

Meeting	Police and Crime Panel
Date	6 February 2020
Report Title	Proposed Precept for 2020-21
Report presented by	Angus Macpherson, Police and Crime Commissioner
Author	Clive Barker, Chief Finance Officer

## **PURPOSE OF REPORT**

1. This paper notifies the Panel of the precept I am proposing for 2020-21.

## **INTRODUCTION AND BACKGROUND INFORMATION**

2. In January 2020 I presented to the Panel a paper which identified my initial thinking on the 2020-21 budget. This paper identified the difficulty in planning without a central grant settlement or capping rules on the precept.
3. On the 22 January I received this guidance. The headlines from the settlement for Wiltshire Police are:
  - Central Grant increased by 7.5%
  - Capital Grant reduced by £0.298m to £0.109m from £0.407m
  - Police Officer Uplift Pay to be funded by specific grant (£1.384m) dependent on delivery
  - Uplift Infrastructure for the 20,000 officers to be funded from Central Grant increase
  - Precept flexibility limited to £10 per Band D property

## **CENTRAL GRANT**

4. The settlement sees Wiltshire Police's Grant rise to £62.941m. The increase must fund annual pay/price increases. It must also fund the additional revenue contribution to capital required to pay for the £0.298m reduction in grant and the local infrastructure (people, uniform, ICT, vehicles, etc.) needed to deliver the national uplift of officers.
5. Whilst we have been notified that we will get 49 of the first 6,000 officers there is no guarantee that we will get the same proportion for the remaining 14,000. It however seems clear that the grant increase this year is expected to be used to fund the infrastructure for the whole of the programme. The Chief Constable has identified infrastructure costs of £0.744m. £0.582m is for 6 officers and 8 staff. Out of the 14 new posts 8 are in Learning and Development, with the remainder focused on recruitment.
6. There remain concerns about future funding, there was no mention of a long term settlement or future specific Uplift grants. Whilst noting these issues, overall the settlement has been positive.

## **THE PRECEPT**

7. My initial paper identified that I was considering a £12 increase in precept. With a £10 capping limit this option is now only available to me via a referendum. I am not considering a referendum.
8. I am however considering the whole funding position. Wiltshire remains the 3<sup>rd</sup> lowest funded area with the lowest council tax in the South West. Based on this low funding position and assuming the Chief Constable will use any additional funding available to increase front line policing, I am minded to increase the precept by £10 for a Band D property to £216.27. This increase will help the long term funding of policing in Wiltshire.
9. I have considered the impact of restricting the increase to 2% (£4.33 per Band D property). This would reduce the funding available to me by £1.506m. This would not assist in the long term funding of Wiltshire Police as it would impact the base for which all future precepts would start from. I am campaigning for fairer funding for Wiltshire. To not increase the precept when the government has specifically given me the option to do this would be a missed opportunity. I have taken into consideration the feedback from the public consultation and I intend explaining to them the benefits that a £10 increase will deliver. I have however asked the Chief Constable to identify how he would deal with a reduced allocation of £1.506m, this is covered in paragraph 22.

## **THE FUNDING AVAILABLE**

10. The table below outlines the funding available to me based on a £10 increase in the Band D precept.

	2019-20	2020-21
Central Grant	£58.559m	£62.941m
Legacy Council Tax Grants	£5.235m	£5.235m
Total Central Funding	£63.794m	£68.176m
Precept Income	£53.743m	£57.055m
Council Tax Collection Fund Surplus	£0.550m	£0.257m
Total Funding Available	£118.087m	£125.488m

11. The Legacy Council Tax Grants includes the grant payable surrounding Council Tax Localisation and any previous freeze grants.
12. Wiltshire Council and Swindon Borough Council have reported a new council tax base of 263,814 this is a 1.25% increase on 2019-20. This with the £10 increase in precept and change in central funding will result in additional funding of £7.401m (6.3%).

## **FUNDING ALLOCATION**

13. I am expected to commission services from the funding available. In addition to the funding reported in the table in paragraph 10 I do receive investment income (estimated at £0.200m in both 2019-20 and 2020-21). Therefore my funding available to commission with is £125.688m in 2020-21. The table below identifies how I intend using these resources.

	2019-20	2020-21
OPCC Office and Direct Commissioning Costs	£3.052m	£3.236m
OPCC Capital Contribution	£0.818m	£1.781m
OPCC Chief Constable Allocation	£114.500m	£120.671m
	£118.287m	£125.688m

14. It was originally planned to increase the revenue contribution to capital by £0.665m. This was without the knowledge that the Capital Grant would be reduced by £0.298m. To deliver the Capital Strategy I therefore need to increase the contribution by £0.963m to £1.781m to cover the grant shortfall.

15. I am planning to split the remaining funds in line with last year's settlement. The Chief Constable will receive 97.4% of the funding (£120.671m).

