

Agenda Item 6

Meeting	Police and Crime Panel
Date	2 February 2023
Report Title	Proposed Precept for 2023-24
Report presented by	Philip Wilkinson, 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 2023-24.

INTRODUCTION AND BACKGROUND INFORMATION

2. In January 2023 I presented to the Panel a paper which identified my initial thinking on the 2023-24 budget and my draft MTFs (Medium Term Financial Strategy). This paper identified that whilst central funding has increased by 1.8% (including Uplift Grant) significant pressures exist on producing a balanced budget with pay awards in excess of 5% requiring funding. This paper assumes the provisional settlement is confirmed without any changes.

CENTRAL GRANT

3. As detailed in the January paper the core grant for Wiltshire has only risen by £0.229m to £75.892m. This excludes Wiltshire's portion of the Uplift grant. This grant has risen from £1.112 to £2.265m. This grant will only be received if specific targets are met surrounding officer numbers (the conditions have yet to be announced).
4. It should be noted that the 4.3% cash increase for Wiltshire reported by the government includes the Uplift Grant and that the precept is increased by £15 for all Band D dwellings (the maximum available to all PCCs without referendum).

THE PRECEPT

5. Local funding is the sum of the precept plus collection funds. Collection funds hold any variances on precept collection in both collecting authorities (Wiltshire Council (WC) and Swindon Borough Council (SBC)). The collecting authorities must estimate the number of equivalent Band D properties, consider their local support scheme and the collection rate to arrive at a council tax base.
6. SBC are reporting a collection fund deficit of £0.002m. This is cancelled out by the surplus of £0.715m reported by WC leaving a net surplus of £0.713m. This is £0.171m more than forecast in the January report to the panel. It should be noted that surpluses at this level are not common and should not be expected in future years (the MTFs assumes a net £0.295m surplus in all future years).

7. The council tax base estimated by the councils is a consolidated increase of 1.6% leading to a total base of 270,917.
8. My initial paper identified that I was considering a £15 increase in precept. This is a 6.2% precept increase and would partially resolve issues arising from the limited grant settlement.
9. I am considering the whole funding position. Wiltshire remains the 3rd lowest total funded area per head of population. At £241.27 It has the lowest council tax in the South West (the 2022-23 regional average excluding Wiltshire is £260.85 for a Band D property). Based on this low funding position I am minded to increase the precept by £15 for a Band D property to £256.27.
10. This increase will assist in the long term funding of Wiltshire Police as it will impact the base for which all future precepts 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 £15 increase will deliver.

THE FUNDING AVAILABLE

11. The table below outlines the funding available with a £15 increase, this is a 5% increase.

	2022-23	2023-24
Central Grant	£70.428m	£70.657m
Legacy Council Tax Grants	£5.235m	£5.235m
Core Grant	£75.663m	£75.892m
Uplift Specific Grant	£1.112m	£2.265m
Total Central Funding	£76.775m	£78.157m
Precept Income	£64.359m	£69.428m
Council Tax Collection Fund	£0.295m	£0.713m
Total Funding Received	£141.429m	£148.298m
Investment Income	£0.079m	£0.500m
Total Funding Available	£141.508m	£148.798m

FUNDING ALLOCATION

12. I am expected to commission services from the funding available. The table below identifies how I intend using these resources.

	2022-23	2023-24
OPCC Office Costs	£3.443m	£3.647m
OPCC Commissioning Costs	£1.728m	£1.804m
OPCC Shared Services Costs	£32.224m	£34.825m
OPCC Capital Contribution	£2.857m	£2.912
OPCC Chief Constable Allocation	£101.256m	£105.610m
	£141.508m	£148.798m

13. The 2023-24 allocation will allow for Police Staff and Police Officer Pay increases of 5% in 2022 and a 3% increase in 2023. Energy increases have also been allowed at 100%. Whilst these allowances are significant there is a risk that they are not enough. To help mitigate the risk the additional £0.171m collection fund surplus has been set aside to help fund any deficit.
14. The Shared Services allocation includes extra staff in ICT to improve cyber security and Learning and Development post an external review.

CAPITAL

15. The Capital Financing Strategy is essential in helping me plan future investments in a viable manner. With depleting capital reserves and the removal of capital grants it is essential that I increase the revenue funding in this area (by direct revenue contributions or funding debt).
16. Within the draft MTFS a revised Capital Financing Strategy was reported. This shows a need to increase the revenue funding of capital spend from £2.9m to £9.3m by 2029-30 (this is dependent on the capital plans over the next 9 years). This will enable funding for a £18m Southern Policing Hub in the future. This budget is in line with the strategy and is the next step in making capital plans viable into the future with the approach of smoothing the increase over the life of the assets.

