

Thames Valley Police and Crime Panel Agenda Supplement

Date: Friday 26 January 2024

Time: 11.00 am

Venue: Thames Valley Police Training Centre, Sulhamstead (Reading RG7 4Dx)

Agenda Item	Time	Page No
6 Report of the Panel's Budget Task and Finish Group 11.45am To consider the report of the Budget Task and Finish Group which meets on 19 January 2024.		

If you would like to attend a meeting, but need extra help to do so, for example because of a disability, please contact us as early as possible, so that we can try to put the right support in place.

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Report to the Thames Valley Police & Crime Panel

Title: Report of the Thames Valley
Police & Crime Panel Budget
Task & Finish Group

Date: 26 January 2024

Author: Chairman and Scrutiny
Officer of the Budget Task
and Finish Group



Background

1. As in previous years, the Thames Valley Police & Crime Panel formed a Budget Task & Finish Group to assist in discharging its statutory duty to scrutinise the Police & Crime Commissioner (PCC) for Thames Valley's proposed council tax precept for 2024/25. The process will be formally undertaken at the 26 January 2024 meeting of the Panel where a decision will be made by the Panel on whether to accept or veto the PCC's proposed precept.
2. On 10 November 2023, the Budget Task and Finish Group met with the Director of Finance of Thames Valley Police (TVP) and the Chief Finance Officer of the Office of the PCC to look at draft budget proposals. Summary of that meeting is attached as appendix C.
3. Members of the PCP Budget Task and Finish Group attended the Performance and Accountability meeting between the PCC and the Chief Constable of Thames Valley Police (TVP) on 18 January 2024, and then held their Budget Task and Finish Group the following day on 19 January 2024 to scrutinise the budget proposals.
4. This meeting is considered by Panel members to be important to evaluate the budget that the precept partially funds, allowing the Panel to make an informed decision on the adequacy of the precept when it meets on 26 January 2024. This was the work undertaken by the Budget Task & Finish Group who included Cllr Bradburn (Chair), Cllr McLean (Vice-Chair), Cllr Newton, Cllr Saul and Cllr Werner.
5. The proposed increase to the police element of the Council Tax is by £13 per annum for 2024/25 (for a Band D property). The Task & Finish Group formulated its view on the adequacy of the precept and agreed the recommendation to the Panel, subject to satisfactory responses to the written questions raised at Appendix B and any other supplementary questions asked at the Panel meeting.
6. The Panel's role on scrutiny of the Police precept is contained in the Panel's Rules of Procedure:

“16.2 Having considered the precept, the Panel will:

- a) support the precept without qualification or comment; or*
- b) support the precept and make recommendations; or*

The Panel would need to indicate whether it considered the proposed precept to be too high or too low.

- c) veto the proposed precept (by the required majority of at least two thirds of the persons who are members of the Panel and present at the time when the decision is made).*

16.3 If the Panel vetoes the proposed precept, the report to the PCC must include a statement that the panel has vetoed the proposed precept and give reasons for that decision. The Panel will require a response from the PCC to the report and any such recommendations”.

RECOMMENDATIONS

- 1. That the Panel approve the Police and Crime Commissioner’s precept for 2024/25, to increase the Council Tax precept by £13 (Band D), as set out in the Office of the PCC report “Four Year Medium Term Financial for 2024/25 to 2027/28”, subject to satisfactory responses to the written questions raised at Appendix B and any other supplementary questions asked at the Police and Crime Panel meeting.**
- 2. That the PCC be requested to provide written answers to the questions listed in Appendix B.**
7. Martin Thornley, Chief Finance Officer, Office of PCC and Linda Waters, Director of Finance, TVP presented an overview of the Medium-Term Financial Plan papers
8. A summary of the discussion and the scrutiny which took place at the Budget Task and Finish Group which met on 19 January is detailed in Appendix A.

Summary of discussion at the Budget Task and Finish Group Meeting – 19 January 2024

Director of Finance, TVP

Revenue Budget

A balanced budget was being presented for next year, but there are minor variances in the following three years due to assumptions and uncertainties.

