

<b>Meeting</b>	Strategic Executive Board
<b>Date</b>	17 February 2021
<b>Title</b>	2021/22 budget setting report
<b>Submitted By</b>	The Chief Financial Officer of the Police and Crime Commissioner and Director of Resources for the Constabulary.
<b>Purpose of Report</b>	To notify SEB of the proposed net budget for 2021/22.
<b>Recommendation</b>	To approve the 2021/22 gross revenue budget of £247.8m (£230.1m net) and the capital budget of £13.151m; and  To approve the budget for the BCH collaborative units, for financial year 2021/22, of £108.298m, of which £46.291m is Hertfordshire's contribution (as per Appendix E).
<b>Financial Implications</b>	Included in the body of the report
<b>Risk Implications</b>	Failure to apply sound financial management principles over the medium-term may threaten the organisation's financial sustainability.
<b>Legal Implications</b>	Section 17 (6) of the Police Reform and Social Responsibility Act 2011 and Policing Protocol Order 2011 which sets out the high-level financial responsibilities of the PCC and CC.
<b>Equalities Impacts</b>	None
<b>Freedom of Information Exemption Section if Applicable</b>	None

## 1. SUMMARY

This report seeks to formally approve the 2020/21 budget following the approval of the precept increase of £15.00 at the Police and Crime Panel (PCP) on 4 February 2021.

The precept increase of £15.00 and resultant net budget for 2021/22 of £230.1m are aligned with the Government's commitment to increase resources within the police service, is consistent with the PCC's current Community Safety and Criminal Justice Plan and maintains the organisation's financial resilience.

Also, in order to make best use of the new officers, the government has urged PCCs to make use of the flexibility in raising the precept to £15.00 per annum, so as to maximise the additional investment in policing. The PCC's increase in the average (Band D) Council Tax by £15.00 per annum to a figure of £213.00 represents a 7.58% increase on the policing element of the county's average (Band D) council tax and would place Hertfordshire as the 5<sup>th</sup> lowest in England & Wales.

The organisation has a legal duty, under Section 44 of the Local Government Finance Act 1992, to set a balanced, realistic and financially sustainable budget each year and furthermore must ensure that it has adequate reserves to remain viable, stable and effective in the medium to long term. The table below shows the calculation for the net budget and precepting requirement for 2021/22.

Table 1

Budget Heading	£m
<b>Net Budget 2020/21</b>	<b>217.342</b>
Standstill costs	3.601
Savings	(1.508)
Investment & Growth	10.616
<b>Net Budget 2021/22</b>	<b>230.051</b>
Less Home Office Settlement Grants	(126.835)
Less Additional Core Grant	(7.351)
Plus Collection Fund deficit	0.072
Council Tax Precept Requirement for 2021/22	95.937
<b>Estimated number of band D properties (No.)</b>	<b>450,409</b>
<b>2021/22 Band D Precept requirement £ p.a.</b>	<b>213.00</b>
Current Band D Precept (2019/20) £ per annum	198.00
Increase required £ per annum	15.00
Increase required % per annum	7.58%

The movement from the 2021/22 Gross to Net budget is shown below:

Table 2

Gross to Net Budget	£m
<b>Gross Budget</b>	<b>247.8</b>
Fees & Charges	(8.2)
Other Grants	(8.8)
Local Authority PCSO funding	(0.8)
Reserves	(0.0)
<b>Net Budget</b>	<b>230.1</b>

## 2. 2021/22 POLICE FINANCE SETTLEMENT

The 2021/22 Provisional Settlement was announced on 17 December 2020 and the deadline for responses is 15 January 2021. The final settlement was laid before Parliament on 4 February and approved on 10 February 2021. The settlement follows the one-year spending review (SR20<sup>1</sup>) and takes place with a backdrop of severe economic difficulties due to the ongoing Coronavirus Pandemic, as well as uncertainty around Brexit. The main elements of the Settlement are set-out below:

<sup>1</sup> 25 November 2020 <https://www.gov.uk/government/publications/spending-review-2020-documents>

## i. Core Grant

The Government's Core Funding (made up of Police Grant, Ex-DCLG grant) settlement provided additional non-ringfenced grant of £7.351m, which will increase the total core grant to £123.958m<sup>2</sup>.

In addition, the settlement also 'baselined' the specific pension grant of which Hertfordshire's share is £2.024m; which is a contribution towards the increased police pension employer contribution rates that arose in 2019/20. It also confirmed that the £10.228m of ring-fenced council tax legacy grant that Hertfordshire currently receives will be retained in 2021/22.

## ii. Specific Grant – Uplift Funding

As part of the uplift of officer numbers, grant funding totalling £1.526m is earmarked specifically for the uplift programme. This will allow the Constabulary to increase police officer establishment by 90 by end of March 2022 to achieve its 2,190 FTE<sup>3</sup> uplift target. In order to achieve the existing officer establishment of 2,100 officers the Constabulary has increased recruitment in the current year and is further increasing recruitment to exceed the projected level of turnover and retirements, enabling a steady increase in officer numbers throughout the year. As a result of this increased level of recruitment there will be a marked increase in Student Officers and during the coming year the Chief Constable will review the deployment of officers, building in a greater emphasis on prevention work, in order to inform the roll-out of the 'uplifted' officer numbers into local policing teams.

Table 3

	2019/20 FTE	2020/21 FTE	2021/22 FTE	2022/23 FTE
PUP Split Ratio	10%	20%	30%	40%
Herts Police Officer uplift target (cumulative)	31	91	181	305
Herts Police Officer uplift target (annual)	31	60	90 <sup>4</sup>	124
Herts accelerated PUP police officer recruitment	-	-	77	(77)
Year-end Police Officer establishment	2,040	2,100	2,267	2,314 <sup>5</sup>

## iii. Capital Grant

The Hertfordshire allocation for element of funding remains the same as 2020-21 at £0.157m.

## iv. Ministry of Justice (MoJ) Grants

In addition to the Home Office settlement funding outlined above the PCC also receives grant from the MoJ for commissioning victims' services and for 2021/22 the allocations will continue to be distributed according to the 2018 population estimates, which equates to £1.384m for Hertfordshire.

<sup>2</sup> Excludes Legacy Council Tax Grants of £10.228m

<sup>3</sup> Does not include accelerated recruitment of additional 77 officers

<sup>4</sup> Comprises 86 local officers plus 4 regional officers

<sup>5</sup> Based upon original estimated PUP target of 305 and assumes support of Government uplift program

### 3. PRECEPT

In addition to grant funding the Government confirmed precept flexibility of up to £15, before a referendum is required which will generate additional income of £6.756m, however after factoring in a 0.58%<sup>6</sup> decrease in tax base (2,631 properties) and the negative movement on the collection fund, the total council tax income will increase by £5.362m on the previous year, as illustrated below.

Table 4

	£m
Precept increase	6.756
Tax base decrease	(0.521)
Collection fund reduction <sup>7</sup>	(0.873)
<b>Total Council Tax increase</b>	<b>5.362</b>

#### a. Taxbase

The taxbase is calculated by the billing authorities by converting all properties to Band D equivalents and making assumptions about the levels of discounts to be offered and the amount of tax to be collected. The final council tax base and collection fund balance estimates for Council Tax will be provided by the districts in late January. The figures below are based on information provided by districts during the Autumn.

There are a number of variables which impact the net taxbase position used for the calculation of Council Tax receipts, but the main movements in variables are explained below:

- Growth in households – a reduced rate of growth has been achieved in the last 12 months due to the impact of the pandemic; and subsequent lockdown and working restrictions which continue to be in place. For the 12 months to September 2020 there has been an increase of 0.8% in billable properties;
- Increase in claimants of Council Tax Support (CTS) – due to the pandemic, and the impact on the economy and the higher rate of unemployment, more residents are qualifying for CTS in paying their Council Tax bill. By Q2 of 2020/21 working age claimants in Hertfordshire had increased by 8.2% over the 12-month period (as illustrated in Appendix A); and
- Reduced rates of collection – the forecasted collection rate across all billing authorities has fallen by an average 0.50% to 98.1%.

Table 4a

Council	2020/21 Collection Rates	2021/22 Collection Rates
Broxbourne	98.0%	95.0%
Dacorum	99.4%	99.4%
East Hertfordshire	98.9%	98.9%
Hertsmere	98.0%	98.0%
North Hertfordshire	99.0%	99.0%
St Albans	99.0%	97.5%
Stevenage	98.3%	98.3%
Three Rivers	99.0%	99.0%
Watford	97.0%	97.0%
Welwyn Hatfield	99.4%	99.4%
<b>Average</b>	<b>98.6%</b>	<b>98.1%</b>

<sup>6</sup> PCP report taxbase was 0.64%

<sup>7</sup> Movement from £0.801m surplus to £0.073m deficit (after profiling over 3 years).

In total, the final estimate of the 2021/22 taxbase for the PCC is 450,409<sup>8</sup> Band D equivalent properties; this represents an annual decrease of 2,631 properties or 0.58%, as the table below illustrates.

