



PCC

Office of the Police and
Crime Commissioner
Devon and Cornwall

Annual Report

2013 -2014

Message from the Police & Crime Commissioner

I am pleased to present this annual report to you for 2013/14.

I am often asked by local people, and the media, what I have achieved as Police and Crime Commissioner. This report therefore sets out clearly the large body of work carried out by me and my team.

These are extremely challenging times, and, with financial and resourcing pressures stretching ahead of us, policing faces a tough future. You will see that we are making real progress in sustaining what we already have, and, with careful planning, providing resilience in the longer term. I am also keen to acknowledge the hard work and commitment of police officers and staff across Devon, Cornwall and the Isles of Scilly.

This is my first full year as Police and Crime Commissioner and I continue to make a pledge of keeping police officer numbers above 3,000. I share the public view that uniform visibility is very important.

In a short time we have

- Recruited police officers after reversing the Police Authority's decision to reduce numbers
- Allocated over £1.4m to Community Safety Partnerships and Drug and Alcohol Action Teams,
- Provided in excess of £800,000 to Safeguarding Boards and, Youth Offending Teams
- Established a new governance, accountability and performance framework
- Provided £200,000 to Sexual Assault Referral Centres
- Funded the increase of Special Constables which we will continue over the rest of my term in office.
- Provided Small Grants worth over £98,000 to local groups and community organisations
- Provided financial assistance to save Devon's Rape Crisis Centre from closing
- Dealt with over 1,400 pieces of correspondence



During my first full-year in office we have spent much time establishing the important governance structures and accountability arrangements that are required of this office. This internally focused work is extremely important – to ensure that we have the right systems and structures in place to improve accountability and to ensure that the public's interest and views are reflected in local policing. Much had been learnt in the first twelve months including a recognition for a need to refresh the initial Police and Crime Plan to refine its focus, improve the performance framework and set out more clearly how we will work with partners.



We must always remember that the Devon and Cornwall force area remains one of the safest in the country, However we cannot take this for granted. I am rigorous in my scrutiny of force performance while prioritising our efforts on the drivers of crime, such as alcohol misuse.

We have much work still to do but I as I approach the half way mark in this first term of office, this report highlights significant results

Tony Hogg
Police and Crime Commissioner

PROGRESS AGAINST THE POLICE AND CRIME PLAN OBJECTIVES 1 APRIL 2013-31 MARCH 2014

The Police and Crime Commissioner's (PCC) inaugural Police and Crime Plan was launched in March 2013. It identified five key objectives and described how the PCC would work to achieve them and how he would hold the Chief Constable to account.

This was the first Police and Crime Plan at the outset of a new era in police leadership and governance. The PCC was keen to reach out to well-established partnerships and networks in order to learn what works, carry forward successful programmes whilst bringing a new degree of scrutiny and accountability to the public.

The Police and Crime Plan was focused on five strategic objectives

- **Reducing crime and bringing offenders to justice**
- **Giving victims and witnesses a stronger voice**
- **Listening and responding to the public**
- **Investing in policing for the future**
- **Providing strong leadership at all levels**

These objectives were borne out of public consultation and professional opinion and adopted and supported the findings set out in the Peninsula Strategic Assessment (PSA). The PSA prepared by Community Safety Partnerships (CSPs) across Devon, Cornwall and the Isles of Scilly provides an overview of the threats and risks facing community safety in

the area, identifying the areas for priority action and the actions recommended to address them.

The five objectives were complemented with a small number of high-level improvement targets against which progress would be reported and the PCC could be held to account by the public.

The following section sets out each of the five objectives and highlights the developments undertaken in delivering against them in this first year of operation.

Reducing crime and bringing offenders to justice

The overall priority for the police is the eradication of crime. Devon, Cornwall and the Isles of Scilly is historically a low-crime area but the PCC set clear expectations that the police should continue to work with its partners to further reduce crime and anti-social behaviour. This is however a complex area and the PCC was concerned that some crimes, such as some types of domestic, family and sexual abuse and hate crime, by their very nature, went unreported. The PCC was clear that we wanted to encourage victims to come forward to authorities so that the police and their partners can take action. Such an approach may, the PCC accepts, affect the overall crime figures – due to a rise in reporting in some areas.

A clear priority for the PCC in this first year has been tackling the harm caused by alcohol. The PCC's Office (the OPCC) initiated a programme of work to understand the true harms caused by alcohol misuse, to challenge behaviours and to examine options available to the police and partners to reduce

harm. Alcohol misuse places an enormous burden on the police, health, social services and the communities in which we live. The PCC is unapologetic at the stand he is taking to reduce public harm and to alleviate the demands placed on public services by irresponsible attitudes and actions.

The PCC kicked off this campaign by hosting a partnership conference in Plymouth in September 2013. Over 60 delegates from across the region and national experts came together to discuss the issues and explore the range of actions being undertaken here and elsewhere to tackle the harm caused by alcohol. Speakers from the licensed trade and academia outlined the impact strategies would have in social, health and economic terms. The event included a live radio phone-in to a panel of experts.

The PCC used the occasion to call upon council leaders, licensees, the police and health sectors to work with him by leading a change in direction where attitudes to alcohol abuse were more stringently challenged and better education is provided.

The PCC is keen to raise alcohol-harm as a priority issue for all public bodies. He has been working closely with Health and Wellbeing Boards, the Local Criminal Justice Board, Community Safety Partnerships and local voluntary and charities to press upon everyone for the urgency that needs to be placed upon this issue. In March 2014 the PCC took the first step towards greater engagement with the retail sector. The PCC invited national retailers to attend a summit along with the OPCC and the police to ensure that they fully understand the issues we face and to engage their support in

tackling these problems. This work continues into the next financial year.

It is vital that we properly understand the problems caused by alcohol in our communities if we are to address them. The towns, cities and villages of Devon and Cornwall and the Isles of Scilly are not homogenous – we have differing socio-economic profiles, a huge variety of tourist towns, many rural areas and three university bases in our policing area. All of these pose differing challenges. So we have been working closely with partners, the police and academia to better understand the nature of alcohol related crime in our towns and cities to ensure that we identify solutions that work. We have also been working alongside existing local authority alcohol strategies – to see how we can support and complement their work – not cut across it.