**IMPACT ON THE CHIEF CONSTABLE'S BUDGET**

16. The Chief Constable has identified an initial budget requirement of £120.002m (this was disclosed in the MTFS). This would give him an additional £0.669m to invest (compared to the initial requirement) however he must fund the infrastructure required to deliver the Uplift officers and I still expect him to make efficiency savings.

17. If I am to increase the precept by £10 I have an expectation that he will increase front line posts in addition to the 49 specific grant funded Uplift officers.

18. The Chief Constable has produced the following plan which meets my requirements;

<b>MTFS Initial Requirement</b>	£120.002m
Uplift Infrastructure Requirement	£0.744m
Frontline Increase (16 posts)	£0.624m
<b>Efficiency Savings</b>	
Review of Crime Prevention (-2 posts)	-£0.115m
Review of Chief Officer Support (-3 posts)	-£0.100m
ICT Change (-1 post)	-£0.057m
Review of Current Budget (NI/Fuel)	-£0.150m
Ops Support Review (-1 post and rank change)	-£0.099m
SWPPD review of Niche (Lower cost contract)	-£0.073m
Reduce Pressures Allocation (Reduce budget)	-£0.100m
Other Savings (balancing figure)	-£0.005m
	£120.671m

19. The Chief Constable has advised me that an additional £0.624m could provide an additional 16 frontline posts to strengthen local policing in the county. This would enhance the pro-active capability of the Community Police Team (CPT) model. Working alongside CPT Response and Neighbourhood officers and staff, this resource will increase capability to target criminality that causes the greatest harm to our communities. This would include focusing on areas such as:

- Violent crime reduction, including knife crime
- Burglary and serious acquisitive crime
- Targeting county lines and organised crime
- Enhancing frontline cybercrime capability
- Protecting the most vulnerable in society

20. This would enhance ongoing work to strengthen the pro-active capability in CPT. This will ensure that the Force is best placed to respond to the changing face and complexity of modern criminality.

21. With a £10 increase the impact on staffing budget levels from the investment and savings is shown below;

	<b>Officers</b>	<b>Staff</b>	<b>PCSO</b>
Starting Position	975	962	131
Crime Prevention Realignment	+4	-4	
Crime Prevention Structure		-2	
Chief Officer Support	-1	-2	
Professional Stds Inspector	+1		
Public Protection Inspector	+1		
Ops Support Inspector	-1		
ANPR staff		+2	
FMS and People Support		+2	
ICT Insource		+33	
Front Line Increase	+16		
Uplift Infrastructure	+6	+8	
National Uplift Programme	+49		
<b>Total</b>	<b>1050</b>	<b>999</b>	<b>131</b>

22. If the precept was limited to a 2% increase, I would have to reduce my costs by circa £1.5m. The Chief Constable would no longer be able to invest in the 16 proactive CPT posts (£0.624m) and I would have to reduce the budgeted pay and price inflation (£0.332m), increasing risk. The remaining £0.500m of cost savings would have to come from police staff (due to the Uplift grant). Further savings in support functions, after significant year-on-year savings, presents a risk to the ability to deliver services and officer uplift. The Chief Constable would have to balance the reduction of operational police staff (Local Crime Investigators and Police Community Support Officers (PCSO's)) against the whole policing service.

## **RISK**

23. To deliver an increase of 75 police officers the Chief Constable will need to recruit and train 119 officers in 2020-21. In most years the comparable number is 70 to 80. The Force has robust plans in place to deliver the uplift, with increased capacity supported by the investment in infrastructure funding. However officer recruitment and training will be highly competitive as all police forces are also recruiting. Failure to attract officers could lead to me not being able to claim the full specific grant available.

24. Precept and budget increases will increase public expectations of an immediate, visible, policing impact. With fully independent and operational officers taking three years to deliver (due to training) this immediate impact will not be seen.

25. A concern exists surrounding the medium and long term funding of the Uplift Grant. Initial information suggests that the Force will receive £0.028m per officer. The average cost of an officer is £0.039m therefore a shortfall may exist if funding remains at this level in year 2.

26. Reserves exist to help manage risk. The review of reserves, as part of the MTFs, provides me assurance that overall these are adequate.

## **LEGAL**

27. I am required to receive advice from my Chief Financial Officer surrounding the budget and my reserves. The Chief Financial Officer is content that with a £10 increase my budget and the

Chief Constable's budget are sound and deliverable. The Chief Financial Officer has also confirmed to me that he believes my reserves are adequate to manage risk.

## **RECOMMENDATION**

28. After carrying out the necessary consultation I am minded to set a precept of £57.055m. This will require council tax to be set on all property bands based on £216.27 for a Band D property. This represents a £10 (4.8%) increase on the 2019-20 level.