Table 5

Hertfordshire Boroughs & Districts' Taxbase				
Borough/District	Tax Base 2020/21	Tax Base 2021/22	Change	
	No.	No.	No.	%
Broxbourne Borough Council	35,447	34,333.1	(1,114)	(3.14%)
Dacorum Borough Council	58,567	58,693.7	127	0.22%
East Herts District Council	61,272	61,734.4	462	0.75%
Hertsmere Borough Council	41,889	41,887.1	(2)	(0.00%)
North Herts District Council	49,980	49,396.9	(583)	(1.17%)
St Albans District Council	62,821	61,607.0	(1,214)	(1.93%)
Stevenage Borough Council	27,781	27,733.8	(47)	(0.17%)
Three Rivers District Council	39,213	38,774.3	(439)	(1.12%)
Watford Borough Council	33,481	32,786.1	(695)	(2.08%)
Welwyn Hatfield District Council	42,590	43,462.2	872	2.05%
<b>TOTAL</b>	<b>453,040</b>	<b>450,409</b>	<b>(2,632)</b>	<b>(0.58%)</b>

This will reduce the amount of council tax received by £0.521m (as illustrated below).

Table 6

Taxbase Calculation	Amount
Estimated number of band D properties – 2021/22	450,409
Number of band D properties – 2020/21	453,040
Decrease in tax base properties	(2,631)
Band D council tax rate	£198.00
<b>Reduced tax base income £</b>	<b>(£520,938)</b>

<sup>8</sup> Draft taxbase in PCP report was 450,122

## b. Collection fund

The collection fund reflects the year-to-year differences between estimated and actual collection of Council Tax as a result of changes in collection rate and levels of tax base growth. The impact of the pandemic has generated predicted deficits for 2020/21 of which the PCC's element is £0.549m of the total<sup>9</sup>.

Table 7

Final Collection Fund Surplus/(Deficit) relating to the PCC			
District	2020/21 £	2021/22 £	Change £
Broxbourne Borough Council	212,296	(249,905)	462,201
Dacorum Borough Council	131,410	4,679	126,731
East Herts District Council	81,609	0	81,609
Hertsmere Borough Council	175,759	22,686	153,073
North Herts District Council	(42,671)	(140,801)	98,130
St Albans District Council	152,101	(123,889)	275,990
Stevenage Borough Council	60,055	36,880	23,175
Three Rivers District Council	(77,339)	5,869	(83,208)
Watford Borough Council	108,203	8,264	99,939
Welwyn Hatfield District Council	53	(112,579)	112,632
<b>TOTAL</b>	<b>801,476</b>	<b>(548,797)</b>	<b>1,350,273</b>

However, as part of the Spending Review (SR20) additional COVID-19 support was made available to partially fund 'exceptional'<sup>10</sup> collection fund deficits. This will compensate up to 75% for irrecoverable loss of council tax revenues in 2020-21 and also allows deficits to be spread over a three period<sup>11</sup>.

The table below shows the dampening effect of the spreading across three years.

Table 8

2021/22 Collection Fund Surplus/(Deficit) relating to the PCC	
	£
Net deficit	548,797
Add back 2019/20 surplus brought-forward	(165,727)
Exceptional net deficit 2020/21	713,080
1/3 of deficit to be charged to 2021/22, 2022/23 & 2023/24	237,693
Net off 2019/20 surplus	(165,727)
<b>TOTAL COLLECTION FUND NET DEFICIT IN 2021/22</b>	<b>71,966</b>

As can be seen there will be an estimated deficit of £0.238m to be carried forward into the subsequent two financial years as a result of this treatment.

In addition, the Spending Review also confirmed that the government will compensate local authorities for 75% of irrecoverable losses in council tax income in respect of 2020-21 under its *Local tax income guarantee for 2020-21* scheme. Losses of council tax income in scope of the

<sup>9</sup> The PCC's average share of the District's Council Tax Bill is 10.8%

<sup>10</sup> Those specifically related to the Covid-19 pandemic i.e. not including any pre-2020/21 deficits b/fwd.

<sup>11</sup> <https://questions-statements.parliament.uk/written-statements/detail/2020-07-02/hcws333>

guarantee will be measured by comparing an authority's council tax requirement for 2020-21 with its share of each relevant billing authority's adjusted 'Net Collectable Debit' for 2020-21.

This means that the guarantee will predominantly cover expected council tax liability at the time of budget setting for 2020-21, which did not materialise. This might be for example due to an increase in local council tax support costs or unachieved council tax base growth. The Government does however expect billing authorities to continue appropriate collection and enforcement action for outstanding council tax debt, in the usual way.

At present no assumption has been made in regard to this as it will be based on data<sup>12</sup> that will not be available at the time of setting the 2021/22 budget and further guidance will be provided by the MCHLG in due course.

The Government has also provided an indicative allocation of £1.441m, in new one-off grant funding, to recognise the potential additional cost of providing Local Council Tax Support (LCTS) in 2021/22, related to elevated unemployment levels as a result of the pandemic, which may either materialise as tax base reductions (leading to less council tax income available in 2021/22) or contribute to collection fund deficits at the end of 2021/22. This income has been offset against the Standstill Costs shown in Table 1 and Section 5.

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<sup>12</sup> Based on QRC4 return which will be submitted in Spring/Summer 2021.

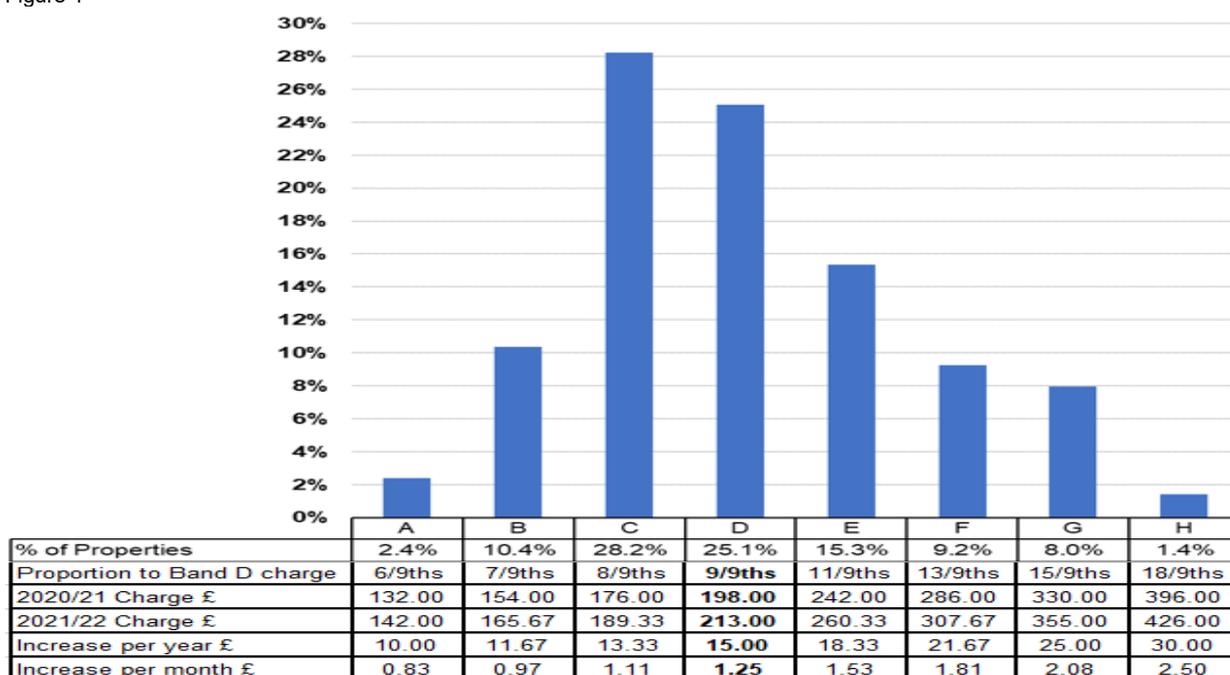
### c. Band D Council Tax

The band D council tax policing precept proposed for 2021/22 is £213.00, an increase of £15.00 or 7.58% on the comparable figure for 2020/21.

Hertfordshire's current 2020/21 Band D council tax precept of £198.00 is below the English national average of £223.67<sup>13</sup> and if all PCCs, across England & Wales, were to also increase by £15.00 then Hertfordshire would be 12.5% below average. Appendix C provides comparative precept levels for 2021/22 across the 14 lowest precepting forces.

Based on a Band D precept increase of £15.00 the resultant bandings are illustrated in the table below and the breakdown of the estimated 2021/22 council tax income by Borough/District is shown in Appendix D. As can be seen in Figure 1 below the majority of Hertfordshire's properties (66.1%<sup>14</sup>) are in Bands A to D.

Figure 1



### d. Funding the 2021/22 Revenue Budget

The table below shows how the net revenue budget for next year will be financed in comparison to the current year.