The PCC has carried forward this area as a key priority for 2014 and beyond. The PCC remains determined to reduce the damage to society and people's lives by the irresponsible consumption of alcohol and the crime and violence that too often results. Using the preparatory work undertaken in the first year a strong programme of activity has been developed for the next two years on this issue.

The PCC wishes to encourage the public to work with the police and its partners to find solutions that best meet local circumstances. The PCC firmly believes that local communities, groups and organisations are often best placed to address issues of concern and to affect change in their local area.

As part of the PCC's plan to encourage local engagement with crime and policing issues, he launched a Small Grants Scheme in September 2013. Groups were invited to bid for grants of up to £5,000 for projects that would support local people and would support the community safety and witness care aspects of the PCC's Police and Crime Plan.

Phase one of the Small Grants Scheme awarded over £98,000 to 25 organisations and groups. Each successful application demonstrated how the bid would benefit local people and/or support victims. A further round of the Small Grants Scheme took place in May 2014.

In 2013, the PCC was pleased to be able to provide an emergency grant to Devon Rape Crisis Service in order that it could continue its essential work preventing women in Devon and Torbay becoming victims. The centre faced closure when its funding from central Government came to an end, The PCC provided £20,000 to ensure this vital service can overcome its funding shortfall. The grant ensured that the service could continue its vital work protecting and supporting victims of crime in our policing area.

The Government's key policy intentions behind the creation of PCCs were improved transparency and improved accountability at the local level.

To support this the Police Reform and Social Responsibility Act 2011 provided PCCs with the power to make grants to any organisation which will secure, or which contributes to securing a reduction in crime and disorder in the area.

As part of this policy approach the PCC took over responsibility for the allocation of monies previously supplied directly to local community safety organisations. Government decided that money previously passed directly to local community safety organisations should instead be passed to the PCC, albeit with a reduction in cash terms.

The OPCC carried out a detailed appraisal exercise exploring different ways in which the PCC could approach the distribution of this funding. The PCC recognised the importance of giving local partnerships sufficient time to plan for any more substantial change in arrangements and a February announcement for April implementation of any different process was assessed as too great a risk. As such the PCC chose to continue with historical funding patterns for local partners.

However the PCC considered it was vital to improve the level of accountability of partners to the PCC and significantly improve the level of understanding in the OPCC around partnerships patterns of spend, the rigour of their commissioning processes and the degree to which their spending patterns were supporting the aims of the Police and Crime Plan.

In order to improve understanding and accountability a framework of reporting was developed and issued alongside allocation letters to the wide variety of partnership bodies that were in receipt of PCC funding.

Giving victims and witnesses a stronger voice

In April 2015, the PCC will be responsible for the provision of services to victims of crime in Devon, Cornwall and the Isles of Scilly. This major change in service delivery is made possible by the Government's radical decision to improve the care and support provided to victims of crime and the introduction of the Victims Code.

Since its inception the OPCC has been committing considerable effort to establishing a new victim services hub for the area which will be operational in the spring of 2015.

The detailed scoping for this significant work began in mid 2013 to establish the principles upon which the commissioning decisions will be assessed. The OPCC conducted a thorough analysis of the breadth and depth of need across the policing area in order that the new victim service would be able to meet current and future demand and provide an enhanced service to victims who are currently not adequately catered for.

The PCC established a Stakeholder group comprising representatives from across the voluntary, charity and community sectors along with professional leads from public bodies to inform the development of the needs assessment, oversee the commissioning intentions plan and guide the progress of the victim services development. The PCC's decision to appoint a non-remunerated Victims Adviser played an important advisory role in these early stages, assisting in the formation of thinking on the shape of the new service.

Work towards developing the Victim Services Hub is on track for launch in April 2015. In the meantime, the PCC and Chief Constable are overseeing developments in order that their respective organisations meet their obligations.

One of the most pressing issues facing forces up and down the country is how to respond better to the needs of individuals with mental health needs. It is widely accepted that in most cases a police cell is not the best place for people who are detained under provisions set out in the Mental Health Act. In many cases, these individuals need help from health and social care agencies, not detention by the police. In February 2014, the PCC was signatory to the first mental health concordat which sets out shared national principles for a multi-agency response to individuals in mental health crisis. The PCC, his team and the police force are now playing an active and pivotal role in ensuring that issues relating to mental health and policing are gripped firmly and resolved.

Listening and responding to the public

The PCC recognised that his first year in office would necessitate spending much time meeting with the public, with partners such as local authorities, criminal justice agencies and of course members of the police service. The PCC wanted to build a positive and strong working relationship with those who he and his office would be looking to work with in the coming months and years. The PCC has spent a considerable amount of time travelling the length and breadth of Devon and Cornwall, and made several visits to the Isles of Scilly. These engagements are vital – to meet people and hear their concerns, build relationships and explain the new role of the PCC and the benefits it can bring.

The PCC carried out a full programme of public engagement events during 2013-2014 including holding surgeries for members of the public to meet one-to-one with the PCC as well as talks and presentations to community and social groups. The PCC is keen to allow as wide a number of people to correspond with him as possible and has a range of means in which the public can either meet formally with him or attend an open meeting.

The PCC places great importance on hearing the views and opinions of the police service itself – the officers, staff, PCSOs, Specials and volunteers. The PCC has spent considerable time meeting with staff and officers of all ranks and grades to understand the nature of the demands on their time, the pressures they face in their day to day service and how things can be changed and improved to enhance public service. The PCC accompanies officers on the beat out and about in Devon, Cornwall and the Isles of Scilly every month to experience first hand the realities of modern day policing.

The role of PCC brings with it the new opportunity to hold a single person accountable for the provision of efficient and effective policing. Before the introduction of PCCs public accountability for policing was unclear and often difficult to access. The PCC takes his role in public accountability seriously and is committed to working in an open and transparent way. He has provided a range of opportunities for the public and partners to question him, challenge actions and decisions and to require answers from him.

