Commissioner's website. No meetings have taken place since the Panel's December 2014 meeting. Items discussed at the most recent Audit Committee meeting will be included in future reports.

3. Suggested approach

- 3.1 The Commissioner and Deputy Commissioner have been invited to attend the meeting to respond to your questions, and will be supported by members of staff and the Chief Constable.

4.0 Action

- 4.1 The Panel is recommended to put questions to the Commissioner, covering the areas at paragraph 2.1 of this report, to publicly hold him to account for the full extent of his activities and decisions since the last Panel meeting.



If you need this report in large print, audio, Braille, alternative format or in a different language please contact Jo Martin on 0344 800 8011 or 0344 800 8011 (Textphone) and we will do our best to help.

Commissioner's Decisions

FME contract award recommendation

Decision 2015-01

Stephen agreed the procurement recommendation to award G4S Forensic Medical Services the contract for provision of medical services in Norfolk and Suffolk.

Further detail about each decision can be viewed on the Commissioner's website at the following address:

<http://www.norfolk-pcc.gov.uk/transparency/decisions>

Alternatively, Panel Members can request this information in hard copy by contacting the Committee Officer.

Summary of the Commissioner's activity

PCC supports children and young people with £200k fund

1 December 2014

Children and young people across Norfolk are set to benefit from a £200k fund set up by the county's PCC. The fund will support organisations helping children and young people stay clear of crime.

Increase or freeze police element of Council Tax?

16 December 2014

The Commissioner is launching a public consultation throughout January on whether the police precept should rise by 2pc (an average of £4 per year) or be frozen.

PCC funds PCSOs in schools and child safety posts with budget savings

17 December 2014

Norfolk's PCC is to fund ten PCSOs in schools with savings from his own budget. Stephen will also use savings to fund crucial child protection posts at Norfolk Police.

Statement on IPCC investigation announcement

23 December 2014

An investigation into the expenses of Norfolk's Police and Crime Commissioner has cleared him of committing any criminal offence.

Independent advisors to hold open meeting

23 December 2014

Tasked with bringing a community perspective to crime and policing discussions, the IAG will be holding its Annual General Meeting on 6 January.

Council Tax survey launches

2 January 2015

To increase or freeze? - that's the question currently occupying Norfolk's PCC as he prepares to set the policing element of Council Tax and agree the 2015/16 police budget.

Stephen writes to Home Secretary on proposed changes to police conduct regulations

8 January 2015

Dear Home Secretary, The Home Office Police Reforms on Police Integrity are currently undergoing various phases of public consultation and the proposed amendment to the current police (conduct)...

Invitation for grant allocation to provide an Independent Domestic Violence Advisory Service

9 January 2015

Norfolk's Police and Crime Commissioner (PCC), Stephen Bett, is inviting applications for grant funding to provide a county-wide Independent Domestic Violence Advisors (IDVA) service.

Support for child victims of sexual assault

19 January 2015

A specialist support centre dedicated to victims of rape and sexual assault has been extended to children across Norfolk - a move welcomed by a mother whose young daughter was sexually abused.

A job to reduce reoffending

19 January 2015

The employment and training prospects of ex-offenders in Norfolk are set to be improved thanks to a partnership between police, our prisons and the local business community.

Further details about each of the news items can be viewed on the Commissioner's website at the following address:

<http://www.norfolk-pcc.gov.uk/news/latest-news>

List of items discussed at the most recent Police Accountability Forum meeting

Date: 21 January 2015	
Subject	Summary
Public agenda	
Budget Monitoring Report FY 2014/15 – as at end of November 2014	<p>1. The Commissioner approved a revenue budget and capital programme for 2014/15 in February 2014.</p> <p>2. This report presents the latest forecast of the outturn for the current year, based upon actual spending to the end November 2014 and known future commitments. Forecast information is provided on revenue spending, capital spending and movements in reserves.</p> <p>3. Some changes to the revenue and capital budgets are presented for approval.</p> <p>Recommendation: It is recommended that the Commissioner notes the report and approves:- a) The additions to the Capital Programme set out in section 3, giving an amended Programme totalling £7.028m for 2014/15.</p>
Protective Services Command Update	<p>This report provides an update from Protective Services Command identifying key performance information and significant operational or organisational issues.</p> <p>Recommendation: It is recommended that the Police and Crime Commissioner notes the contents of this report.</p>
Strategic Performance Overview	<p>A summary of performance against the 2014/15 policing priorities.</p> <p>Recommendation: For discussion only.</p>
Private agenda	
Norfolk and Suffolk Constabularies Photocopying/Printing Arrangements	Exempt report - not published.

