

Decision ID:

PCCDJ

000673

2022

Decision title

Cost of living increase for Commissioned Contracted Services

Executive summary

The United Kingdom (UK) is currently experiencing a cost of living crisis caused in part by a rise in inflation in the UK, as well as the impact of foreign issues such as the Russian invasion of Ukraine. A rapid increase in energy costs has been a key driver of the recent increases in inflation. From October 2021 to October 2022 domestic gas prices increased by 129% and domestic electricity prices by 66%. Both household and business energy bills have increased considerably and continue to rise.

A number of the providers of services commissioned by the Police and Crime Commissioner (some of which are in partnership with the Local Authorities) have advised that they are struggling with the cost of living increases. There has been an increased cost of delivering the contracted services due to rising energy costs, fuel price increases, accommodation costs and an increase in costs of consumables due to inflation and disruption to supply chains. This is particularly significant to the Domestic Abuse sector who provide refuge services.

Additional funding was provided by the Ministry of Justice for the 2022/23 financial year. It is therefore recommended that a one off payment is made via a grant to the contracted providers in place to help towards the cost of living increases.

Recommendation(s)

That the Police and Crime Commissioner contributes an additional £203,000 to contracted providers to contribute towards the increase in costs due to the cost of living crisis. The funding will be proportionally shared between the contracted organisations based on their current funding levels and will be provided through a one off grant payment.

Statement on publication

This Decision Record and supporting Decision Request documentation is suitable for publication.

Decision ID:

PCCDJ

000673

2022

Police and Crime Commissioner approval

I hereby **approve** the recommendation above.

Signature:



Name:

Donna Jones

Police and Crime Commissioner for Hampshire

Date:

13-Dec-22

Decision ID:

PCCDJ

000673

2022

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Cost of living increase for Commissioned Contracted Services

Requester details:

Requester: Caroline Sargeant

Role title: Commissioning Business Manager

1 Strategic context

The United Kingdom (UK) is currently experiencing a cost of living crisis caused in part by a rise in inflation in the UK, as well as the impact of foreign issues such as the Russian invasion of Ukraine. A rapid increase in energy costs has been a key driver of the recent increases in inflation. From October 2021 to October 2022 domestic gas prices increased by 129% and domestic electricity prices by 66%. Both household and business energy bills have increased considerably and continue to rise.

A number of service providers have approached the Police and Crime Commissioner's Office to advise that they are struggling with the cost of living increases. There has been an increased cost of delivering the contracted services due to rising energy costs, increased fuel prices, accommodation costs and an increase in costs of consumables due to inflation and disruption to supply chains. Some providers are also reporting increased staffing costs as it has been a necessity to award pay increases to support staff to manage rising energy and fuel costs.

A large number of the organisations that are commissioned by the Office of the Police and Crime Commissioner (OPCC) are charitable organisations. The cost of living crisis is greatly impacting this sector, particularly Domestic Abuse Services who provide emergency refuge to victims at high risk of abuse. Not only are they facing increased costs across the board but many are also seeing the charitable donations they usually receive reducing. Recent research by Britain Thinks shows that just under a quarter of the public say they have already cancelled or reduced their charitable donations to help deal with the cost of living crisis, with a further 39% saying they will either definitely do this, or

Decision ID:

PCCDJ

000673

2022

might do this. Added to this many charitable organisations were forced to rely on their reserves over the last two years due to the Covid pandemic and have very little funding to fall back on.

Some of the contracts commissioned by the OPCC have been in place for a few years and the allocation of funding has not increased on a yearly basis to meet inflation costs. This has made it more difficult for charitable organisations to recruit and retain staff in a sector already struggling to compete with private sector salaries and the statutory sector including Social Care, Police and Education. Additional funding was provided by the Ministry of Justice for the 2022/23 financial year and it is proposed that this is passed on to the contracted providers in place.

It is therefore recommended that the Commissioner provides additional one-off grant funding to the following commissioned providers of contracted services to help them with the cost of living crisis:

- Victim Support for the Victim Care Service
- Restorative Solutions for the Restorative Justice Service
- Society of St. James for the Hampshire and Portsmouth IOM Provision
- Stop Domestic Abuse for the provision of Domestic Abuse support across Hampshire, Portsmouth and Southampton
- Yellow Door for provision of the Independent Sexual Violence Advisors across Hampshire, Portsmouth and Southampton
- The You Trust and the Hampton Trust for the provision of Domestic and Sexual Abuse support for the Isle of Wight
- The Hampton Trust for the provision of the Domestic Abuse Perpetrator Service across Hampshire and Southampton as well as the provision of Out of Court Interventions for intimate and non-intimate domestic abuse and the Conditional Out of Court intervention for women who offend
- No Limits for the provision of the Frankie Worker Service across Hampshire and Portsmouth
- Barnardos for the provision of the Frankie Worker Service for the Isle of Wight
- The Appropriate Adult Service for the provision of the Appropriate Adult Service

Decision ID:

PCCDJ	000673	2022
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- Treetops for the Sexual Abuse Referral Centre (SARC)

2 Options appraisal

There is no statutory requirement to provide further one-off funding to support contracted services through the cost of living crisis. However, if the Police and Crime Commissioner was to do nothing then the organisations delivering the services could struggle to retain or recruit staff to the roles needed to deliver the service. Organisations may also not be able to pay their increasing energy bills and as a result be able to deliver a service. Even with this additional support, commissioners and services providers may face difficult decisions in the future about what elements of the service must be prioritised over others.