The PCC has taken part in a number of local radio phone-ins and television interviews each reaching a wide number of

viewers. These triggered a number of follow-up enquiries to the PCC's office asking further questions and following-up on responses provided. The PCC will continue to hold similar events in the years ahead.

The PCC has also attended local authority Overview and Scrutiny meetings to explain the decisions of the PCC and the impact of these on the public.

Formal scrutiny of the PCC's work is the responsibility of the Police and Crime Panel. This body of local authority councillors and independent members meets quarterly to hear from the PCC on the actions and decisions he has taken in delivering the Police and Crime Plan. The Police and Crime Panel also has statutory responsibility regarding the reviewing of the PCC's draft Police and Crime Plan, council tax precept proposal and Annual Report. The Police and Crime Panel is open to the public and is webcast by Plymouth City Council, as the host authority for the Panel. The PCC attended five meetings of the Panel during 2013-2014 during which he answered questions, spoke of developments within the OPCC, consulted members and proposed a budget.

Providing strong leadership at all levels

The introduction of PCCs across the country provides a new level of accountability and refreshed governance to policing and community safety. The role of PCC is distinct and clear from that of the Chief Constable.

The Chief Constable is responsible for operational policing and the day to day management of police officers, PCSOs, staff, Special Constables and volunteers.

The PCC is publically accountable for an efficient and effective police service and for setting strategic direction through a Police and Crime Plan. He is also responsible for the receipt of government grant money, the raising a local levy through a precept on the council tax and for distributing money to support the delivery of the Police and Crime Plan. Our PCC sees the role as a pioneering opportunity to corral service providers by influencing, bringing decision-makers together and reaching decisions on shared action and progress to the benefit of the people of Devon, Cornwall and Isles of Scilly and the public purse.

One of the first decisions the PCC took upon taking office was the appointment of the Chief Constable. The PCC conducted a selection process overseen by independent observers with the PCC's decision to appoint Shaun Sawyer subject to endorsement by the Police and Crime Panel.

In March 2013, the PCC set out a Police and Crime Plan which established the strategic objectives for Devon and Cornwall Police. The Chief Constable is required to have regard to this Plan as he manages resources and the deployment of officers and staff in the delivery of policing.

Decisions on the appropriate level of resources to be deployed to deal with an incident, investigation or emergency are the responsibility of the Chief Constable. In 2013-2014 we saw a number of significant resourcing challenges compounded by a harsh winter and severe flooding. This was a clear example of where the police reacted well to a major event by working with partners. I commend the entire policing family in Devon and Cornwall and the Isles of Scilly for how

they responded to these challenges – providing support, assistance and advice to members of the public and businesses who were affected by the winter storms and the subsequent disruption.

During 2013-2014 the PCC began working with the 5 Health and Wellbeing Boards within the Peninsula to ensure that issues linked to community safety are properly reflected in the agendas of these important groups. The PCC sits on all five Boards and has made issues linked to alcohol and mental health a particular priority. He meets regularly with local authority leaders – again pursuing shared agendas on matters such as efficiency, community safety, alcohol and mental health. All of these issues affect local authorities and wider partners as well as policing and the development of effective partnership solutions is essential. This work will continue.

The PCC's priority is the people of Devon Cornwall and the Isles of Scilly and he is working nationally to try and ensure that the decisions made in Whitehall reflect the needs and interests of our communities. In order that our region's voice is heard in Whitehall, the PCC works closely with Government departments and national organisations to ensure the peninsula's best interests are properly considered when national decisions are taken.

The PCC is also working with the 18 MPs who represent this area in Whitehall – to identify areas of common interest and to garner their support for key issues, such as the need to see a fairer share of police funding come to Devon and Cornwall and the Isles of Scilly. The OPCC has commenced a programme of engagement to work with and influence

national policy development and lobby law-makers. The PCC and the Chief Constable meet regularly with the 18 MPs covering Devon and Cornwall and is engaging directly with Ministers and senior officials to press the case for licensing reform, police funding decisions and the repeated calls of local police forces to support national policing commitments such as the NATO summit.

The PCC also plays a leading role in the south west region by convening regular meetings of fellow PCCs and Chief Constables to take forward ways of closer working between Forces with a view to greater interoperability and efficiency.

Investing in policing for the future

The PCC is proud to have ended the police officer recruitment freeze that had been in place for several years. The PCC's early decision to reverse the former Police Authority's reduction of police officer numbers and to keep police officer numbers above 3000 is essential if we are to keep more officers in frontline and neighbourhood roles. This substantial commitment at a time of financial strain demonstrates the PCCs determination to build on the good work police have already done to develop networks and partnerships in order to protect the vulnerable and keep people safe.

This was complemented with the PCC's decision to significantly increase the number of Specials. If the number of officers had been allowed to fall to nearly 2,800 it would have left just 125 for neighbourhood policing in the entire force area by 2015. That would have had a serious impact and was unacceptable. The continued squeeze on public

finances in order to address the national deficit means that police service has been required to absorb its share of central Government cuts. The PCC has lobbied hard that the continued shaving of policing grant will place the services that the public value the most – namely neighbourhood policing.

The PCC will continue to call for the Government to reform the way police resources are allocated by Whitehall and give greater flexibility to local decision-makers to choose how best to use the money it is provided with. The PCC has also been vocal in challenging current Government policy of top-slicing grant settlements to help bolster national agencies that are distant from local people. The PCC is also campaigning to stop the farcical situation that requires policing areas to enter submissions through a competitive bidding process to reclaim their own money lost through top-slicing – which merely increases bureaucracy and wastes precious resources.

However while such approaches remain in place the PCC is committed to working hard to ensure that Devon and Cornwall and the Isles of Scilly benefit from such bidding rounds. In November 2013, the Home Office launched its first such bidding round for a share of a £20 million precursor Innovation Fund. PCCs were invited to submit match funded bids for projects that would transform policing through innovation, efficiencies and enhanced collaboration.