	2020-21		2021-22	
	£m	%	£m	%
Police Grant	77.58	35.70%	82.89	36.00%
Ex-DCLG formula grant	39.03	17.96%	41.07	17.90%
Legacy council tax grants	10.23	4.71%	10.23	4.40%
<b>Total Government funding</b>	<b>126.84</b>	<b>58.36%</b>	<b>134.19</b>	<b>58.30%</b>
Council tax precept (estimate)	89.70	41.27%	95.88	41.70%
Council tax deficit on collection fund (estimate)	0.80	0.37%	-0.17	0.00%
<b>Total Council Tax</b>	<b>90.50</b>	<b>41.64%</b>	<b>95.72</b>	<b>41.70%</b>
<b>Total financing</b>	<b>217.3</b>	<b>100%</b>	<b>229.9</b>	<b>100%</b>

<sup>13</sup> England and Wales average for 2020/21 is £228.49

<sup>14</sup> Hertfordshire data as at 5 October 2020. Source: <https://www.gov.uk/government/statistics/council-taxbase-2020-in-england>

## 5. STANDSTILL COST PRESSURES

Standstill budget pressures are those costs increases that are required to deliver the same level of service as in the current financial year. Despite the Government's announcement of a wide-ranging pay freeze across the public sector<sup>15</sup>. The standstill budget requirement for 2021/22 totals £3.601m and comprises the following:

### a. Officer pay costs – £1.246m

The costs of inflationary pressures on police officer pay and overtime budgets will total £1.246m for police officers against a base of £119.183m. Whilst the Pay Freeze announced in SR20 means there will be no pay award from 1 September 2021, the full year effect of the 2.5% award from 1 September 2020 remains to be funded. The recruitment of significant levels of new police officers alongside routine staff churn will allow the absorption of incremental drift within these figures.

### b. Staff pay costs – £0.864m

The costs associated with inflationary pressures on pay and overtime budgets will total £0.864m for police staff in 2021/22 against a base of £69.439m. This amount includes:

- The full year effect of the 2.5% award from 1 September 2020 (the Pay Freeze applies to Police Staff and so there is no September 2021 award to fund);
- SR20 also set-out that public sector workers earning less than £24k p.a. would be awarded a £250 p.a. pay rise, the cost of which is estimated at £0.109m in 2021/22; and
- £0.103m is required to establish base budget funding for the payment of market-factor rates to Crime Analysts to address ongoing retention issues.

### c. Non-Pay inflation - £1.510m

Although headline inflation is relatively low at present (reducing from 0.7% to 0.3% in November 2020), the basket of goods this is based upon is not representative of the pressure faced by the Constabulary and OPCC, as such a 1% average, equivalent to £0.369m, across all non-pay and fees & charges income budgets has been assumed. This funding will be held centrally and allocated only where pressures develop that cannot be contained by departments during the year.

In addition, there are a number of more significant areas of specific inflation that are anticipated in total to result in spend pressure of £0.684m; which includes £0.100m for estates utility budgets, £0.150m for insurance premiums as markets continue to harden, £0.559m on non-pay ICT budgets and £0.100m on Home Office and nationally provided IT systems. Offsetting these is a forecast £0.255m reduction in charges payable for the National Police Air Service (NPAS) following a revision to the cost allocation methodology.

Other unavoidable non pay pressures total £457k and represent a range of areas the most significant of which are (+£175k expected increase in fleet charges resulting from the planned review of vehicle levels on the LPC, the mainstreaming of Taser training equipment renewal (+£105k), the establishment of permanent funding for ECHO / Herts Rant (+£67k), the new requirement to pay dog handlers essential user allowances following the Cleveland Case (+£50k), contribution to the new ESMCP Regional Delivery Team (+£73k) and legal counsel fees (+£40k). Offsetting these pressures is a -£125k reduction in budgets to support PUP.

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<sup>15</sup> Excluding NHS and those earning below £24,000.

**d. Capital financing - £0.238m**

There are a range of cost pressures faced by the PCC in order to fund the growing capital programme; including the redevelopment of the HQ site. In particular, it is forecast that a significant increase in external borrowing will be incurred over the next five years and as a result there will be a proportional increase in the level of interest on borrowing paid, the PCC will be required to make higher levels of Minimum Revenue Provision (MRP) resulting from the funding of the capital programme through the Capital Financing Requirement (CFR), and finally in order to minimise the level of borrowing required, cash balances will be lower leading to a reduction in investment interest received.

**e. HQ Redevelopment costs - £0.146m**

Costs associated with the redevelopment of the WGC HQ that cannot be capitalised and so must be charged to revenue. Work is currently underway with consultants to review this area and figures will be adjusted for any changes in phasing or scope.

**f. Income reduction - £1.038m**

Whilst Police Settlement grant funding has increased for 2021/22, to a lesser extent the level of specific Police Uplift Programme grant has been reduced. Last year's grant totalled £2.564m and this has been reduced to £1.526m, resulting in a net £1.038m funding pressure.

**g. Local Council Tax Support (LCTS) grant – (£1.441m)**

Off-setting the standstill costs listed above is the Government's new grant funding for local council tax support. The funding recognises the additional costs of providing LCTS in 2021/22 related to elevated unemployment levels as a result of the pandemic, which may materialise as taxbase reductions (leading to less council tax income available in 2021/22) or contribute to collection fund deficits at the end of 2021/22. Hertfordshire indicative allocations of this one-off funding is £1.441m and will be paid directly to PCCs as section 31 grants early in 2021/22.

## **6. EFFICIENCY SAVINGS**

The identified savings, totalling £1.508m, are focused in areas that will have the least operational impact and so the following proposals have been developed:

### **a. Energy Efficiency / Public Sector Decarbonisation - £0.050m**

This figure represents a stretch target to achieve efficiencies in utilities costs and reducing our carbon footprint through accessing Public Sector Decarbonisation funding in order to drive up the energy efficiency of the estate.

### **b. Middle & Back Office Staff Reductions - £0.226m**

Savings in this area include the removal of 7 FTE (£0.213m) through a mix of removal of vacant posts and some minor restructuring. Further savings, totalling £0.013m will also be generated from across a range of smaller areas.

### **c. Non-Pay reductions - £0.061m**

Consolidation of a range of corporate contingencies including the Chief Constable's Initiatives Fund, the Development Fund, H&S and Staff Support into a single pot and then a reduction of 50% saving £0.041m on a risk-based basis. A further £0.020m to come from savings within the Finance department.

### **d. Vacancy Factor - £0.500m**

The establishment of a common vacancy factor for police staff across all Herts non-collaborated units. PCSO budgets have been under establishment during 2020/21 as the turnover of officers leaving to join the regulars and the need to focus recruitment and training resources on achieving the government set Police Uplift Programme recruitment targets, have served to suppress numbers. These factors will continue for the next two years and to reflect this a vacancy factor of 4.5% will be introduced to better reflect actual turnover levels in this area.

### **e. Ways of Working - £0.200m**

Since March there has been a significant increase in the number of staff working remotely. This has been supported by investment, a growing adoption and acceptance of applications such as Microsoft Teams with on-line meetings via conference being the default position. Also, the Constabulary has seen a decrease in spend on items such as motor and train travel expenses and subsistence costs. It is anticipated that circa £0.200m can be removed from such budgets for 2021/22 onwards.

### **f. Procurement savings driven by 7 Force<sup>16</sup> Procurement Function - £0.250m**

Following the establishment of the 7F procurement function in October 2019 work has been undertaken by the regional strategic lead to identify the potential to generate efficiency savings through the rationalisation of the procurement pipeline by regional contract letting. The saving of £250k represents the first phase of savings and is expected that further efficiencies will be generated in the coming years.

### **g. Beds, Cambs, Herts Collaboration - £0.221m**

These savings are within HR budgets and represent Herts' share (c.44%) of the release of 2020/21 transformation savings that were held back to fund transition costs following implementation of the HR transformation programme.

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<sup>16</sup> Collaboration between Herts, Beds, Cambs, Kent, Essex, Norfolk and Suffolk.

## 7. INVESTMENT & GROWTH

The PCC and Chief Constable have identified a number of areas where additional resourcing is required and these total £10.616m. These investment proposals have been developed against an assessment of capability and demand as set-out in the Force Management Statement, in the context of the police officer uplift programme and delivery of priorities in the Commissioner's Plan.

As well as meeting the Government's uplift target of 90 additional officers, the focus of this year's investment looks to accelerate the recruitment of 77 additional officers, to deliver the March 2023 uplift target as soon as possible, through the Constabulary's new Prevention First operating model and resulting in Hertfordshire having its highest ever police officer numbers (2,267)<sup>17</sup>.

Prevention First is a transformational and ambitious programme which the Constabulary are embarking on. It has the potential to deliver on a wide range of benefits and reductions in demand across policing and also in our criminal justice system and wider health, social services and education. Undoubtedly it provides an opportunity to make the Constabulary more efficient and effective, preventing unnecessary spend and demand failure, and enhancing public confidence.

The uplift of officers as a result of the government investment together with the council tax raised through the precept, provides an opportunity to use those extra resources to do something new - to try some of the things that the Constabulary have wanted to do in the past, but have not had the capacity to attempt. It provides a once in a generation opportunity for policing to revitalise and re-energise the workforce in its delivery of policing services and in line with the Commissioner's Community Safety and Criminal Justice Plan (2019- 2024) make a real difference – less crime and fewer victims. Preventing people from becoming victims has always been preferable to arresting perpetrators afterwards.

Prevention First spans all parts of the organisation and will shape everything that the Constabulary does – preventing crime, victimisation, harm, demand, incidents, collisions and ASB. But also, internally - preventing unplanned absence, unnecessary spend, waste and inefficiency.