Next meeting – Thursday 12 March 2015 (10 am, Filby Room, Norfolk Constabulary, Operations & Communications Centre, Falconers Chase, Wymondham, Norfolk NR18 0WW)

The public reports can be viewed on the Commissioner's website at the following address, under "Transparency/Public Meetings":

<http://www.norfolk-pcc.gov.uk/transparency/public-meetings>

Alternatively, Panel Members can request hard copies by contacting the Committee Officer.

List of items discussed at the most recent Norfolk and Suffolk Collaboration Panel meeting

Items considered at the 3 December 2014 Collaboration Panel meeting were reported to the 16 December 2014 Police and Crime Panel meeting.

The next Collaboration Panel meeting is due to take place on 3 March 2015 (10.30am – Strategic Coordination Centre, Suffolk Constabulary).

Norfolk Police and Crime Panel
Forward Work Programme 2014-15

	Main items of business	Invited to attend
10am, Friday 13 February 2015, County Hall	Reserve date – to review a revised precept for 2015-16, if vetoed (the Panel must review and report by 22 February 2015)	Commissioner and Deputy Commissioner, supported by members of the Commissioner's staff and Chief Constable

Forward Work Programme 2015-16

(Dates/times to be confirmed)

April 2015, County Hall	Review of procedure for public questions Recruitment of co-opted independent member Police and Crime Plan for Norfolk – implementation monitoring Information bulletin – questions arising to the Commissioner	Commissioner and Deputy Commissioner, supported by members of the Commissioner's staff and Chief Constable
June 2015, County Hall	Induction for new Panel Members	
July 2015, County Hall	Appointment of Chairman and Vice-Chairman Review of the Panel's Rules of Procedure, including the process for dealing with complaints about the Conduct of the Police and Crime Commissioner for Norfolk Balanced Appointment Objective	Commissioner and Deputy Commissioner, supported by members of the Commissioner's staff and Chief Constable

	Review of the Commissioner's 2014-15 Annual Report Complaints update Information bulletin – questions arising to the Commissioner Norfolk Police and Crime Panel funding (To note the 2014-15 expenditure and consider the 2015-16 grant allocation)	
October 2015, County Hall	(To be agreed) Information bulletin – questions arising to the Commissioner	Commissioner and Deputy Commissioner, supported by members of the Commissioner's staff and Chief Constable
December 2015, County Hall	(To be agreed) Complaints update Information bulletin – questions arising to the Commissioner	Commissioner and Deputy Commissioner, supported by members of the Commissioner's staff and Chief Constable
January 2016, County Hall	Review the Commissioner's proposed precept for 2016-17 (the Panel must review and report by 8 February 2016) Information bulletin – questions arising to the Commissioner Forward work programme for 2016-17	Commissioner and Deputy Commissioner, supported by members of the Commissioner's staff and Chief Constable
February 2016, County Hall	Reserve date – to review a revised precept for 2016-17, if vetoed (the Panel must review and report by 22 February 2016)	Commissioner and Deputy Commissioner, supported by members of the Commissioner's staff and Chief Constable

The identified items are provisional only. The following meetings will be scheduled only if/when required:

- confirmation hearings

For information

Norfolk County Community Safety Partnership Scrutiny Sub Panel – This Panel last met on 9 May 2014. Members will be notified of the date of the next meeting.

Scheduled Police Accountability Forum Meetings (formerly PCC/Chief Constable Bi-Lateral meetings) are due to take place on the following dates (agendas will be made available via the Commissioner's website):

- Thursday 12 March 2015 at 10 am (Norfolk Constabulary Headquarters, Wymondham)
- Wednesday 13 May 2015 at 10 am (Norfolk Constabulary Headquarters, Wymondham)
- Tuesday 14 July 2015 at 10 am (Norfolk Constabulary Headquarters, Wymondham)
- Wednesday 16 September 2015 at 10 am (Norfolk Constabulary Headquarters, Wymondham)
- Tuesday 17 November 2015 at 10 am (Norfolk Constabulary Headquarters, Wymondham)

Scheduled Norfolk and Suffolk Collaboration Panel meetings are due to take place as follows (agendas will be made available via the Commissioner's website):

- 3 March 2015 (10.30am – Strategic Coordination Centre, Suffolk Constabulary)
- 2 June 2015 (10.30am – Filby Room, Norfolk Constabulary)
- 15 September 2015 (2pm – Strategic Coordination Centre, Suffolk Constabulary)
- 1 December 2015 (10.30am – Filby Room, Norfolk Constabulary)