Devon and Cornwall were part of several successful bids for

- The South West regional forensics programme
- South West regional body worn video cameras
- The roll-out of mobile data across Devon and Cornwall Police.

This move to mobile data is incredibly important and is long overdue. It will improve police accessibility and visibility by boosting productivity and enabling officers to carry out many functions without the need to return to stations.

The financial imperatives facing the police have meant that the PCC is looking to find efficiencies through closer working with other police forces, particularly in the south west. Whilst the scale and complexity of policing across an area stretching from the Isles of Scilly to Swindon has its challenges, the PCC is determined to improve interoperability and develop innovative ways of working to help reduce financial overheads. With the PCCs of Avon & Somerset, Dorset, Gloucestershire and Wiltshire he has agreed collectively to take forward any proposal that demonstrates clear benefits to operational policing whilst reducing ongoing costs.

In May 2013, the five PCCs and Chief Constables from the south west region signed a deal that will improve the way the region prevents terrorism. A collaboration arrangement has been agreed that will see the five forces sharing resources and joining up services in order to boost the service provided by Special Branch officers across the south west.

This was followed by an agreement for a new streamlined regional forensics service. By using existing estate and capacity the forces expect to save around £1.9 million in the short term. By 2018-19 it is forecast that regional savings from the collaborative project could be as high as £6.6m

Further progressive approaches that are being taken in the region include the Regional Organised Crime Unit which

brings together experts from different enforcement agencies to prevent and pursue criminal gangs perpetrating some of the most serious harm. This unit comprises distinct disciplines including cyber crime, people trafficking unit and asset seizure and builds resilience and efficiencies.

In late 2013, the PCCs of Devon and Cornwall and Dorset with the full support of the respective Chief Constables, announced a major programme of work to explore the benefits that would be gained for forming a Strategic Alliance between the two forces. The financial pressures that all Forces face are requiring bold decisions to be made and radical approaches to be examined. The PCCs of the two Forces believe there may be merit in Devon and Cornwall and Dorset aligning its services in order to protect frontline policing, make better use of the resources available and create efficiencies. A comprehensive evaluation exercise commenced in early 2014 and has continued into the next financial year. The purpose of this work is to protect locally- responsive, neighbourhood policing by sharing resources and combining organisational support. There is no intention to merge the two Forces.

Other activities

Alongside this work there has been considerable activity undertaken by the OPCC to fully establish new accountability and management frameworks. Work has also been required to complete financial and governance changes necessitated by the introduction of PCCs. These matters are reported on in the final section of this Annual Report on Governance.

Overview of Performance 2013/2014

This year is the first full year performance data against the measures set out in the 2013 Police and Crime Plan.

Overall, total crime increased by 0.2% as compared to the 12 months to 31st March 2013.

This was a particularly challenging year for Devon & Cornwall Police. Demand was unusually high with an exceptional number of summer visitors and severe storms and flooding lasting several weeks in the winter months.

Devon and Cornwall Police adapted well to meet these challenges, adopting a more proactive response to low level violence, targeting acquisitive crime and the offenders responsible for crime increases. In light of the challenges that were faced in 2013/ 2014, it is commendable that the Force ended the year with overall crime in a break- even position.

The Force has continued to drive down serious acquisitive crime in the area , making it one of the safest places to live, work or visit. This is reflected in an increase in public confidence with the force moving up 6 places in the national ranking to the 7th best position (as of April 2014).

For next year a new approach to performance management has been agreed which will provide a more sophisticated measurement and assessment of police activity and is explained in more detail in a separate paper to the Police and Crime Panel.

The work done to mitigate the impact of the challenges faced in 2013/14 means that we are now in a strong position to drive towards delivering improvements in some of the remaining areas of concern.

The PCC remains concerned at the persistently high levels of violent crime in Devon & Cornwall. A higher rate of recorded violent crime is seen in Devon and Cornwall than in Greater Manchester, West Midlands or Merseyside. Reducing violent crime is a specific focus of the refreshed Police and Crime Plan and one of the target outcomes looked for from the alcohol-related crime delivery plan. Victim satisfaction is another area where performance remains of concern. Acknowledging this, the Force is developing a new approach to this issue which will focus on ensuring satisfaction for all victims regardless of whether the incident is screened out.

Three key significant improvements that the PCC will look for are a more developed understanding of the drivers of problematic areas of crime (including violence, sexual offences, domestic abuse and public order offences), a sharper response to emerging performance threats and in the longer term the development of more innovative strategies for balancing demand with available resources.

Force Performance 1 April 2013 to 31 March 2014 against targets in the Police and Crime Plan

Reducing crime and bringing offenders to justice

To reduce crime	Force Target	Rolling 12 months
%age reduction in total crime	-2%	+0.2%

Total crime increased by 0.2% as compared to the 12 months to 31st March 2013. This year has seen exceptional demands placed upon the police in Devon and Cornwall in particular bad weather and flooding, high numbers of missing persons and section 136 detentions and a high number of summer visitors. We would clearly have liked to see the total crime figure reduce, however we recognise that the total crime figure is complex and contains many variables such as increased reporting of domestic abuse and sexual violence that distort this figure. Key issues driving overall crime include increases in violence without injury, shoplifting, other theft and public order offences. Reductions in serious acquisitive crime including domestic burglary, robbery (commercial and personal) and vehicle offences continue to support Devon & Cornwall as one of the safest places to live, work or visit.

To reduce violence against the person	Force Target	Rolling 12 months
% reduction in violence against the person	-2%	+0.8%

Violence against the person (excluding domestic) increased by 0.8% as compared to the 12 months to 31st March 2013. Levels of violent crime in Devon & Cornwall are far too high. We believe that alcohol is one of the main drivers of violent crime. The new Police & Crime Plan focuses on this issue through the priority to reduce alcohol-related harm.