### a. Student Officers - £7.531m

2021/22 is year 2 of the national Police Uplift Programme (PUP). Whilst the government has reduced this year's target by 25% pushing the balance back one year, the constabulary still faces a target to recruit 86 territorial and 4 regional officers in order to meet its Government set target of 90 additional police officer posts. In addition to PUP officers, the force intends recruit a further 77 officer posts, which will enable the constabulary to continue the momentum toward achieving the Government's challenging recruitment target by the end of 2023. Recruiting Hertfordshire's largest ever police force will not only support the ability to address increased levels of demand and complexity that are being seen across the county, but enable the implementation of an ambitious and transformative Prevention First agenda. This approach seeks to change the way that officers think about crime and criminality, looking at ways to prevent crimes from occurring in the first place, with an aim of preventing victimisation, reducing offending and ultimately driving down demand.

Whilst it is anticipated that through proactive recruitment actual police officers for 2020/21 will be circa 70 above establishment at year-end, after factoring in natural turnover during 2021/22, the constabulary is faced with an ambitious recruitment programme of 252 new police officers.

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<sup>17</sup> Previous highest was 2,207 - *Police Service Strength (England and Wales)*, 31 March 2007 (second edition) <https://webarchive.nationalarchives.gov.uk/20110218145449/http://rds.homeoffice.gov.uk/rds/hosb2007.html>

2021/22 will also see the transition to the new Police Education & Qualification Framework (PEQF) police officer training regime, which will serve to greater professionalise the service and introduce degree recognition, but will also bring greater abstraction levels as student officers progress through their training. To help facilitate the above, an additional 146.5 student police officer posts (including 4 regional) will be created. Once the peak PUP recruitment is past, student officer posts will be released into operational policing leaving a core level of student posts to meet the recruitment demand associated with turnover going forward.

## **b. Investigative Support - £1.430m**

A total of £1.430m of investment will be made in Investigative Support covering a range of areas as follows:

- Digital Media Investigation Review Team (£0.571m). This dedicated team will sit under the management of the Digital Forensic Investigation Unit (DFIU) and enable early elimination of digital devices in investigations (two thirds of devices contain no useful evidence) and in doing so allow DFIU to focus on their core purpose: the downloading and presenting evidence to the standard required. The Hub will consist of a technical manager and 7 FTE Police Officers, £0.105m of non-pay costs to meet annual accreditation and changing equipment requirements.
- Phone Download Kiosks £0.231m - To provide a dedicated establishment of 7 FTE police staff to resource a rationalised (12) number of kiosks. In addition, the funding will provide for a 2-year rolling upgrade programme and the meeting of annual accreditation requirements.
- Serious Fraud & Cyber Units £0.231m -The Force's Cyber Unit included 5 FTE police staff posts funded by HO Police Transformation Funding that will cease in 2021/22. In 2019, prior to the PTF funding posts being recruited, the HMICFRS highlighted weakness in the Force's capacity and capability to tackle cybercrime during a formal inspection. In order to retain the current size of team in this key area, investment will be made to provide a permanent funding for these resources.
- Director of Intelligence £0.094m. Phase 1 of the Force's Intelligence review looked at governance structures and resourcing profiles for the delivery of intelligence and crime analysis functions across the organisation following a merger of those functions. The review recommended to instate a Superintendent Director of Intelligence role at a net cost of £0.094m, in order to provide the capability to thoroughly assess and understand complex areas of threat, risk and harm through the proactive understanding of complex threats.
- Offender Management Unit (OMU)<sup>18</sup>, £0.090m to fund the establishment within the LPC of the OMU through the amalgamation of Choices and Consequences (C2)<sup>19</sup>, Public Protection Unit (PPU)<sup>20</sup> and OMU into one team and managed by an additional DCI as recommended in the Crime Investigation review.
- Investment of £0.066m to establish a Bail Management Sergeant post in CJ SMT to assist in the strategic oversight in the use and management of pre-charge bail.
- Investment of £0.030m will be made to provide funding for to meet the non-pay costs of the countywide drug test on arrest scheme.

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<sup>18</sup> Brings a cross-agency response to the crime and reoffending threats faced by our local communities.

<sup>19</sup> Project that breaks the cycle of re-offending by targeting prolific criminals and offenders who have a genuine desire to break free from a life of crime.

<sup>20</sup> Has strategic responsibility for the policy surrounding the management of sexual and other offenders that fall within the Multi-Agency Public Protection Arrangements (MAPPA).

### **c. Organisational Learning - £0.720m**

- Creation of Thinking and Analysis Strategic Hub (£0.125m). A Strategic Hub of 3 FTE police staff to sit within Thinking & Analysis, part of Organisational Learning. The Hub will operate at the heart of the Constabulary, enhancing capacity for planning and developing strategy at an organisational level.
- Creation of a Well-being & Blue Light Programme co-ordination post (£0.059m - 1 Police Officer) sitting alongside the new Strategic Hub. The post will co-ordinate all internal Mental Health and wellbeing activity. The overall aim is for a more resilient workforce, reduced sickness and increased productivity.
- Detective Constable (DC) Accreditation Assessor 2 Police Officers £0.118m. This will ensure sufficient resources to adequately manage existing and intended demand around Diploma and Professionalising Investigation Programme (PIP2) assessments, maintenance of a PIP2 register and Crime Training.
- Probationer Development Unit (PDU) Assessors 2 Police Officers £0.118m. The growth in student officers as the Force recruits to meet its PUP targets and investment in Prevention First, together with the introduction of the Policing Education Qualifications Framework (PEQF), will significantly impact existing resourcing levels and the ability to provide necessary support and tutorship. There is a requirement for 2 additional PDU Assessors to support the development of new recruits and ensure retention rates are optimised.
- Investment of £0.223m to fund a new Diversity, Equality and Inclusion Team. In common with most forces nationally, Hertfordshire Constabulary is currently below both the national average and local demographic for BAME officers (as a % of total workforce). Increasing diversity in the organisation remains a priority and this team will coordinate efforts across the constabulary to ensure continued progress towards being truly representative of the communities of Hertfordshire.
- The Positive Action Team works closely with the Beds, Cambs & Herts (BCH) HR and covers all aspects of Police Officer recruitment: attraction, application form, SEARCH, interview, vetting and medical checks. Investment of £0.077m for the addition of 1.5 FTE Constable posts will enhance service delivery in relation to improved recruitment and positive action work, in particular focusing on the digital recruitment platform and taking a more proactive approach in relation to retention of officers with protected characteristics.

### **d. Victim Care - £0.258m**

Investment in Victim Support consists of £0.234m to create a Beacon Safeguarding HUB within Domestic Abuse Investigation and Safeguarding Unit (DAISU) to provide wrap around care for medium-risk safeguarding victims. In addition, £0.024m will be invested to establish base funding for the Older Persons Liaison Officer. This role which utilises safeguarding pathways both internally and externally (for example Herts Home Security Service (HHSS) and Herts Fire & Rescue Service and Adult Care Services).

### **e. OPCC - £0.677m**

After implementation of the new statutory police complaints regime, when the PCC adopted the provisions to take on initial handling from the constabulary, workloads have increased and more work is done to feedback trends and prevalent complaints to the constabulary. As has been found nationally there is also an increase in reviews from when they were handled by the constabulary. To ensure statutory timescales are met and that the best results of the changes are achieved it is necessary to increase resource to handle this work by about 3.0 FTE (£0.100m) plus £0.048m in non-pay inflation. In addition, the Commissioner is providing further funding (£0.529m), through the Community Safety and Criminal Justice Plan Fund, to

commission a range of services from public sector partners, private sector and voluntary & not-for-profit organisations to deliver the priorities detailed in his Community Safety & Criminal Justice Plan.

## 8. OFFICE OF THE POLICE & CRIME COMMISSIONER (OPCC)

The OPCC's budget for 2021/22 is £2.130m<sup>21</sup> (£1.964m - 2020/21), which represents 0.93% of Hertfordshire policing's net budget. This is below Government expectations that the running costs and day to day expenditure of PCCs should be less than 1 per cent of the total cost of policing<sup>22</sup>.

The majority of the budget increase is as a result of the government's new mandated complaints regime (£0.100m<sup>23</sup>), which was introduced in 2020/21. The remaining budget increase is due to the nationally determined pay award of 2.5% to September 2021<sup>24</sup> and various non-pay inflationary increases (for example subscriptions to various national policing bodies)<sup>25</sup>.

## 9. OPCC GRANTS AND COMMISSIONING BUDGETS

In addition to the office budget outlined above, the Commissioner has a number of funds that allow for either the commissioning of services or issuing of grants to deliver commitments set out in the latest Community Safety & Criminal Justice Plan. It is recommended that a budget of £4.638m be allocated for 2021/22 as shown below:

Table 10

Fund Name	Funding Source	2021/22 £m
Commissioner's Community Safety & Criminal Justice Fund <sup>a</sup>	Base Budget	2.329
Commissioner's Action Fund <sup>b</sup>	Base Budget	0.100
Blue-light collaboration project contributions <sup>c</sup>	Base Budget	0.100
<b>Base budget funding sub-total</b>		<b>2.529</b>
Victim Support Services <sup>d</sup>	Ministry of Justice Grant	1.384
<b>Externally funded sub-total</b>		<b>1.384</b>
Road Safety Fund <sup>e</sup>	Road safety reserve	0.725
<b>Road safety reserve sub-total</b>		<b>0.725</b>
<b>Grand Total</b>		<b>4.638</b>

<sup>21</sup> Includes £0.187m for the cost of administering the Local Criminal Justice Board and £0.171m for PCC and deputy PCC remuneration, which is determined by the Senior Salaries Review Body (SSRB).