The most significant impact for next year's budget is the inflation line, which reflects the 7% pay award in September that was partly grant funded. 2.5% was budgeted for but ended up paying close to 3.5%, which affected TVP's finances.

The other inflation lines for next year are still very significant, but they have come down by about £1m since the November estimates. All the contracts have been reviewed and a sensible provision has been made based on the industry advice and the last 12 months' experience.

There was a very aggressive productivity strategy to cope with the increasing demands and the limited financing.

The budget is based on £13 Council Tax police precept for next year and £10 for the future years.

The budget for the next year and the following years, which is affected by various factors such as inflation, grants, Police Uplift Programme (PUP), estates strategy, reserves, and productivity.

There is an additional 158 staff in excess of PUP, with an assumption that there will be grant funding for them, but there is a risk of changes in the future.

There was a significant but essential estates strategy which is a plan for the current and future development and management of the estate. This is to ensure the best use of your estate was being made, which is changing due to COVID and changing use of sites.

Some reserves have been set aside for contingency and improvement and performance, which are being used to fund one-off ICT infrastructure changes and the force review, which is a process to develop the force to address the current and future challenges. This will mean that reserves will be significantly reduced by the end of this period.

There was an assumption of a 1% increase in government grants for the following years, which is a realistic assumption.

There is a Force wide review of the operational and business enabler side of the force, The Business enablers is the part that supports the core functions of the force. The implementation of the geographical change of 11 local policing areas to 5 local command units has commenced. The review will/has identified and would deliver, savings from each department, including the business enablers.

Another significant strand of the productivity strategy was identified as local initiatives, but they are actually force-wide. They are led by the centre across the whole force and involve various projects that have been mentioned before such as uniform stock, motor insurance, fleet charges, transport costs.

The budget for the next year and the following years, is affected by various factors such as, council tax, grant and inflationary elements especially police officer pay award.

There have been some force-wide initiatives implemented to reduce the costs of uniform and vehicle maintenance by having a good return and reuse policy, reducing accidents and incidents, and improving the way vehicles are driven.

There is target of £2 million savings in each of the next three years, which were hoped to achieve by finding extra savings from changing what and how we spend and being more efficient. It was acknowledged that there will be new demands and bids in the future that are not yet in the medium-term plan, and the Force will have to be self-sufficient in addressing them, hence the equal and opposite lines of savings and growth.

There is growth of 158 police officers. The reports detail the establishment of staff and Police Community Support Officers, but there may have to be changes through the year in line with the savings. We will also have to deal with the conditions and restrictions of PUP which also prevents you from reducing your existing police posts or there was a risk of losing funding.

There has been allocation of some of the growth funding to make the Assessment investigation unit permanent. This new unit that deals with triaging a significant proportion of the crime that comes in and making sure it gets the right response.

The biggest risk identified was the police officer pay award, as 1% pay award for a full year costs £3.8 million. An assumption has been made of 2.5%, but any increase above that which is not funded by the Home Office will have a significant impact on the budget.

It was acknowledged that the inflation and the supply of goods are still volatile, and that they could impact on the budget in either direction. Realistic estimates have been made based on the national position and the latest data.

A lot of work was taking place on both recruitment and retention of police officers, which are crucial for the force. There some changes in the method being made and the training of the new recruits, such as removing the degree requirement and introducing additional measures to ensure they are suitable for the job. Also, work was taking place to reduce the turnover rate of the officers who leave in the early stages of their training, which costs time and money.

There was a confidence that the savings could be delivered which are essential for the budget. Each department has been asked to identify 10% more than their target, to give some flexibility and contingency. Savings have been delivered for 14 years, and TVP were very good at pinpointing the positions where savings would be made, unfortunately these mostly related to people.

Task and Finish Group Issues Questions

(1) How good was the budget plan and how would the services be transformed. Were the productivity plan and savings target realistic? How much has been planned and how much was still being figured out.

Response

The force review has two parts. Part one is about the operational side including the geographical areas and departments. For part one each department has identified its saving target down to the individual posts. . Part two is about the business enablers departments, such as IT, finance, and legal. Each department has a savings target and is working on it. ICT has almost finished their plan and they don't need to cut any posts. The departments are getting help from external consultants to make their plans more transformational. It is hoped that part two will increase the future savings provision.