Giving victims and witnesses a stronger voice

To increase the percentage of crimes which result in a positive outcome	Force Target	Force Actual
Positive outcome rate	38.0%	33.8%

The positive outcome rate ended the performance year below the Force target at 33.8%. The performance framework going forward will reflect the new national outcomes measures and will enable us to understand with greater clarity the barriers to achieving a positive outcome.

To increase victims' satisfaction with the police	Force Target	Force Actual
Overall satisfaction	88.0%	84.6%

The victim satisfaction rate has maintained the improvements in victim satisfaction apparent since June 2013. However victim satisfaction ended the performance year below the Force target at 84.6%. Performance improvements appeared to be driven by improvements in satisfaction relating

to vehicle crime following changes to the crime screening policy. Violent crime satisfaction rates remained low.

Listening and responding to the public

To increase public confidence in the police	Force Target	Force Actual
Public confidence (local survey)	64.0%	66.8%

The public confidence rate as measured by the Crime Survey for England and Wales has increased recently and is currently achieving the attainment level. Relative to all forces in England & Wales, Devon and Cornwall is now ranked 7th.

To increase satisfaction with the police response to a non emergency matter

The 101 caller satisfaction rate indicates 83.3% satisfaction for callers generating an incident log or crime record through the 101 number. The level of correspondence on this issue received by the OPCC suggests that in some cases this does not reflect the public's experience. The OPCC and the Force are working together to identify the underlying causes of this difference in perception and to establish a way forward.

Investing in policing for the future

To begin recruitment in order to maintain an establishment of at least 3,000 police officers

Recruitment is underway and transferees will be recruited into hard to fill posts. Officer numbers were 3081 at the conclusion of the performance year. It remains the PCC's intention that

this will be a sustained ambition in his Police and Crime Plan going forward.

To begin recruitment in order to achieve an establishment of at least 650 special constables by 31st March 2014.

The special constable strength was at 627 at the end of the performance year. For the forthcoming year performance against this target will be measured in the number of hours worked.

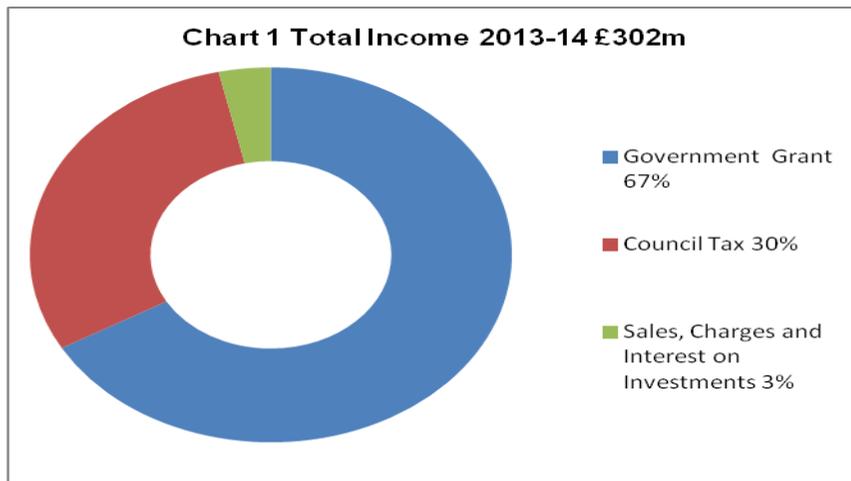
Providing the Resources

This section contains the OPCC Treasurer's report.

Introduction

This section of the Annual Report provides the draft income and expenditure for the year and the draft balance sheet for the financial year ended 31 March 2014, subject to statutory audit. It also provides a general guide to the financial situation of the PCC as at 31 March 2014, full details are provided in the draft Statement of Accounts 2013-14.

Where the money came from



Central Government formula grant for Devon and Cornwall and the Isles of Scilly was £198.4m. This figure represented a 1.6% reduction from the previous year.

In addition to the police formula grant, the government made available a grant equal to a 1% increase in council tax, to allow PCCs to freeze their council tax precept rates if they wished to do so. The PCC opted to forgo this additional grant offer and increase the Council Tax by 2%, which was supported by the Police and Crime Panel. This decision not only increased the income available in 2013-14; it protected the funding base for future years and it will allow police officer numbers to be maintained above 3,000.

Where the money was spent

Chart 2 shows that 93.4% of the expenditure of the PCC goes towards operational policing. This part of the budget is managed by the Chief Constable and chart 3 (next page) shows how the Chief Constable spent this money across policing activities. A full definition of the expenditure headings is provided in the Statement of Accounts 2013-14 on page 29.