<https://www.gov.uk/government/organisations/review-body-on-senior-salaries>

<sup>22</sup> <https://www.gov.uk/government/publications/staff-and-budget-for-police-and-crime-commissioners/staff-and-budget-for-police-and-crime-commissioners>

<sup>23</sup> Included in Section 7 Investment & Growth.

<sup>24</sup> Included within Section 5b Police Staff pay.

<sup>25</sup> Included within Section 5c. Non-pay inflation.

Based on the preceding information the resultant draft budget (gross) is set out below:

Table 11

	Gross Budget 2020/21 £m	Gross Budget 2021/22 £m	Change £m	Change %
Local Policing	118.2	127.9	9.7	8.2%
Protective Services	28.6	28.9	0.3	1.0%
Operational Support	38.6	39.4	0.8	2.1%
Organisational Support	32.9	33.7	0.8	2.4%
Corporate Budgets	10.6	11.1	0.5	5.7%
PCC	6.3	6.8	0.5	7.9%
<b>Total</b>	<b>235.1</b>	<b>247.8</b>	<b>12.7</b>	<b>5.4%</b>

## 10. RESERVES

The Local Government Finance Act 1992 requires the Police and Crime Commissioner (PCC) to have regard to the level of cash reserves needed for meeting estimated future expenditure when calculating the council tax requirement.

The primary role of reserves is to allow financial uncertainty to be managed, and to support the organisation in meeting its legal obligation to balance its budgets, by providing a resource that cushions the impact of unexpected events. In order to assess the adequacy of unallocated general reserves (otherwise known as either general balances or the Police Fund) when setting the budget, the PCC on the advice of the two chief finance officers, should take account of the strategic, operational and financial risks facing the authority. This assessment of risk should include external risks, such as flooding, as well as internal risks, for example the ability to deliver planned efficiency savings.

As at 31 March 2021 the overall capital and revenues reserves are estimated to be £26.836m and these are expected to reduce to £19.716m by the end of 2021/22, as outlined below.

### a. General Reserve

The General Reserve is a statutory contingency reserve to fund unplanned and emergency expenditure, for example to meet exceptional or extraordinary policing operations and major issues such as Covid-19. General balances are required to cover financial risks and uncertainties such as:

- unforeseen emergencies, such as a terrorist incident or major investigation;
- changes in the demand for policing;
- managing the timing of making savings;
- costs of national programmes;
- funding the first 1% of costs for major events in-line with Home Office grant rules<sup>26</sup>; and
- uneven cashflows

The Chief Financial Officer (CFO) is required under Section 25 of the Local Government Act 2003, to review and report on the adequacy of reserves as part of budget-setting process. The PCC's level of general reserves is currently £7.000m (or 3.2% of the £217m net budget) and having carried out an assessment using currently available information, it is the CFO's professional judgement that a level of £7.715m (or 3.3% of the £231m net budget) should be established for 2021/22, as this is felt to be an appropriate percentage and cash sum. The primary drivers for this increase are the Government's statement that authorities should plan on

<sup>26</sup> Home Office special grant rules require us to fund the first 1% of net revenue expenditure for each incident before we can submit a claim for financial assistance.

the basis of no further funding packages to meet COVID-19 costs; the possible impact of the McLeod pension remedy; and the potential cost increase of the national Emergency Services Network (ESN) project.

It should be noted that this reserve level is still significantly below the 5% (£11.495m<sup>27</sup>) level that requires justification to be provided to the Home Office.

## b. Useable reserves

Since their peak, in 2015/16, of £42.482m, these one-off resources have been utilised to protect officer numbers and fund investments. The estimated balance at the 31 March 2021 is expected to be £13.861m; a reduction of 67%. The allocations for the coming financial are shown below:

Table 12

	Estimated 31 March 2021 Opening Balance	Planned use in 2021/22	Estimated 31 March 2022 Closing Balance
Base Budget Support Reserve - balance b/fwd.	11.199		
HQ Project Management Office		(0.100)	
Organisation-wide priority-based budgeting exercise		(0.300)	
Transfer to general reserve (see a. above)		(0.715)	10.084
Victims services fund	0.674	(0.020)	0.654
Road Safety Fund	1.988	(0.725)	1.263
<b>Total Usable Reserves</b>	<b>13.861</b>	<b>(1.860)</b>	<b>12.001</b>

A comparison of the PCC's overall reserves position<sup>28</sup> in comparison to County and District council partners in Hertfordshire is shown in Appendix B.

## c. Capital reserves

There are also accumulated capital grants and reserves totalling £5.260m which will be fully utilised by the end of 2021/22.

## 11. CAPITAL

The high-level medium-term capital programme is shown below along with the planned sources of funding, 94% of which is expected to come from external borrowing.

Table 13

Capital Programme	2021/22 £m	2022/23 £m	2023/24 £m	2024/25 £m	Total £m
Estates	6.405	17.925	34.363	11.226	<b>69.919</b>
ICT	3.269	5.868	2.287	1.195	<b>12.619</b>
Fleet	1.799	1.829	1.860	1.890	<b>7.378</b>
ESMCP	0.405	1.533	4.455	4.234	<b>10.627</b>
Technical and Specialist	0.974	0.359	0.359	0.359	<b>2.051</b>
Uplift (Estates, fleet)	0.300	0.300	0.300	-	<b>0.900</b>
<b>Total</b>	<b>13.151</b>	<b>27.815</b>	<b>43.624</b>	<b>18.904</b>	<b>103.494</b>

<sup>27</sup> Based on 2021/22 net revenue budget of £229.9m

<sup>28</sup> Based on published financial statement as at 31 March 2020

Of the £103.494m four-year capital programme, £61.029m (59%) relates to the planned redevelopment of the Headquarters site under Operation Phoenix. The outline business case for the Headquarters redevelopment was agreed at SEB in November 2019 to take forward work up to obtaining planning permission and the development of a full business case. Subsequently the scope of the project has been extended to include the construction of an additional building to both act as a decamp facility (and in doing so avoid significant revenue costs associated with the hire of portacabins) and then be adapted to house L&D functionality. As a result, the planning permission application is now expected for late summer.

During the year the building consultancy firm AECOM was been appointed to undertaken design and planning permission work. At this stage AECOM’s review of project costs is being analysed by the Constabulary as is the need for cost engineering, prior to agreeing a final design proposal for the FBC and a resulting funding envelope and profile of spend. In addition, work is on-going by the Design Team to develop user requirements working closely with managers across the organisation under the banner Operation Phoenix.

Details on the other areas of the capital programme are set-out in Appendix F.

The above programme will be financed as follows:

Table 14

<b>Financing</b>	<b>2021/22 £m</b>	<b>2022/23 £m</b>	<b>2023/24 £m</b>	<b>2024/25 £m</b>	<b>Total £m</b>
Capital grant	0.157	0.157	0.157	0.157	<b>0.628</b>
Capital receipts	5.260	0	0	0	<b>5.260</b>
Capital Financing Requirement (Borrowing)	7.734	27.658	43.467	18.747	<b>97.606</b>
Revenue Contribution to Capital Outlay	0	0	0	0	<b>0</b>
<b>Total Financing</b>	<b>13.151</b>	<b>27.815</b>	<b>43.624</b>	<b>18.904</b>	<b>103.494</b>

Funding of the capital programme is set-out in Table 15 above. In the police funding settlement, the government confirmed general capital grant will again remain at £0.157m and it has been assumed this position will continue throughout the medium term. It is anticipated that £5.260m of capital receipts will be applied in 2021/22 which will deplete the estimated balance as at the 31<sup>st</sup> March 2021. Current no further generation of capital receipts has been included within the next four-year planning cycle and further work is required to determine the extent to which the local estate footprint could be reduced through centralising support service functions within the redeveloped HQ buildings and agile working.

By far the largest element of funding will be through use of the Capital Financing Requirement (CFR) which represents the underlying need to borrow, predominantly externally, to support capital expenditure.

As well as the interest costs associated with external borrowing, the CFR also attracts a requirement to make Minimum Revenue Provision ensuring funds are put aside for the repayment of capital over the lifetime of non-current assets. These costs are charged to the revenue account and have been reflected in the Capital Financing Section of the Standstill across the MTFP.

In addition to the programme outlined above there are a number of major projects (that are listed below) which have not been factored into the capital programme at this stage. These are not sufficiently developed to be able to determine the size and timing of any financial

commitments. However, subject to any business case approvals, they may incur some enabling costs in the short to medium-term.

Table 15

Potential capital projects
Longfield joint training centre redevelopment
Armed Policing Unit (APU) range facilities
North Herts rebuild/refurbishment
Operational Support Unit (OSU) training site re-provision

## 12. MEDIUM-TERM FINANCIAL PLAN (MTFP)

The table below provides a high-level summary of the medium-term plan and the following assumptions have been made in its construction.

