PCC Community Safety Fund Review:
Consultation on Alternative Funding Models

1.0 Background

In the first year of the first term of all Police and Crime Commissioners (PCCs), the Home Office brought to a close a number of funding streams that had previously been administered centrally and introduced a single (initially ring-fenced) Community Safety Fund (CSF) that PCCs would receive and administer locally.

In-keeping with his (first) manifesto commitment, the PCC for Thames Valley has maintained a CSF budget and grant aided local authorities (with a under grant agreement and reporting conditions) to enable them to deliver local community safety initiatives which accord with the PCC’s Police and Crime Plan.

The legacy formulae applied previously by the Home Office to distribute the various funding streams to local authorities, however, were no longer considered fit for purpose. In 2013, therefore, the PCC consulted with local authorities across the Thames Valley and developed a new needs-based formula based on population size, crime data and estimates of problematic drug misuse. The intention was for the new formula to be updated annually (data permitting) and applied incrementally over the following 3 years, commencing in 2014/15. However, in 2015/16 the PCC applied discretion to ensure all authorities received the same cash allocation as in 2014/15 (less a small top-slice for case management software licenses used to support Thames Valley Local Authority Multi-Agency Risk Assessment Conferences), and in 2016/17 local authorities received a uniform 1% reduction in their CSF grant allocation.

Within the 2016-17 letter to local authorities, the PCC indicated his intention to review the CSF funding arrangements post-May 2016, if re-elected, with any new arrangement coming into effect from April 2017.

2.0 CSF Review Process

The review involves the following stages and timescales:-

- May to end-June 2016 - Initial review of other PCCs approaches to funding community safety initiatives.
- May to end-June 2016 - Identification of alternative options and initial cost-benefits of each one.
- July 2016 – Written consultation with TVP, local authority partners (including Chief Executives, YOT managers, CSP Managers, Public Health Drug and Alcohol Commissioners, Police and Crime Panel Members).
- End-Aug 2016 - Report to PCC on findings from review for decision.
End-Sept 2016 – Local Authorities advised of outcome. The PCC will be unable to provide final 2017/18 funding allocation amounts, but will advise local authorities of any change to the existing allocation method and a predicted impact on the funds they might receive, to aid local service and financial planning.

3.0 Alternative CSF Funding Models

Below are a number of proposed options for the allocation of funding. These options need not be mutually exclusive and could be combined or merged to provide further options. Respondents to this consultation are requested, in the first instance, to comment on the models proposed below. An opportunity to recommend consideration of further alternative models is provided at the end of the consultation questions.

3.1 The ‘Status Quo’ Model – using a formula-based distribution of funding to local authorities. (NOTE: although this is the stated current model, the PCC has not yet fully implemented the intended funding formulae incorporated within this model).

It is recommended that if this model is the preferred option:

(a) the PCC implements the agreed formula (or an improved version of it),
(b) the PCC’s Police and Crime Plan priorities drive funding, and
(c) there is tighter enforcement of grant conditions (e.g. instalments are withheld if a local authority fails to return financial and performance reports).

Strengths

- Aids effective working relationship between PCC and local authorities
- Recognises variation in local need (as assessed by the funding formulae)
- Strong link between PCC and local authority priorities means expenditure supports delivery of both the PCC’s Police & Crime Plan and local authority service plans
- A wide range of projects are funded, which would be unmanageable in commissioning terms via the OPCC without additional investment in OPCC staffing capacity.

Weaknesses

- Current wide variation in local authority grant allocations (£ per head of population), which will take many years to rectify due to current formula damping arrangements
- Two data elements of the current formula (worth 40% of total weighting) are now 3 years old with no immediate prospect of data being updated
- PCC has no direct control, and limited visibility, over how his £3m budget is being utilised
• The model does not encourage local authorities to work collaboratively to deliver more cost effective services or support Thames Valley-wide commissioning of universal functions or activities.
• No local (PCC) funding to support key Police and Crime Plan priorities (e.g. prevention) or discretion to react to events during the year
To date, funding has followed legacy funding streams (i.e. YOT, DAAT and CSP projects) and has generally not been used to support other local authority projects with, potentially, more overlap with the Police and Crime Plan (e.g. safeguarding, ‘Troubled Families’ schemes, Domestic Violence services).

3.2 ‘Approval’ Model – formula-based distribution to local authorities based on prior PCC approval of planned spend and compliance with a tighter reporting structure.