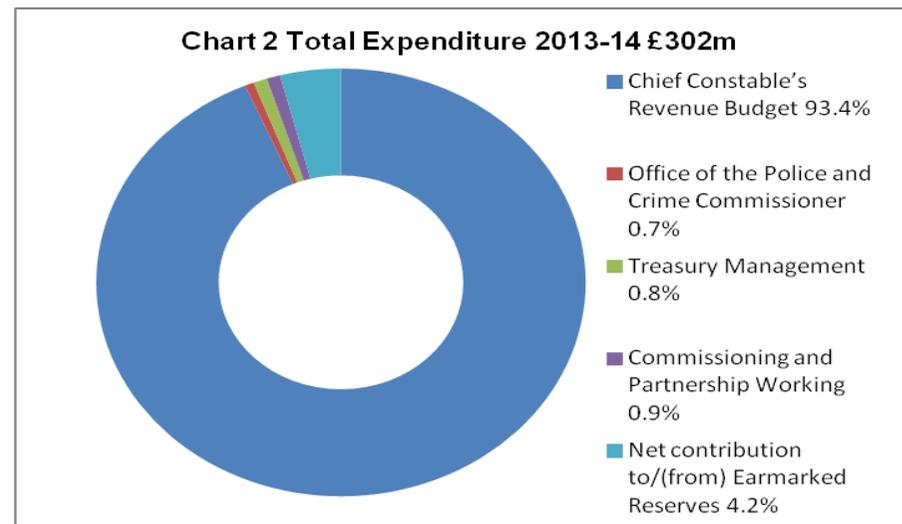
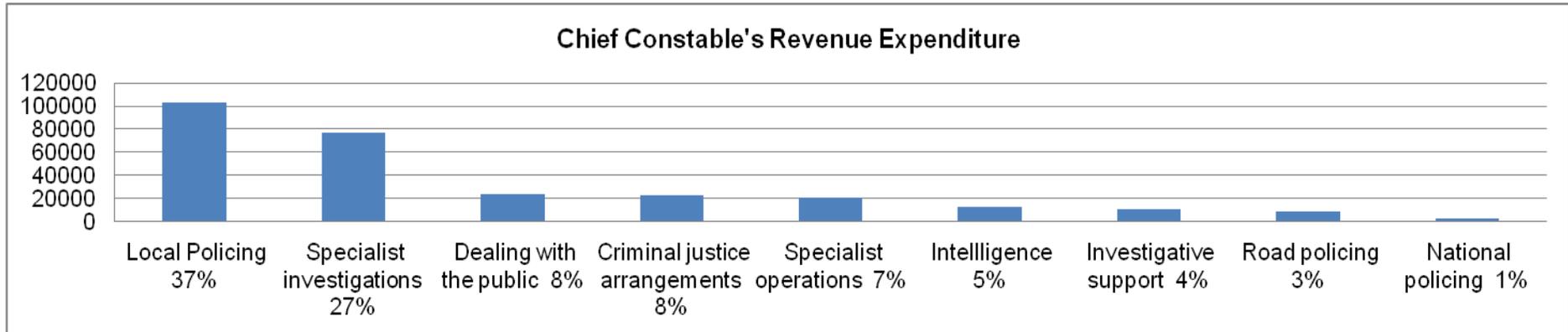


Chart 3



Actual Expenditure Compared Budget for the Year

In order to set the Council Tax and provide a basis for planning expenditure, the PCC sets a budget in April of each financial year. This budget is regularly monitored to ensure that spending is on target. At the end of the year, any underspend is placed in reserves to support one off expenditure in future years or to provide against future financial risks.

Table 1 below shows that £7.8m more than budgeted was contributed to reserves in 2013-2014. It was possible to do this because revenue spending was £5.9m less than forecast and revenue income was £1.9m more than forecast. The main reasons for the variations in expenditure and income are:

- Investment in the Force change programme which was to be funded from reserves was delayed

- Police officers choose to retire earlier than expected leaving a time gap between officers retiring and new recruits joining the organisation.
- Significant savings were made on overheads including in particular ICT, premises and vehicles

Income was higher than forecast in 2013-2014 due to additional income received from the provision of mutual aid to other Forces.

The additional contributions to reserves can be analysed as follows:

- an additional contribution of £3.1m was made to the revenue smoothing fund. This fund is used to smooth the impact of future reductions in central government funding and allow time to achieve the required savings through service transformation
- £0.9m was contributed to the capital financing fund to support future capital expenditure

- Contributions arising from timing differences – in particular delays in spending on specific projects were £3.8m.

Because all of the under-spend in 2013-2014 has been matched by making additional contributions to reserves, there is no movement on the PCC's General Fund. This is different

from the deficit recorded on the Comprehensive Income and Expenditure Statement on page 20 of the PCC's Statement of Accounts. The reason for this is that the financial statements include items such as depreciation and pension charges that should be excluded when considering the annual budget and the amount to be charged against Council Tax. A full copy of the accounts can be accessed from the OPCC website.

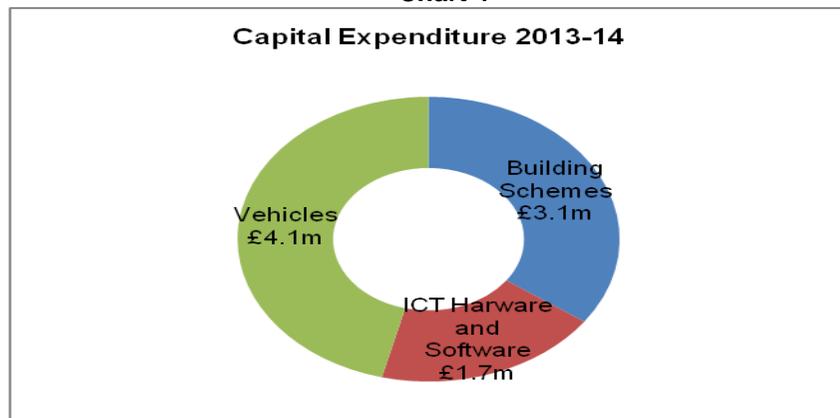
Table 1 Comparison of Actual Expenditure and Income 2013/14 to Annual Budget

	Budgeted Expenditure and Income		Actual Expenditure and Income		Variation	
	£000		£000		£000	
Chief Constable's Revenue Budget	289,229		282,863		(6,366)	
Office of the Police and Crime Commissioner	1,633		1,949		316	
Treasury Management	2,734		2,724		(10)	
Commissioning and Partnership Working	2,624		2,756		132	
Net Contribution to/from Earmarked Reserves	4251		12,088		7,837	
Gross Spending	300,471		302,380		1,909	
Specific grant and other income	(11,939)		(13,848)		(1,909)	
Net Spending	288,532		288,532		0	
Government Formula Grant	198,439		198,439		0	
Council Tax	90,093		90,093		0	
	288,532		288,532		0	

Capital Expenditure 2013-14

Investment expenditure which includes work to existing and new buildings was £8.9m in 2013-2014. This spend is analysed in chart 4 below.

Chart 4



Implications of the Revenue and Capital Outturn for Future Years

As noted above, an additional £3.1m was added to the revenue smoothing fund at the end of 2013-14. This contribution (which supplemented a budgeted contribution of £5.5m) was anticipated when the 2014-15 Medium Term Financial Strategy was approved in February 2014. It assists the PCC in balancing the budget over the four year period 2014-15 to 2017--18 and maintaining police officer numbers above 3,000 over this period.