Table 16

Variable	2021/22 £m	2022/23 £m	2023/24 £m	2024/25 £m	Narrative
Taxbase	(0.64%)	0.75%	1.40%	1.40%	Gradual year-on-year growth back to pre-2020 levels
Collection Fund £	(0.072)	0.000	0.100	0.200	Collection fund deficit carried forward of £0.104m <sup>29</sup> Move toward surplus after year 2
Grant Increase	5.5%	0.0%	1.0%	2.0%	Cash flat in year 1 of CSR, increasing incrementally in years 2 & 3.
Pay Inflation	0.0%	0.0%	1.0%	2.0%	Linked to core grant assumption. Pay constraint in early years of 3-year CSR.
Non-Pay Inflation	1.0%	1.0%	1.0%	2.0%	CPI expected to gradually rise to 1.9% by 2024 <sup>30</sup>
Precept increase £ p.a.	15.00	5.00	5.00	5.00	Reversion to cap of £5.00 flexibility

- Full-year effect of funding permanent establishment of 2,190 officers and further uplift on officers above this level is fully funded £ for £ by specific grant;
- Growth and pressures of additional £0.500m per annum;
- No growth assumed beyond 2021/22; and
- Savings applied to all non-police pay costs.

Table 17

MTFP budget elements	2021/22 £m	2022/23 £m	2023/24 £m	2024/25 £m	Total £m
Core Grant	(7.351)	-	(1.342)	(2.711)	(11.404)
Taxbase & Collection Fund	1.394	(0.792)	(1.485)	(1.537)	(2.420)
Precept increase	(6.756)	(2.269)	(2.301)	(2.333)	(13.659)
Standstill costs	3.605	3.067	4.171	7.106	17.949
Growth	10.616	0.500	0.500	0.500	12.116
Savings	(1.508)	(0.506)	0.457	(1.025)	(2.582)
<b>Cumulative budget gap</b>	-	-	-	-	-

The Comprehensive Spending Review (CSR) is expected next year, which will cover the period 2022-23 to 2024-25 and will be the opportunity for the government to give the PCC financial certainty to deliver the policy objectives over the next three or four years.

<sup>29</sup> See section 4b.

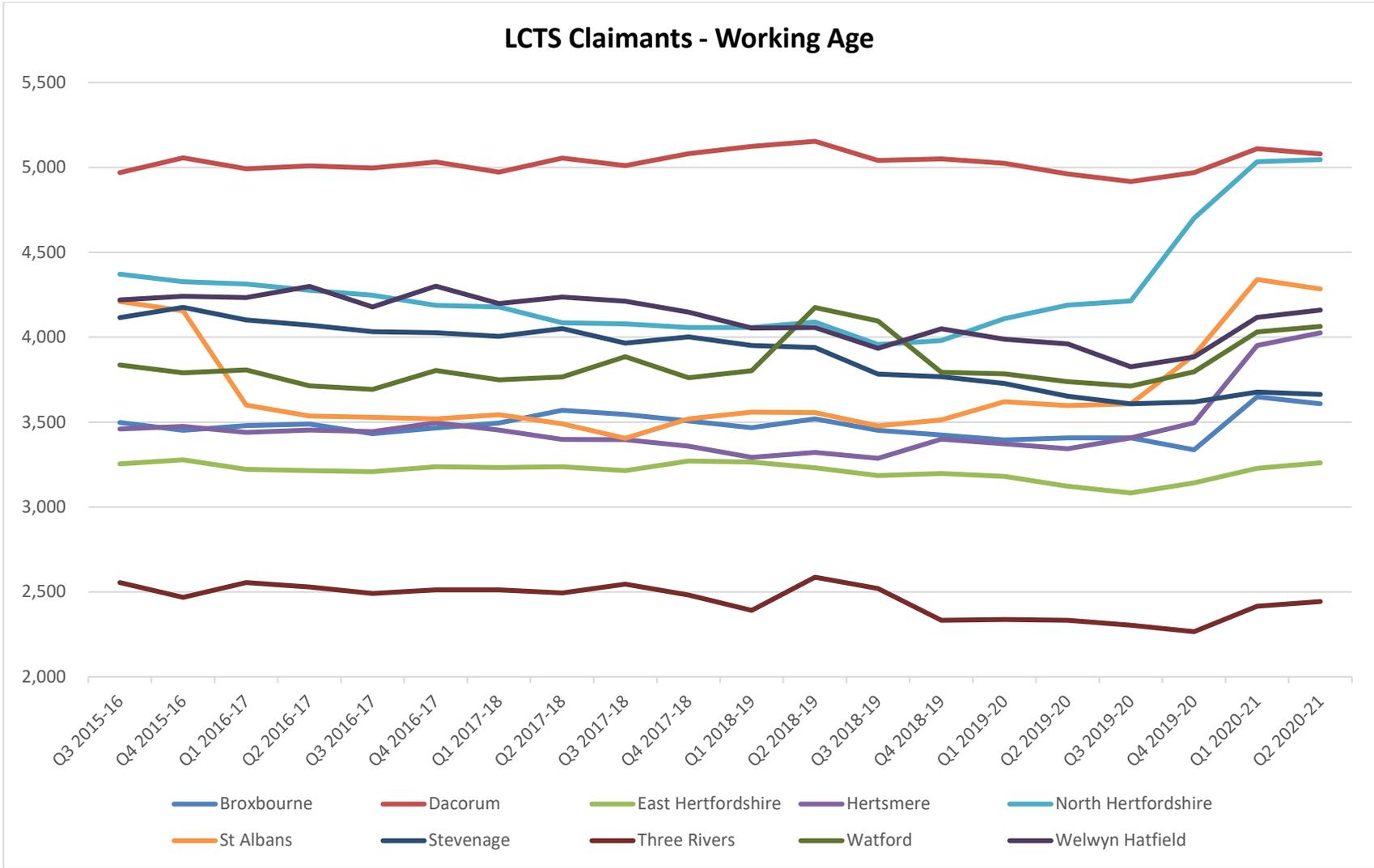
<sup>30</sup> Office for Budget Responsibility (OBR) - *Economic and fiscal outlook – November 2020*  
[https://obr.uk/docs/ExecSumm\\_November\\_2020.pdf](https://obr.uk/docs/ExecSumm_November_2020.pdf)

The following may be available, if required, to mitigate any potential budget gap:

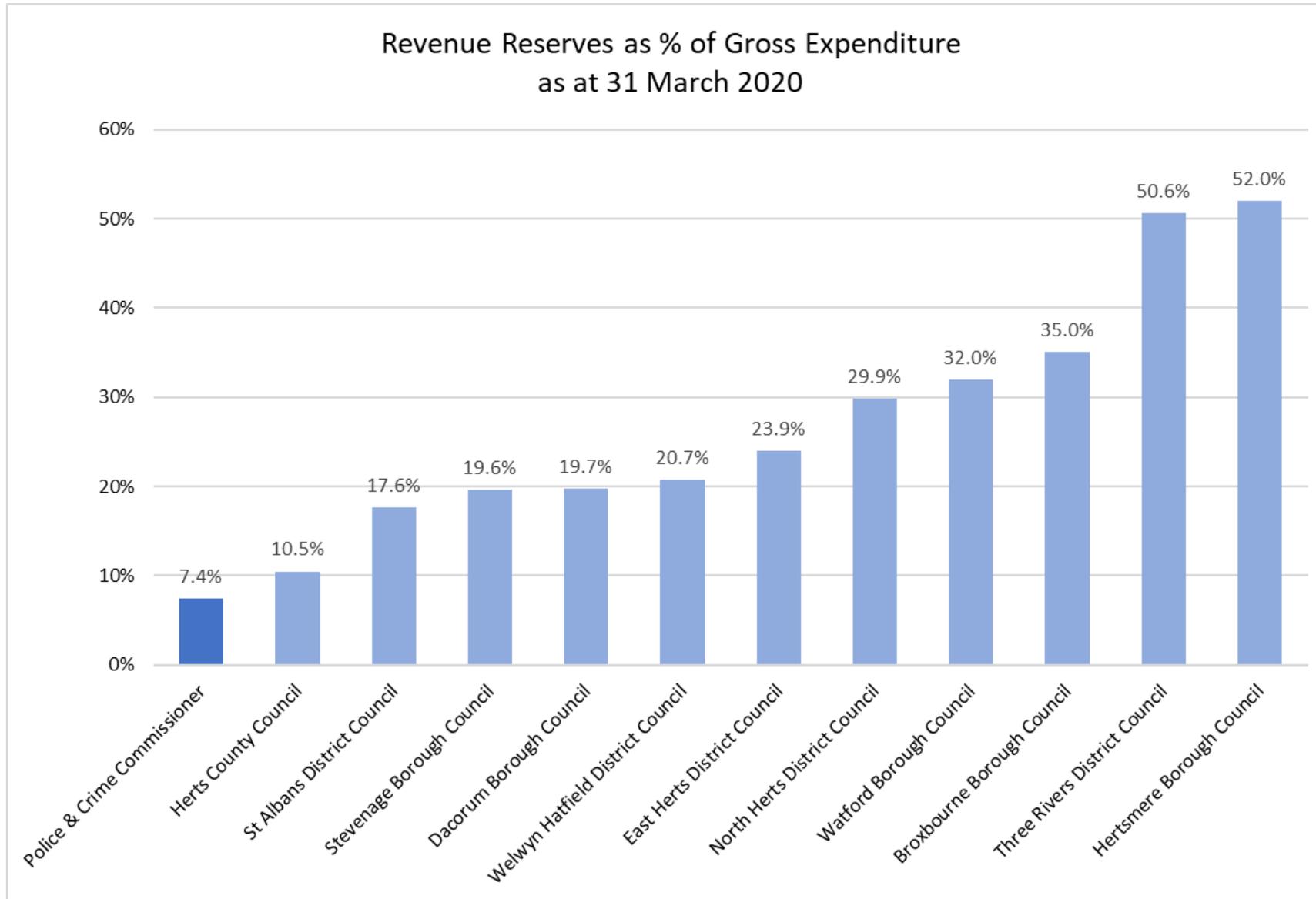
- Hertfordshire has already identified additional savings; albeit they may be more difficult to achieve and more impactful in nature;
- The holistic priority-based-budgeting exercise in 2021/22 will identify efficiencies; and
- Additional savings that will be generated through 7 Force procurement.