The future savings provision is £2 million. This is the target, but there were no details at the moment. There was expected to be more growth bids next year and there would be more savings to meet them. There is a matching line for the revenue growth. If there can be no more savings found, there cannot be more growth.

The local initiatives are savings that have already been achieved. The biggest one is the overtime expenditure, where expenditure has been greatly reduced this year. Money was taken out last year and there is still a small underspend his year. The Gold group is still working on it, with a manager overseeing it. Systems and processes have been changed to make those savings.

£0.5m overtime reduction is definitely achievable.

(2) What is the contingency for the 2024/25?

Response

The contingency is additional savings or a drawdown of reserves. There were different types of reserves: General reserve: This is 2.5% of our budget. This is not used unless it has to be. It is the backup plan.

I&P reserve: This is the money used to improve the force. It has been used this year and will be used next year and the year after.

CCTV reserve: This is a small amount of money for CCTV projects.

Estates and custody reserve: This is the money for buildings and custody facilities. The papers show the final balance of this reserve. They also show the money which potentially will be borrowed and paid back. There are more details in the papers.

(3) It is concerning that budgets are relying on reserves, if on such a thing, that's most likely, which the police will get an extra more than 2 1/2% and inflation is very up and down at the moment. What is the lowest level of reserves that you are working to at the moment?

Response

The general reserves are 2.5% of the budget. This money is not used unless it has to.

The I&P reserve is the money which is used to improve the force. This has been used this year and will be used in future years if required. The I&P reserve is for one-off expense, not ongoing ones. For example, this is used to fund the force review and hire experts for the business enablers. It was also used to upgrade the ICT infrastructure and security. These are one-off costs that do not have any future impact. If there are any ongoing costs, they would be included in the medium-term financial plan. These are not taken from the reserves.

The I&P reserve was used to cover the inflation of the energy costs, which were supported by the government for 2023 and the current year.

The base budget for energy was increased gradually, but not to the highest level paid last year. There was a small revenue contribution from the I&P reserve this year and next year, but then the energy costs will be fully covered by the revenue budget.

The RP reserve was used to support the significant peaks in the energy costs.

(4) Reference is made to reduce the budget for hired cars by £1m. This seems an excessive cost of hiring cars. Also, in relation to insurance, where the costs are excessive for hired vehicles, there should be a deal whereby the driver could use their own car insurance. More work should be done in this area to reduce costs.

Response

Car insurance is done through a contract, but it was agreed that the costs were significant.

Drivers use the TVP insurance policy when using hired cars as it is cheaper than using the hire car companies' insurance. However, there is a need to hire a lot of cars every day. The downside of the growth in the Police force is that there are more people who need to be moved around and to travel.

£460,000 has already been saved on fleet cars.

Hire cars are used to move people in major incidents or investigations, not for blue light operations. They are used for short-term or long-term needs, depending on the operation. Hire cars are more expensive than fleet cars, which are owned and used by the business.

Fleet cars are cheaper and better, but they can't provide for short term peaks in demand.

TVP is a higher user of hired vehicles compared to other forces. The interaction of fleet and hired cars need to be looked at.

(5) Reference was made to the costs in the budget for accommodation and travel for student officers which is high. Could savings be made here?

Response

This has been a result of the impact of the increase in recruiting and training police officers. The recruitment of police officers has increased due to the PUP lift and the high wastage.

The Force training site at Sulhamstead is not big enough to accommodate all the recruits so Kidlington is also being used. Those students that do not live close to Kidlington have to be put up in hotels and have meals paid for, which are more expensive than the canteen and accommodation at Sulhamstead.

The cost of this increased recruitment and training is very high and we are looking to see if it can be reduced by improving retention and finding better deals with hotels. In the current year have spent significantly more than £0.5m additional expenditure.

The number of recruits for next year is around 600, which is much higher than before COVID. This is because of the overall increase and the impact on wastage.

(6) How can car insurance be reduced in future years, and would telematics lower the car insurance cost?