Staffing Resources

Staff numbers at the beginning and end of the period were:

Table 2 Staff Numbers

	As at 31 March 2013	As at 31 March 2014
Police Officers	3,204	3,086
Police Community Support Officers (PCSOs)	359	384
Police Staff - Chief Constable	1,696	1,685
Police Staff – Office of the PCC	12	20

Main Asset and Liabilities

Assets - The PCC owns approximately 100 buildings across Devon, Cornwall and the Isles of Scilly with a net book value of £127m. A rationalisation programme is underway aimed at reducing the cost of the estate whilst maintaining a presence across the peninsula. This programme includes the disposal of a portion of the HQ site at Middlemoor. The remaining fixed assets include vehicles and ICT equipment with a total value of £20m. In addition the PCC has cash and investments of £61m.

Pensions Liabilities – The PCC’s main liabilities relate to the obligation to pay pensions to current and former staff, they total over £2.3 billion of which £0.1 billion relates to the police staff scheme and £2.2 billion relates to the police officer schemes. The value of this obligation is calculated by independent actuaries and can be fairly volatile. The pension scheme for police staff is funded and the PCC is committed to achieving a funding level of 100% and hence eliminating the net liability over the next 20 years. The police officer scheme

is unfunded and under current regulations the Home Office is committed to providing funding to cover the annual gap between the cost of pensions and the cost of employer and employee pension contributions. In addition the Government has made changes to the scheme aimed at reducing the impact on the public purse. More information on pension liabilities is provided in the PCC's Statement of Accounts on page 44.

Other Liabilities – The PCC is able to borrow funds to finance capital spending and at 31 March 2014 this totalled £33.3m including an estimate for interest payable.

Summary Balance Sheet

A summary balance sheet, which excludes the pensions liabilities described above and unusable reserves which are held for accounting purposes only, is provided in table 3.

Table 3 Summary Balance Sheet at 31 March 2014

	£m	£m
Long Term Assets		
Property Plant and Equipment	147	
Long term investments	2	
Other long term assets	2	
		151
Current Assets		
Short Term Investments and Cash and Cash equivalents	59	
Other current assets	22	
		81
Current Liabilities		

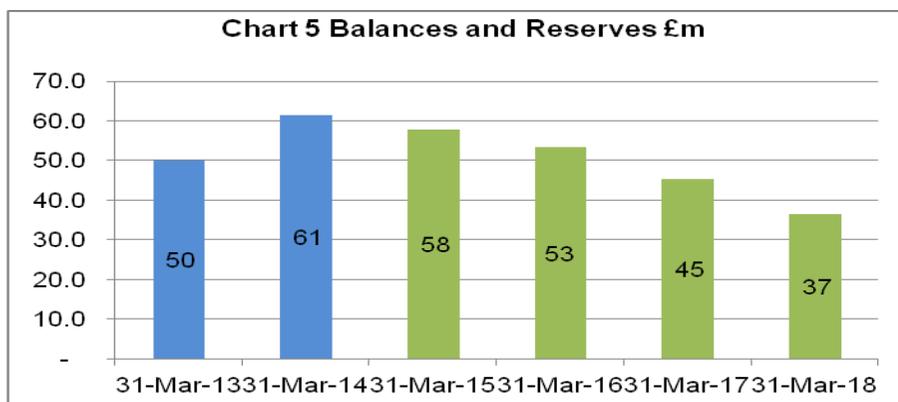
Short term borrowing	(3)	
Other current liabilities	(28)	
		(31)
Long Term Liabilities		
Long term borrowing	(31)	
Other long term liabilities	(3)	
		(34)
Net assets excluding pensions liabilities		167

Revenue Reserves		
General Reserves	6	
Earmarked Reserves	55	
Total Revenue Reserves		61
Usable Capital Reserves		5

Further information is available on page 21 of the Statement of Accounts

Reserves and Balances

Reserves and balance have increased by £9m in 2013-14 from 57m to £66m. This is mainly due to a £8.6m contribution to the revenue smoothing fund. This fund is used to smooth the impact of future funding reductions and help maintain officer numbers and hence service provision over the next four years. Chart 5 shows actual reserves (blue) and forecast reserves (green); the latter are planned to reduce over the next four years in order to maintain police officer numbers at above 3,000.



Our Financial Risks: Current and Future

Current Risks

The major risks for the current financial year relate to service delivery within the current funding envelope; they are:

- achieving the changes in service delivery required to improve the efficiency of the Force within the funding envelope of Programme and Projects
- the Chief Constable is not able to meet the Police and Crime Plan targets within the resources available
- the cost of workforce modernisation exceeds the funds available in the budget and earmarked reserves;

The PCC hold reserves and balances to help mitigate these risks.

Future Risks

In order to set a four year Medium Term Financial Strategy (MTFS) the PCC has to make estimates of future central

government funding. These are made using the best information available. Central government has not released detailed information about its spending plan beyond 31 March 2016. The most significant future risk is that government funding is less than the forecast contained within the MTFS. Additional risks include:

- central government controls mean that the 2% increase in council tax included in the medium term financial strategy for 2015-16 and future years is not achievable;
- inflation exceeds the estimate built into the budget;
- other variations in pay costs and/or liabilities, in particular employment related claims

Our Financial Outlook for the Future

As outlined above, the PCC faces considerable funding uncertainty. He has sought to mitigate this by the use of reserves. Based on current estimates of funding over this period, this will allow police officer numbers to be maintained.

Based on the current information available, the PCC has an underlying budget gap of approximately £14m in 2018-19. This occurs because the current strategy relies on the use of reserves to fill the gap between expenditure and income in 2016-17 and 2017-18 and the reserves are not unlimited.

To address this issue the PCC is developing a financial roadmap with the objective of identifying efficiency savings that close the funding gap whilst maintaining service delivery.

OPCC Governance and Accountability

A considerable amount of time was invested in the first year of the PCC's term of office to establish the governance mechanisms and procedural arrangements for the OPCC. The handover of police governance and accountability from the Police Authority to the PCC brought about by the Police Reform and Social Responsibility Act 2011 provided newly elected PCCs with much discretion to how they organise the governance arrangements necessary for such an organisation.