APPENDICES

Appendix A – Number of Local Council Tax Support (LCTS) claimants by District



## Appendix B – Hertfordshire’s Reserves Comparison



**Appendix C – Changes in 14 lowest policing precept charges**

Force Area	20-21 Ranking 1 = Lowest	20-21 Band D Precept	21-22 increase	21-22 Band D Precept	21-22 Ranking 1 = Lowest	Ranking Movement
Bedfordshire Police	14	£212.09	£15.00	£227.09	14	↔
Hampshire Police	12	£211.46	£15.00	£226.46	13	↑
Lancashire Police	11	£211.45	£15.00	£226.45	12	↑
Cheshire Police	10	£210.44	£15.00	£225.44	11	↑
Greater Manchester	9	£208.30	£15.00	£223.30	10	↑
Merseyside	13	£211.97	£10.00	£221.97	9	↓
Kent Police	8	£203.15	£15.00	£218.15	8	↔
Sussex Police	7	£199.91	£15.00	£214.91	7	↔
South Yorkshire	5	£198.04	£15.00	£213.04	6	↑
<b>Hertfordshire Police</b>	<b>4</b>	<b>£198.00</b>	<b>£15.00</b>	<b>£213.00</b>	<b>5</b>	↑
West Yorkshire	3	£196.28	£15.00	£211.28	4	↑
Essex Police	6	£198.63	£9.90	£208.53	3	↓
West Midlands	2	£162.55	£15.00	£177.55	2	↔
Northumbria	1	£137.00	£6.84	£143.84	1	↔

**Appendix D – 2021/22 precept amounts required from the Borough/District councils<sup>31</sup>**

<b>Council</b>	<b>Taxbase Precept Charge</b>	<b>19/20 Surplus/ (Deficit)</b>	<b>1/3rd 20-21 Surplus/ (Deficit)</b>	<b>Total</b>
Broxbourne	7,312,949.24	(40,259.00)	(69,882.00)	7,202,808.24
Dacorum	12,501,758.10	9,565.29	(1,147.82)	12,510,175.57
East Hertfordshire	13,149,427.20	(12,346.00)	4,115.33	13,141,196.53
Hertsmere	8,921,952.30	91,860.54	(23,058.21)	8,990,754.63
North Hertfordshire	10,521,539.70	(17,166.00)	(41,211.67)	10,463,162.03
St Albans	13,122,291.00	95,204.00	(73,031.00)	13,144,464.00
Stevenage	5,907,299.40	36,880.00	0.00	5,944,179.40
Three Rivers	8,258,925.90	46,602.00	(13,577.67)	8,291,950.23
Watford	6,983,439.30	25,809.00	(5,848.33)	7,003,399.97
Welwyn Hatfield	9,257,491.20	(70,423.00)	(14,052.00)	9,173,016.20
<b>Total</b>	<b>95,937,073.34</b>	<b>165,726.83</b>	<b>(237,693.36)</b>	<b>95,865,106.81</b>

<sup>31</sup> Subject to change on receipt of final data from districts

## Appendix E – BCH Collaborative Budget 2021/22

BCH Budget Summary	Joint Protective Services £m	Operational Support £m	Organisational Support £m	BCH Total £m
<b>2020/21 Budget</b>	<b>47.607</b>	<b>28.561</b>	<b>29.740</b>	<b>105.908</b>
Inflated Vacancy Factor (JPS only)	1.021	0.000	0.000	1.021
Inflation & Pay Awards	0.456	0.534	0.302	1.292
Beds Staff Pension Employers Contribution increase	0.053	0.029	0.031	0.113
Savings	(1.021)	(2.278)	(1.229)	(4.528)
Growth	0.475	3.136	0.881	4.492
<b>Final 2021/22 Budget</b>	<b>48.591</b>	<b>29.982</b>	<b>29.725</b>	<b>108.298</b>
Budget Change compared to 2020/21	0.984	1.421	(0.015)	2.390

BCH Budget by Portfolio and Unit			
Service	Unit	BCH £m	Herts £m
<b>Joint Protective Services</b>	APU	8.800	3.075
	Dogs Unit	3.004	1.285
	Major Crime Unit	9.711	3.909
	OPSU	1.180	0.523
	PROTECTIVE SERVICES COMMAND	0.858	0.380
	Resilience/CCU	0.403	0.179
	RPU	11.888	5.253
	Scientific Services Unit	11.841	5.024
	Taser Training Team	0.906	0.402
<b>Joint Protective Services Total</b>		<b>48.591</b>	<b>20.030</b>
<b>Operational Support</b>	Criminal Justice	2.572	1.140
	Custody/CJ SMT	0.917	0.473
	ESMCP & Digital Mobile	1.270	0.563
	Firearms & Explosives Licensing	0.524	0.183
	ICT	24.699	10.720
	Cameras Tickets & Collisions (Income)	(5.954)	(2.527)
	Cameras Tickets & Collisions (Expenditure)	4.954	2.102
	Cameras Tickets & Collisions (Contribution to Force Overheads)	1.000	0.424
<b>Operational Support Total</b>		<b>29.982</b>	<b>13.078</b>
<b>Organisational Support</b>	HR and L&D (Below)	0.061	0.061
	Information Management	3.389	1.502
	Procurement	0.938	0.416
	Uniform Stores	0.310	0.137
	Professional Standards	4.727	2.094
	Human Resources	8.420	3.732
	Learning & Development	8.987	3.984
	BCH Communications	0.189	0.084
	Athena Support & Development Team	0.989	0.438
	Change Portfolio Office	0.697	0.309
	BCH Management Accounts	0.336	0.149
	Payroll	0.496	0.220
	Finance Systems Administration	0.129	0.057
Payroll (Below)	0.058	0.000	
<b>Organisational Support Total</b>		<b>29.725</b>	<b>13.183</b>
<b>Grand Total £m</b>		<b>108.298</b>	<b>46.291</b>

## Appendix F – 2020/21 Capital Programme Detail

### 1. Estate Programme - £6.405m

1.1 The Estate Strategy agreed by SEB in June 2017 is designed to:

- make more efficient use of the police estate;
- generate long-term income;
- strengthen co-location of police and other public services where possible; and
- improve the accessibility of operational police to the public.

1.2 As set-out in the capital section in the main report the strategy includes a significant redevelopment of the existing Headquarters site which is being progressed as Operation Phoenix. In addition, £1.650m of expenditure is budgeted for alteration works and fit-out of the new Watford Police Station site (funding for the purchase of this site will be slipped from 2020/21 should completion not progress in 2020/21), a move that in turn will allow for the redevelopment of the current Shady Lane site in tandem with the previously purchased old court site.

Table E 1 - Estate developments and minor works:

Planned Expenditure	2021/22	2022/23	2023/24	2024/25	Total
	£m	£m	£m	£m	£m
HQ redevelopment	3.865	14.875	31.463	10.826	<b>61.029</b>
Watford Police Station	1.650	0.150	-	-	<b>1.800</b>
Joint Fire/Police Estates Strategy	0.050	2.500	2.500	-	<b>5.050</b>
Local Estates & Maintenance	0.840	0.400	0.400	0.400	<b>2.040</b>
<b>Total</b>	<b>6.405</b>	<b>17.925</b>	<b>34.363</b>	<b>11.226</b>	<b>69.919</b>

1.3 **Headquarters Redevelopment- £3.865m** – As set out in the Estates Strategy the running costs and associated maintenance of the Headquarters site is projected to increase significantly in the coming years, as a number of existing blocks have reached the end of their economic lives. In response to this, work has progressed on developing a preferred option for the redevelopment of a sizeable proportion of the site, which will enable the move to a more flexible, cost efficient facility. This project also provides an opportunity to widen the range of services and partners based at the Headquarters site and in support of this the OPCC is exploring the benefits and feasibility of achieving greater partnership working on the site with Bluelight and Community Safety partners (Community Safety Campus).

Funding for the coming year is £3.865m on the basis that planning permission is achieved and enabling work commences in late 2021/22.

1.4 **Watford Police Station - £1.650m** – It is now anticipated that should the purchase of the new Watford Police Station, the Orient Building, progress this will be in the new financial year and resources will be slipped from 2020/21 to fund this. On this basis work will be progressed on alterations during 2021/22.