IMPACT ON THE CHIEF CONSTABLE'S BUDGET

17. The draft MTFS showed the budget requirement increase by a net £5.578m. Inflationary increases within this total £3.297m.
18. The most significant other increase surrounds Regional Collaborations (£0.700m). Out of this £0.295m is required to fund Wiltshire's contribution to the Forensics Collaboration. This will improve IT capability and capacity to deal with increased mobile demand and fund additional costs resulting from the governments intention to introduce ISO (International Standards) to investigations. There is also a £0.346m increase in Wiltshire's contribution to the Regional Organisational Crime Unit. These costs relate to the increase of Uplift Officers in 2022-23 and a further allocation in 2023-24.
19. This years Business Planning Process has concentrated on risk with an Organisational Risk Assessment (ORA) completed to identify where the biggest focus needs to be. The ORA will feed into the Force Management Statement which is a nationally mandated document. The ORA identified 2 critical areas which needed investment;
- Bail Management – a risk was identified in the way custody dealt with the bailing of individuals and management of Voluntary Attendance. With changes to the Bail Act demand is increasing. It was considered that there was a risk to detainees and the general public in not managing this effectively hence it was agreed to increase staffing at a cost of £0.200m.
 - MASH investment – a risk was identified in the time available for MASH decision makers to review PPNs (Public Protection Notices) due to an increase in demand (volume of PPNs). The increase in staff at a cost of £0.284m will allow them 30 mins per PPN which is in line with other good performing forces and should reduce the risk of inaccurate gradings and as such leaving individuals at risk.
20. Details of the other cost increases forecast for the Chief Constable are included in Appendix Bi of the MTFS
21. In 2023-24 there is no additional nationally funded growth in officers. It is expected that Specific Grant of up to £2.265m will be received if we employ 1,189 staff (headcount) on the 31 March 2024 (the details are yet to be confirmed). This means that any reduction in officer budget requires careful consideration. In 2023-24 we intend converting 40 staff posts to officer posts which will help in ensuring we obtain the grant. This does however mean we need to recruit 160 officers during the year. This is a risk and requires targeted focus in recruitment, vetting and training.

22. The table below shows the impact on the budgeted Police Officer numbers (an increase of 32). This includes any impact from the savings proposed later in the paper.

	Officers
Starting Position (Budget BFWD)	1,165
Special Branch Officers now via National Collaboration	-4
Funding of Chief Inspector Posts	-2
Learning and Development Review	+1
MASH Decision Makers	+2
Conversion of Local Crime Investigators to Officers	+20
Conversion of Community Support Officers to Officers	+20
Strategic Support Officers Reduction	-5
Total Officers Budgeted	1,197

SAVINGS

23. The MTFS work identified that across the group savings of £3.108m were required to balance the budget with a £15 increase. Due to the significant increases in Shared Service costs (Energy costs, Pay costs, No specific grant) it is not possible to allocate a savings requirement per area this year. The approach therefore has been to look at all areas to identify the savings.

24. As well as looking at general savings we have used the new Workforce Assessment (referenced in the MTFS) alongside HMICFRS VFM profile information to assist.

25. This work has identified that Wiltshire are an outlier on many spending areas, the main reason for this being that the PCC has £12.390m less than forces in its MSG (Most Similar Group) to spend on policing. This results in most area spends being less than MSG.

26. Compared to the MSG the workforce profile shows the following;

- 276 less Police Officers
- 42 more PCSOs
- 102 more Police Staff
- Overall 132 less workforce due to our low funding

27. This has led to the following plan to close the £3.108m gap;

	2023-24
ICT/Clothing Uplift Reduction	£0.240m
Estates - Energy and Disposals	£0.100m
Procurement	£0.050m
Telematics	£0.050m
CSW Income	£0.200m
Legal 3rd party cost reduction	£0.050m
LCIs - 20 converted to Police Officers	£0.240m
PCSOs - 20 converted to Police Officers	£0.100m
PCSO unsocial hrs budget adjustment	£0.046m
Ill Health reduction	£0.172m
Support Staff Pension Revaluation	£0.404m
Spinal Point Review (Officers)	£0.525m
1% increase to Police Staff Vac Factor	£0.439m
Intelligence reduction to MSG average	£0.219m

Support and Services Budget Reduction	£0.033m
Strategic Support Officer Reduction	£0.240m
Total Savings	£3.108m

28. If this plan is implemented the impact on the workforce profile will be as follows. This moves the profile closer to our most similar forces

	2022-23 FTE	2022-23 %	2023-24 FTE	2023-24 %
Police Officers	1,165	49.3%	1,197	50.4%
Staff	1,078	45.6%	1,078	45.4%
PCSOs	122	5.2%	102	4.3%
Total	2,365	100.0%	2,377	100.0%

RISK

29. To deliver an increase of 32 police officers, replace leavers and close a budget shortfall of 20 will require the Chief Constable to identify, recruit and train 160 officers in 2023-24. This is more than that planned for 2022-23. With 3 years of high recruitment the field to extract suitable officers is reducing. We must consider the values and competencies of new recruits and require them to meet the high standards correctly expected by the public. To attract 160 officers will require over 500 applicants. Intakes will be spread across the year with 60 officers not joining until 2024. Failure to recruit and maintain officer numbers would impact the service to the public and would likely result in Wiltshire not securing the full specific grant available.

30. Precept and budget increases will increase public expectations of an immediate, visible, policing impact. With the timelines surrounding recruitment and training outlined in the paper this immediate impact will not be seen.

31. It should be noted that if the opportunity to increase the base budget is not taken it can never be recovered and will impact the base budget for the long term. A below £15 increase is likely to widen the funding gap between Wiltshire and other South West Forces.

32. It should be noted that at the time of writing this is a provisional central grant settlement and could change.

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

LEGAL

34. 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 £15 increase that 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

35. After carrying out the necessary consultation I am minded to set a precept of £69.428m. This will require council tax to be set on all property bands based at £256.27 for a Band D property. This represents a £15 (6.2%) increase on the 2022-23 level.