3 Timescales

If approved the funding would be offered to the contracted services listed above immediately and provided within a month.

4 Financial and resourcing implications

Funding of £203,000 will be offered to the commissioned contracted organisations. The funding will be from the main Commissioning budget underspend for 2022/23.

Total cost	£203,000
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Timeframe funding required for	December 2022 to March 2023
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Table 1 - Funding allocation in each financial year

	2022-23	2023-24	2024-25
Capital	£0	£0	£0
Revenue	£203,000	£0	£0

Decision ID:

PCCDJ

000673

2022

Table 2 - Funding source - Capital and Revenue

	Capital (insert 'Yes' if applicable)	Revenue (insert 'Yes' if applicable)
Transformation reserve		
Commissioner's reserve		
Commissioning budget		Yes
Approved capital programme		
General fund		
Other <i>(please provide details)</i>		

5 Communications and engagement implications

This decision request may be suitable for distribution as it would promote the Police and Crime Commissioner's priorities as set out in her Police and Crime Plan 'More Police Safer Streets' to improve outcomes and strengthen support for victims of crime and a reduction in crime. It also evidences the Police and Crime Commissioner's commitment to the commissioned services that she funds ensuring organisations can continue to deliver their services at a difficult time.

6 Legal implications

Under S.143 of the Anti-social Behaviour, Crime and Policing Act 2014, the Police and Crime Commissioner may provide or arrange for the provision of services to secure or contribute to securing crime and disorder reduction, or which help victims or witnesses of, or other persons affected by, offences and antisocial behaviour.

All of the services that are being funded through this additional funding provision have been through an open and transparent procurement process. The funding to be allocated will be an additional 6.6% on this financial year's allocation and will be offered via a one off grant.

7 Risks and mitigation

If this decision request is not approved, there is a possibility that some of

Decision ID:

PCCDJ

000673

2022

our contracted services would not be able to deliver support to victims of crime or work with perpetrators to reduce offending at the level that they were contracted to and would need to scale back their provision.

The Police and Crime Commissioner could be challenged by other funded providers, however all the other funding provided was commissioned this year and organisations have had the opportunity to increase the amount that they requested from the Police and Crime Commissioner. Therefore the additional funding is only being made available to the contracted services.

8 Strategic policing requirement

Although it is unlikely that this decision will have direct implications on current national strategic policing requirements, a number of our contracted services work in partnership with Hampshire and Isle of Wight Constabulary and refer into the services.

9 Equalities

The funding will be given to organisations and services that have been through a robust procurement process that has ensured the advancement of equality of opportunity for everyone is promoted in all tender documentation related to the contract, including the Service Specification.

This funding will go to services that support vulnerable people, many of whom have protected characteristics. All services are required to contribute towards the elimination of unlawful discrimination, harassment and victimisation; the advancement of equality of opportunity between persons who share a relevant protected characteristic and persons who do not share it and the fostering of good relations between persons who share a relevant protected characteristic and persons who do not share it.

10 Data Protection implications

The Police and Crime Commissioner's Office will not hold personal data of the people who access the services provided by this funding. Contracted

Decision ID:

PCCDJ	000673	2022
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providers are required to adhere to data protection legislation as part of their contracts.

11 Publication status

This report is suitable to be published.

12 Personnel consulted

The following personnel were consulted on the Decision Request.

Table 3 - Personnel consulted

Role	Organisation	Confirmation of consultation (insert 'Yes' if applicable)
Deputy Police and Crime Commissioner	OPCC	Yes
Chief Executive	OPCC	Yes
Chief Finance Officer	OPCC (HCC)	Yes
OPCC/Hampshire Constabulary liaison	OPCC/HC	Yes
Head of Criminal Justice, Commissioning & Partnerships	OPCC	Yes
Head of Business	OPCC	Yes
Head of Estate	OPCC	Yes
Accountant	OPCC (HCC)	Yes
Deputy Monitoring Officer	OPCC (HCC)	Yes
Head of Strategic Procurement	HCC	Yes
Commissioning and Grants Business Manager	OPCC	Yes
Data Protection Officer	OPCC	Yes
<i>[others as appropriate]</i>		Yes

OPCC - Office of the Police and Crime Commissioner

HCC - Hampshire County Council

HC - Hampshire Constabulary

Decision ID:

PCCDJ

000673

2022

13 Appendices

None

14 Background papers

None