- 1.5 **Joint Fire/Police Estates Strategy - £0.050m** – The Constabulary is working with the Fire Service to develop proposals to enhance the existing joint training facilities based at Longfield. The outcome of this work may impact upon the overall Headquarters 2020 requirements. An initial enabling fund of £0.050m is included in the 2021/22 capital programme with subsequent work expected to full across the following two years at a cost of £2.5m p.a. These high-level estimates at this stage and will be subject to review as plans progress.
- 1.6 **Local Estate and Maintenance - £0.840m** – The PCC continues to have a strong commitment to the provision of local policing bases within each of the 10 Community Safety Partnerships (CSPs). The programme recognises the need to set aside capital funding to support opportunities for shared accommodation and working as they arise (£100k), a contribution to the Brookfield Joint Emergency Hub (£100k) and funding towards St Albans relocation feasibility work (£50k). The estate programme also includes funding of £130k for the access control upgrade, £160k for roof upgrades at South Oxhey and Stevenage, £50k for general estates pressures arising in year and finally £0.250m for the rolling minor work programmes (boilers, electrical systems, air conditioning, kitchen / washroom).
- 2. Information Communication Technology (ICT) Investment Programme - £3.114m**
- 2.1 The ICT capital investment programme is developed recognising the need to support policing functions through the right investment in infrastructure, systems, and mobilisation. The 2021/22 programme contains elements constructed on a BCH basis, with each force contributing to investment on a Net Revenue Expenditure (NRE) basis, as well as force specific spend such as laptop replacement and the renewal of mobile devices.
- 2.2 The following key themes have been considered in setting the programme for 2020/21 and beyond:
- To provide the necessary support to increasing police officer numbers as the national Police Uplift Programme enters its second year;
  - The continuing move to hosted cloud-based systems which has seen the removal from the capital programme of the annual Microsoft Enterprise Agreement under NEP an its inclusion in the revenue budget.

Planned Expenditure	2021/22	2022/23	2023/24	2024/25	Total
	£m	£m	£m	£m	£m
Mobile Comms	0.809	1.167	0.422	0.303	<b>2.701</b>
Operations	0.690	2.521	1.085	0.537	<b>4.832</b>
Infrastructure	0.492	0.226	0.310	0.266	<b>1.294</b>
Communication	0.102	0.977	0.027	-	<b>1.106</b>
Networks	0.417	0.465	0.399	0.044	<b>1.326</b>
Other	0.759	0.512	0.044	0.044	<b>1.359</b>
<b>Total</b>	<b>3.269</b>	<b>5.868</b>	<b>2.287</b>	<b>1.195</b>	<b>12.619</b>

**Mobile Communications - £0.809m**

- Rolling BCH replacement of 2,250 Reveal body worn cameras reaching end of life (£0.599m)
- Additional uplift based on 90 Herts officers, covering body worn video, airwave radio, and mobile device (£0.122m)
- Purchase of 200 Sepura SC20 airwave radios across BCH to replace older devices becoming out of warranty (£0.044m)

### **Operations - £0.690m**

- Refresh of 440 Herts laptops older than three years, at a unit cost of £971 (£0.427m)
- Replacement of 130 desktops and 264 monitors in FCR for equipment reaching end of life (£0.125m)
- Additional uplift of laptops based on 90 Herts officers, at a unit cost of £971 (£0.088m)
- Provision of 160 laptop docks in Herts to replace desktop PCs, at a unit cost of £119 (£0.019m)

### **Infrastructure - £0.492m**

- Dell storage centre expansion at Huntingdon and WGC (£0.177m)
- Purchase of eight BCH Isilon storage nodes, for body worn video, digital interviews, mobile phone images, and business file shares (£0.155m)
- Replacement of 20 BCH Dell and HP servers no longer in support (£0.053m)
- Purchase of 12 BCH Dell Hyper V servers no longer in support (£0.053m)
- Purchase of two all flash backup storage servers to host Warehouse SQL database (£0.026m)
- Replacement of six SQL servers no longer in support (£0.027m)

### **Communications - £0.102m**

- Installation of Network Liberty contact system security upgrades (£0.016m)
- Reconfiguration of BCH EISEC services to prepare for BT changes to EISEC service (£0.07m)

### **Networks - £0.417m**

- Purchase of four BCH wireless access controllers and 650 BCH wireless access points to replace equipment nearing end of life (£0.217m)
- Replacement of BCH network Cisco and Dell port switches at end of life and no longer supported by third parties (£0.187m)
- Replacement of BCH firewall appliances at end of life and no longer supported or updated with security patches (£0.013m)

### **Other - £0.759m**

To fund Herts share of BCH digital interviewing solution networking and cabling (£0.230m), BCH data protection review and deletion tool (£0.133m), TuServ enhancements and infrastructure upgrades (£0.129m), Athena Express, data centre,

and bail changes (£0.115m), CIS decommissioning costs (£0.102m), PowerBI installation for 11 laptops (£0.050m)

**3. Emergency Services Mobile Communications Programme - £0.405m**

Planned Investment	2021/22	2022/23	2023/24	2024/25	Total
	£m	£m	£m	£m	£m
ESMCP	0.405	1.533	4.455	4.234	<b>10.627</b>

3.1 The strategic aim of ESMCP is to deliver a much better voice and data service to the emergency services replacing the Airwave service as a matter of necessity and in doing so, is expected to deliver financial savings nationally. This is a significant programme and may cost in the region of £8m to £10m over the next 3 to 4 years. Up until recently the national programme was working to accelerate the switch off of Airwave to June 2023. This had now been abandoned following a push back on realistic achievability by the Chief Constable leads for the major Home Office law enforcement technology programmes wrote to the Permanent Secretary, expressing widespread concern in policing about the ability of the Home Office to deliver major programmes, of which ESMCP is one. The main planning assumption is Airwave will be switched off in 2025. These figures are subject to the outcome of national work including development of the Full Business Case and the allocation of Core and Non Core costs for which we currently await the outcome.

**4. Fleet - £1.799m**

4.1 The rolling annual fleet replacement programme is developed each year in conjunction with Chiltern Transport Consortium (CTC), based on age, condition, and mileage of existing fleet vehicles. The programme assumes annual inflation of 2% and the continuation of the current fleet size and so does not take account of the impact of the National Uplift Programme. The figures set-out below reflect the proposals for the introduction of 58 all electric vehicles (to replace current plain admin/pool type vehicles) as set out to December SEB at a cost of £0.238m p.a. It is proposed the Fleet capital programme is reviewed once the new contract prices are known.

- 4.2 The Hertfordshire fleet replacement programme for 2021/22 has been set at £1.799m.

#### Fleet Replacement Programme

Planned Replacement	2021/22	2022/23	2023/24	2024/25	Total
	£m	£m	£m	£m	£m
Replacement Cost	1.799	1.829	1.860	1.890	<b>7.378</b>

### 5. Technical and Specialist Equipment - £0.974m

- 5.1 An annual programme is provided for the planned replacement of specialist equipment, and to meet emerging equipment needs. Investment is made to ensure the delivery of efficiencies through smarter working, and the exploiting of new advances in technology.

Table G6: Planned Technical and Specialist Equipment Programme

Planned Expenditure	2021/22	2022/23	2023/24	2024/25	Total
	£m	£m	£m	£m	£m
ANPR	0.275	0.060	0.060	0.060	<b>0.455</b>
Joint Protective Services	0.133	0.133	0.133	0.133	<b>0.532</b>
CTC Camera Replacement	0.066	0.066	0.066	0.066	<b>0.264</b>
Access Control	0.400	-	-	-	<b>0.400</b>
Specialist Equipment	0.100	0.100	0.100	0.100	<b>0.400</b>
<b>Total</b>	<b>0.974</b>	<b>0.359</b>	<b>0.359</b>	<b>0.359</b>	<b>2.051</b>

- 5.2 ANPR (£0.060m) – This resource allows the force to maintain investment in the replacement of existing camera sites.
- 5.3 Joint Protective Services and Specialist Equipment (£0.233m) – This programme provides for Hertfordshire’s contribution to the replacement of specialist forensic and scientific equipment within BCH JPS units and other specialist teams. An annual programme of £0.050m is provided for the planned replacement of specialist equipment, and to meet emerging equipment needs. Investment is made to ensure the delivery of efficiencies through smarter working, and the exploiting of new advances in technology.
- 5.4 CTC Camera Replacement £0.066m. Representing Herts share of a proposed upgrade for each of the 10 BCH mobile camera vans to the Truvelo - LASER cam4Mobile camera. The cameras currently in use, are Truvelo Laser Witness Lite which have reached their end of life, being over 5 years old; several of the components within the product are no longer produced, maintained or supported.
- 5.5 Access Control £0.400m. Funding to replace readers and control panels to the same ‘WinPak’ system being utilised across Beds and Cambs. In September 2019, JCOB agreed to introduce a single access card solution and in recognition of the need to

improve security across the three estates to meet guidance from Centre for Protection of National Infrastructure (CPNI). In order for the readers in Herts to be compatible with Beds and Cambs, current Herts readers would need to be replaced by ones controlled under the 'Symmetry' system with the chosen solution being to align on the Beds/Cambs solution.

5.6 Specialist Equipment £0.100m to provide funding on an exception basis for service driven funding as areas arise during the year.

**6. Police Officer Uplift Costs - £0.300m**

6.1 A new annual programme for the next four years to provide funding for costs associated with the national police officer uplift programme in line with the areas identified in the national NPCC work including increases to fleet size and accommodation. This funding is in addition to that contained with the revenue budget for uniform and the ICT capital programme.

Planned Expenditure	2021/22	2022/23	2023/24	2024/25	Total
	£m	£m	£m	£m	£m
Uplift Associated Costs	0.300	0.300	0.300	-	<b>0.900</b>