Response

The insurance contract was renewed in October 23 with a decrease in the premium. The premium was affected by the accident rates, the risk, and the small number of insurers for blue light.

The insurance market was more competitive in October 2023 than in October 2020 or 2019, when only one company quoted for them.

There was an insurance consortium with nine other forces helped to get better quotes.

Risks have been better managed and have used telematics data to be more transparent about.

There will be a move to the fleet to electric vehicles and it was not known how this would affect insurance.

(7) Does the Force have casual users of their own vehicles who would receive an allowance (45 pence per mile). This would be easier and more cost effective than hiring a car for short trips.

Response

There were casual users who can use their own vehicles and get 45 pence per mile, but some people do not have their own car available.

There is a cut-off point on mileage that determines when using own car or hiring a car is cheaper, according to the travel policy.

(8) In the budget there is an increase in officers in the Rural Task Group and a reduction in officers in the Roads Policing Unit. Officers in Roads Policing think they are a small unit and losing one officer out of seven is a big loss of resource. The joint operations unit covers a large area and sometimes the officers have long distances to drive with blue lights, which is not safe or efficient.

Response

There would be an increase of 10 officers on the rural crime team. Regarding the Roads Policing Unit, the Joint Operations unit is a team that works with Hampshire Constabulary on roads policing. The unit has a large number of officers, but there are proposals to reduce it by one officer per team. This means they will have 16 fewer officers in total. This will be a cost saving and still work well. This plan is part of the Force review, Part 2 savings.

The savings are proposed and need to be approved by the chief constables of TVP and Hampshire and Isle of Wight Constabulary with a final decision being made in February.

The savings are needed to cope with the increased demands and the issues raised by HMICFRS for example MASHs. The savings will have an impact, but the Chief Constable will try to minimise it and prioritise the areas that need more resources.

(9) A Member referred to problems with the grade one call response time and asked whether this was due to maintenance problems with police cars. Grade one calls are emergency calls that need an immediate police response. The target is to respond to 75% of them, but TVP only reached 60%.

Response

The Force would not use a hire car to replace an operational vehicle. Workshops have recruitment issues because of retirements, leavers, and sickness. There were maintenance issues because of delays in getting parts.

These problems affect the availability of vehicles and the response time of the police. The workshops are improving their staff numbers, but the parts are still hard to get.

(10) How would the plans be funded, particularly the growth items, if the Police precept increase had been capped at £10 rather than £13.

Response

The additional demands and bids are evaluated by the chief officer and the chief constable's management team according to their priorities and risks. The demands and bids are ranked from the highest to the lowest priority. If there is not enough money to fund the highest priority ones, the force has to decide whether to accept the risk, delay the action, use reserve funding, or find new savings.

The reserve funding and new savings are used together to fund the high-risk priorities that cannot be ignored or reduced.

Capital Budget

The capital budget is £180 million over five years, with £4.5 million left at the end.

The capital plan focused on infrastructure and estates strategy, which includes new buildings for Forensics at Bicester and Atlantic House in Reading.

The capital plan also includes increasing the budget for vehicles, which have become more expensive and scarcer, especially the high powered roads policing vehicles.

The capital plan anticipates the transition to Electric Vehicles, which have a higher initial cost than Internal Combustion Engined vehicles.

The capital spending on technology is decreasing as more costs are shifted to revenue for example cloud storage. Capital funding is limited as there are no grants and the capital receipts are almost exhausted.

Capital borrowing is increasing, and the interest and repayment costs are included in the revenue budget.

Financial provision was being made to borrow those sums within the revenue budget so that it does not come as a shock when actually those business cases are approved and then we have problems with the affordability.

The affordability was being pre-empted, but clearly there is another £95 million and after that period, there is a lot of work still to do in relation to the affordability.

Central Oxfordshire buildings and potential moves, the Abingdon PFI comes to an end in 2030, so there was a need for preparations for the future.

The capital risks include running out of capital receipts, inflation, availability of resources, and uncertainty of timing. The only option would be borrowing from revenue funds.