Strengths
• Improved negotiating power of PCC, to ensure his Police and Crime Plan priorities are supported
• Reduction in duplication as PCC can agree, veto, or request joint working
• Better forward view for PCC of local priorities and initiatives, with improved potential for longer term commitment/approval of key projects by PCC
• Tighter reporting requirements will ensure greater accountability
• Option for different criteria/processes to be applied to different partnerships

Weaknesses
• Increased bureaucracy for OPCC and LA staff.
• Lack of local knowledge may result in OPCC approval process becoming a ‘box-ticking’ exercise
• Many LA initiatives already in place and rely on ongoing PCC funding
• No local (PCC) funding to support key Police and Crime Plan priorities (e.g. prevention) or discretion to react to events during the year
• Does not support TVP-wide commissioning of key functions or activities

3.3 ‘Top Slice’ Model – A proportion of CSF funds (e.g. 60%) continue to be distributed on a formula basis to local authorities. The top-sliced portion could be awarded in various ways, including:

(a) competitive bidding process based on Police and Crime Plan themes
(b) match-funded projects
(c) pan-Thames Valley initiatives.

Strengths
• PCC in better position to react to emerging priorities (e.g. crime prevention, public perception, etc)
• Could link to, or supplement commissioning of, victims services
• Opportunity to commission Thames Valley-wide service(s)
• Leverage to co-commission with other bodies (TVP, Local Authorities, CCGs, etc)
• Opportunity to invest in innovative projects
• Opportunity for PCC to work with VCSE sector directly

Weaknesses
• Reduction in existing local service delivery
• Re-investment in local areas through PCC-funded projects may not be equitable.
• Projects funded by PCC may not accord with local priorities
• Increase in ad hoc ‘sales pitches’ to PCC by organisations seeking funding
• Large resource requirement on OPCC to administer a relatively small pot of funding (in addition to requirement to improve management and monitoring of the on-going local authority allocations).
• Local authorities may manage any reduction in funding by disinvesting altogether in partnerships/projects that are a priority to the PCC.

3.4 ‘Leverage’ Model – to encourage LAs to coordinate commissioning of key universal services across Thames Valley (e.g. Domestic Abuse Services). Funding continuation is based upon setting up and working towards a ‘coordinated commissioning’, or co-commissioning, action plan over a 3-year period.

Strengths
• More cost effective service with better value for money
• Improved and more holistic commissioning of certain priority services
• Lead commissioner model could be applied making best use of local expertise
• Flexibility for LAs to use existing DA pots of money and still acquire CSF contribution to allocate to other needs, or to use CSF contribution.
• Reduce ‘postcode lottery’ perception for clients
• A county-based approach could be adopted
• Better integration with PCC commissioning of victim services

Weaknesses
• LAs may not agree on area of work to coordinate or approach taken and ‘opt out’, leading to loss of funding in those areas
• The chosen service may not be as universal or equally prioritised across Thames Valley (again leading to some areas to opt out).
• Loss of local feel of services
• Resource intensive for OPCC (particularly if no alternative lead commissioner)
• Resource intensive for LA lead commissioner

3.5 ‘County’ model – where CSF allocations are made on a county basis and require county-level joint planning, commissioning, service delivery between existing district or current/(proposed) unitary CSPs.

Strengths
• Greater oversight and involvement of PCC in local spend
• Reduced duplication
• Reduced fragmentation of funding
• Services could be co-commissioned with, or by, the OPCC
• Process could be delivered via Community Foundations to attract additional investment

Weaknesses
• Demand on OPCC resources to oversee service spending and outcomes
• Level of difficulty of developing model in Berkshire compared to county areas

3.6 ‘Bidding’ Model – all of the CSF fund distributed using a competitive bidding process involving one or two bidding ‘rounds’ per year.

Strengths
• Open to both statutory and voluntary sector
• Could encourage better joint working between LAs or between statutory and voluntary sector (joint bids)
• First stage ‘expressions of interest’ could reduce bureaucracy and identify possible joint working opportunities
• PCC could establish an independent panel to help consider bids and agree grant allocations
• Process could be administered via Community Foundations to attract further investment

Weaknesses
• By its nature, competitive bidding attracts a wide range of projects which may not be needs-led or strongly evidence-based
• Annual competition cycle reduces ability of PCC or recipients of funding to forward-plan, but could agree to multi-year funding in specific circumstances
• Raises expectations of continued funding which may not be realised (leading to regular investment, setting up, then disinvestment of new initiatives), unless subject to multi-year funding.
• OPCC resource implications to run process and ‘contract manage’ a large number of grants
• PCC runs risk of inadvertently funding projects that fail to fit local priorities or have limited evidence or quality assurance
• PCC could receive adverse criticism for projects that are not funded
• Open to bids from national bodies, thereby seen not to support local organisations