The Police Reform and Social Responsibility Act 2011 created two statutory entities known as corporations sole. There is a separate corporation sole for the PCC and one for the Chief Constable. Significant work was required to establish the arrangements surrounding these two corporations sole in 2013-2014.

For the introduction of PCCs in 2013 it was necessary to prepare a scheme of governance to set out the details of the respective responsibility for functions of the PCC and the Chief Constable. This required the establishment of rules of procedure under which the two corporations sole would operate and the policies which would apply to them. The scheme of governance also included details of the financial regulations, scheme of delegation and allowances scheme. However the Home Office required that a secondary transfer take place by April 2014. This involved a review of functions by the PCC and CC and agreement to be reached on the police staff who would remain in the employment of the PCC, those who will be employed directly by the Chief Constable and under whose direction and control they operate.

Under these new arrangements

- **The PCC** has responsibility for holding the Chief Constable to account for the exercise of the Chief Constable's functions and those given through consent and the exercise of functions of persons under the direction and control of the Chief Constable.
- **The Chief Constable** has direction and control over officers and directly employs police staff of the Constabulary.

The overarching Governance Framework is then supported by Internal Control Frameworks for both the OPCC and the Force.

The establishment of new governance groups and bodies that recognised the separation of functions between the PCC and the Chief Constable has now been fully completed and are described in more detail at the end of this section and on the OPCC website.

Significant internal work took place within the OPCC during its first full year in operation to ensure that the required resources, policies and processes were in place to ensure effective support to the PCC. This included a comprehensive review of staffing requirements, the creation of core office policies on information management, HR and financial matters and the establishment of arrangements for joint management of risk by the PCC and the Chief Constable. The PCC also appointed a new Chief Executive Officer.

Good Governance Principles

The PCC has adopted the following principles of good governance

- Focusing on the purpose of the organisation and on outcomes for the community including citizens and service users and creating and implementing a vision for the local area.
- Elected representatives and officers working together to achieve a common purpose with clearly defined functions and roles.
- Promoting the values of the PCC and demonstrating the values of good governance through behaviour.
- Taking informed and transparent decisions which are subject to effective scrutiny and managing risk.
- Developing the capacity and capability of members to be effective and ensuring that officers – including statutory officers - also have the capability and capacity to deliver effectively.
- Engaging with local people and other stakeholders to ensure robust local public accountability.

The Police and Crime Panel (PCP)

The Police and Crime Panel is the statutory scrutiny body for the PCC. The Police and Crime Panel is required to undertake a number of specific functions such as reviewing the PCC's proposed council tax precept and draft Police and Crime Plan. The Panel also has a general responsibility to review and scrutinise the decisions made and actions of the PCC.

The Police and Crime Panel comprises Local Authority councillors from across Devon, Cornwall and the Isles of Scilly plus two independent members. The Police and Crime Panel is a joint committee of the local authorities in Devon, Cornwall and the Isles of Scilly and is managed by Plymouth City Council, [view](#) website.

The Joint Management Board (JMB)

The purpose of the JMB is to act as a co-ordinating and advisory forum for the PCC and the Chief Constable as two separate corporations sole to consult on the most significant strategic issues that jointly affect them with a view to determining the strategic direction of the Force. The JMB meets monthly and provides an advisory forum in which the PCC and Chief Constable can take advice from statutory officers. It does not replace the need for the Police and Crime Commissioner and Chief Constable to hold separate strategic meetings.

Membership of the JMB comprises:

OPCC: PCC, Senior Advisor, Chief Executive Officer and OPCC Treasurer

Force: Chief Constable, Deputy Chief Constable, Director of Finance and Resources, Director of Legal Services, Director of People and Leadership and Assistant Chief Constables.

Performance and Accountability Board (PAB)

The PAB, which takes place monthly, provides a mechanism for the PCC to fulfil his statutory obligation for holding the Chief Constable to account for delivering an effective and efficient police service.

Membership of the PAB comprises

OPCC: PCC, Senior Advisor, Chief Executive Officer and OPCC Treasurer **Force:** Chief Constable, Deputy Chief Constable, Director of Finance and Resources, Director of Legal Services, Director of People and Leadership and Assistant Chief Constables.

The Joint Audit Committee (JAC)

The Joint Audit Committee provides comments, advice and assurance to the PCC and Chief Constable on matters relating to the internal control environment of the OPCC and the Force. It has oversight of general governance matters and will provide comments on any new or proposed PCC policies and strategies or changes to policies and strategies. The Committee has 5 members, independent of both Devon and Cornwall Constabulary and the Office of the Police and Crime Commissioner.

Appointments and Remuneration Committee (ARC)

The Appointments and Remuneration Committee considers and advises the PCC and the Chief Constable on remuneration policies and practices for both the OPCC and with regard to senior posts within the Force. Members are appointed by the PCC and Chief Constable. The Committee comprises of three members who are

independently recruited and free from any business or other relationships which could interfere with the exercise of their independent judgement.

PCC Commissioning Scrutiny Board

The PCC Commissioning Scrutiny Board advises the PCC that the resources available for commissioning are achieving best outcomes as measured against the Police and Crime Plan. It will govern the use of those resources to ensure value for money is achieved where they are deployed and the reporting mechanisms that will be used to measure success. It also provides a Commissioning Intention Strategy annually.

Members of the Board are appointed by the PCC. The Board comprises two independently recruited members, representatives of the OPCC and Force and representatives of the community and voluntary sector.

The OPCC is also represented on a number of Devon and Cornwall Police project boards such as the Change Programme Board and Grading and Pay Steering Group.

Police and Crime Plan

The PCC is required to publish a Police and Crime Plan and keep this under review during his term of office. The Police and Crime Plan expresses the PCC's police and crime objectives, and policing that will be provided along with the financial and other resources which the PCC will provide to the Chief Constable and others to exercise these objectives. The Police and Crime Plan for Devon, Cornwall and the Isles of Scilly 2014-2017 can be found [here](#).



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