Task and Finish Group Issues Questions

(1) What was TVP's Car Retention policy? Would it be better and more economical to keep the cars longer instead of replacing them after two or three years or 100,000 miles.

Response

The Children Transport Consortium uses a matrix to decide when to replace the vehicles. The matrix considers the mileage, the residual value, and the age of the vehicles. It also depends on the type of the vehicle, such as roads policing or general patrol.

Vehicles have been kept longer than usual because of the delays in getting new ones. A computer system called Tranman is used to track the maintenance costs of each vehicle and find the best time to replace them.

The police are looking into electric vehicles and charging points, although some electric cars, like Tesla, are hard to get spares for and have high insurance costs.

(2) Surprise was expressed at the cost of upgrading the showers at Sulhamstead's training centre and further details on this scheme was requested.

Response

The showers at Sulhamstead are in a large accommodation block and it was expensive. The upgrade was being done in stages to avoid losing the whole block at once. Health and safety rules for the accommodation block have to be followed.

(3) A suggestion was made of installing solar panels and wind turbines on some of the police buildings, especially the ones with angled roofs. This could lower the energy bills and pay back the investment quickly.

Response

It was agreed that solar and wind energy are good ideas. There was an environmental strategy and there have been solar panels installed at the new build at Bicester and you plan to do the same for other new or refurbished buildings. Wind turbines have not been explored at present but the suggestion will be passed to the force's Environmental & Sustainability Manager.

(4) What was the CCTV provision of £635,000 reserved for?

Response

Last year £1m was set aside in reserve for CCTV and that was to completely refresh the CCTV provision and bring it back into TVP. There would be central provision which would be connected to local authorities who were in partnership with the scheme.

The project has two stages: the first one covers Slough and Milton Keynes, and the second one covers Oxfordshire. The budget is not detailed by year, but by a total amount that can be used over the course of the project.

The budget is not accurate reflection of timing, but an estimate based on the expected costs of improving the CCTV and partnership. The budget is likely to be spent during the next five years.

Written Questions

- (1) At the first meeting of the Budget Task and Finish Group on 10 November 2023, preparation for the budget was based on a £10 Police precept increase. PCCs were then given flexibility for a £13 Police precept increase. Could the PCC provide full details of what would not be in the budget if the flexible £13 proposal had not been given?
- (2) How can the PCC justify asking residents of Thames Valley for an increase of Council tax for the Police Precept (Band D - £269.28) during a cost-of-living crisis? Also, there are planned savings as part of the Force Review such as a reduction in Road Policing officers when residents complain about car cruising and meets which impacts on communities? The perception of residents is that they are paying more and received less. How can residents be assured that this will not be the case?
- (3) What environmental and sustainability initiatives, such as solar panels, wind turbines etc are being looked at in terms of a capital strategy which will provide energy savings in the long term?
- (4) Recruitment and retention within TVP remains very high on the risk registers of the force and impacts on the budget. Could the PCC outline what are the financial implications of on average 44 officers leaving every month and what is being done to reduce this, particularly with the costs involved in training officers and the gaps in the service to the public this creates?
- (5) A particular issue amongst all Police Forces is officers can retire at a relatively young age. Is there any opportunity to look at retaining some of the officers with inducements which will retain the experience they possess?
- (6) Reference was made to £2m of unidentified savings and the PCC was asked for more information on this.
- (7) This budget relies heavily on the use of reserves to support the funding of one-off short term growth and investment items. How sustainable is this, particularly if reserves are dipped into to cover items such as energy costs and inflation going forward.

Summary of discussion at the Budget Task and Finish Group- 10 November 2023

KEY MESSAGES FROM THE BUDGET UPDATE PRESENTED TO THAMES VALLEY POLICE PERFORMANCE, ACCOUNTABILITY AND MANAGEMENT MEETING - 7TH NOVEMBER 2023

- Have adopted a more aggressive approach to identifying savings opportunities.
- The impact of current year decisions and Potential Growth Bids is putting significant pressure on the coming years budgets.
- Additional productivity savings have been identified creating a surplus of £2.3m, however this is still without any growth and the £10 precept.
- Growth bids will need to be met by additional savings elsewhere in the budget.
- Force Review re-phased delivery of the savings has added pressure on the 2024/25 budget position.
- The Precept increase has not yet been agreed. There are significant financial implications of a 0% increase compared to the full £10 Council Tax 142
- The Current MTFP includes a £10 council Tax Precept increase.
- **The implications of an increase below £10 are:**
 - £7.50 precept increase would reduce the budget by c£2.44m (c60 officers or staff)
 - £5.00 precept increase would reduce the budget by c£4.88m (c120 officers or staff)
 - £0.00 precept increase would reduce the budget by c£9.75m (c240 officers or staff)
- **0% precept would require additional savings of £7.46m.** The options could include:
 - Partial freeze overtime – a 25% reduction would be circa £2.9m
 - Partial freeze police staff recruitment – holding a further 50 vacancies would be circa £1.5m
 - Delay equipment purchases – a 20% reduction against budget would be circa £0.5m
 - Pause non-operational projects such as Working Smart – Would depend on the projects circa £1m
 - Restrict Hire cars – a reduction of 20% on the budget would be circa £0.2m

KEY ASSUMPTIONS

- Main Government Grants to remain at previously calculated levels in line with the CSR statement to 2024/25, with a 1% annual increase thereafter.
- We will receive our proportionate share of the additional £515m pay grant in base funding, c£15.7m.
- All prior year PUP grants will remain at a cash flat level.
- The additional 80 FTE Officers funded by the PCC remain in the base budget.
- The additional 87 FTE Officers funded through additional PUP Grant for 2023/24 will come out of the base – this affects our number of officers not the bottom line (unless we want to keep).
- Previous growth assumptions for 15 additional officers per annum is removed due to the increase of 80 Officers in 2023/24
- The applied Vacancy Factors take account of the Force Review removing an additional 30 FTE Vacancies in 2024/25, and 50 FTE Vacancies in 2025/26.
- Capital Financing assumptions have been included for borrowing over a 50-year period with interest repayments at an average of 4.99% per annum.
- Property Repairs and Maintenance prior year growth assumption has been removed, £0.5m in 24/25, maintenance schedules are to be focused by absolute necessity.

- Pay inflation has been set to take account of the full year impact of the 2023/24 7.0% increase, with future pay awards having been budgeted for at 2% per annum over the remainder of the MTFP
- Non-Pay Inflation rates have been tested against market prices and indices to identify specific pressure points or reductions from previous increases.

Director of Finance TVP

The current situation is uncertain regarding the grant or Council tax allowances for the next year. Assumptions have been made based on the available information. The public sector is experiencing significant additional demands and costs. The police's priorities are currently a major topic in the press.

An HMRC inspection has recently taken place, but the report is not yet available. The inspection is expected to result in additional requirements and comes at a time of constrained resources, high inflation, and committed growth items that cannot be avoided.

Reference was made to a force review which was initiated last year, which is in progress and expected to deliver savings this year, next year, and the year after. This review is being prioritised with significant resources.

In addition to this, another aggressive strand of savings is being pushed forward. Some of these savings are from initiatives started in previous years, which take time to embed and change the culture to realize the savings. Efforts are being made to push forward with these initiatives.

The key points of the proposals:

- The current budget assumes a £10 Council tax, with no additional growth. All demands and priorities are met, leaving a surplus of £2.3m, which provides a small amount of flexibility to address key priorities.
- The list of bids for funding has undergone a three-stage refinement process. However, the refined list still exceeds the available resources, even after accounting for savings and limited reserves.
- TVP is striving for a long-term view, including a ten-year estate strategy.
- There is ongoing work related to custody and ensuring all accommodation is fit for purpose. The organisation aims not to have more than what is needed.
- In the wake of COVID-19, there has been a significant shift towards remote work for back-office functions. This could potentially lead to cost savings in the future.

In relation to the financial implications of downsizing office space which would reduce office space could lead to savings, but it could also incur costs.

Financial resilience and long-term planning was important to avoid substantial borrowing costs in the future.

There were financial pressures related to ICT, security, and infrastructure.

There was an impact of council tax on TVP's income, with a £10 reduction in the Police Precept resulting in a loss of around £10 million in income. This would require extreme measures in the

short term to balance the books, including restructuring and downsizing services and these changes would have significant impacts on staff, officers, and services.

The government grant for next year was set out in the Comprehensive Spending Review, and there was optimism at the grant to be received, together with the additional grant for the pay uplift.

For future years beyond next year, a 1% grant uplift had been included due to the uncertainty of the public sector's financial state.

The 600 Police Uplift Programme (PUP) officers that TVP received over the last three years are fully included, as well as the eighty (80) additional police officers funded from Council tax last year.

The Home Office funded an additional 87 officers for this year only with optimism that this would be continued to be funded.

TVP have been running at a very high vacancy factor and are struggling to recruit and retain staff. In the current year's budget, there is an 11% vacancy factor included. The organisation is maintaining a high vacancy factor going into the next year, and they are not allocating money to the staff budget that they know they cannot spend on staff.

Extra funding was allocated in the current year's budget but there was a struggle with numbers and there is a limit to how much overtime the existing staff are willing to work.

The organization's position for the next four years is showing a surplus of £2.3m for the next year, and then virtually balanced for the following three years.

The savings structure included a saving of £5.2 million for next year, increasing to £10.7m for the year after.

An aggressive savings approach has been implemented, including a reduction in motor insurance due to the use of telematics to change driver behaviour and reduce accidents. This has resulted in a significant reduction in costs, including a £400,000 reduction for TVP next year.

Issues Raised by Task and Finish Group

- Last year's plans were ambitious, and there were questions about the viability of the force review savings -

[Members were informed that TVP had managed to deliver what they set out to do this year. The force review was originally set up to restructure the force to be more agile and flexible, and it included a savings target due to financial pressure.]

The delivery of the savings slipped, with about £2.4 million that was hoped to be delivered in 2024/25 now pushed to 2025/26.

The organisation was confident of making savings on the back-office business support.

There was the need to balance the need for savings with the need to deliver good service to support the full force. There was confidence about making the savings, but there is less certainty about when they will start delivering them.

There were 15 months to focus on the force review Part 2 to pin down the savings to the level of the part one savings and start delivering them. The implementation work is difficult because it involved talking about people and their jobs, especially given the many vacancies within the force.

- Concerns were expressed regarding the reduced numbers of both Police Community Support Officers and support staff, which was impacting across Thames Valley. How could recruitment be increased, which would increase costs but might deliver more to the public.

[Members were informed that the force had recorded both recruitment and retention in the risk register, and it was a concern that there was a struggle with recruitment and retention.

There were concerns about the sustainability of the approach of looking at the maximum precept, (£10 precept), as local government finances may eventually reach a stage where a £10 precept is not feasible.

The proposed £10 precept would not solve all the problems, and if it was not supported, more cuts would have to be made, potentially leading to a loss of 240 officers and staff.

There was a short-term issue with the vehicle fleet, as there were difficulties getting the parts they needed, leading to more cars off the road waiting to be repaired. TVP was not budgeting to increase the number of vehicles, but to use them better.]

- Last year, approval was given to a £15 police precept, not a £10 precept. Also dipping into reserves to fund the salary increase was unusual and definitely unsustainable. The apprenticeship levy that was being reduced which meant fewer apprentices.

[Members were informed that if the precept was increased to £15, it would provide an extra £5 million. Last year, there were debates about whether to include a 2% or 3% increase in the budget. The CSR provided for 2%, so that was what was included. However, there was a feeling that it would be closer to 3%, and they ended up funding virtually 3%. To account for this, they put an inflation contingency of 1% into reserves. This 1% was taken out of reserves and is now embedded in the base operational budget.

For this year's budget, they have worked on 2% pay awards.

Regarding the apprenticeship levy, the amount they pay will not change, but they get money back for the PCSOs, the control room, and the police officers who do the degree.

In the future, there will be a route for police officers who do not have a degree to become a police officer which will mean they would get slightly less income because they used to get some money back when they were on an apprenticeship.]

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