

Meeting	Police and Crime Panel
Date	4 February 2021
Report Title	Proposed Precept for 2021-22
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 2021-22.

INTRODUCTION AND BACKGROUND INFORMATION

2. In January 2021 I presented to the Panel a paper which identified my initial thinking on the 2021-22 budget and my draft MTFs (Medium Term Financial Strategy). This paper identified that whilst overall funding levels had been announced no specific information had been received, this remains the case.
3. During January more information has been released on the Local Council Tax support grant and the Local Tax Income Guarantee for 2020-21. Information on these is included in the paper however there remains great uncertainty surrounding their implementation.

CENTRAL GRANT

4. As detailed in the January paper the grant for Wiltshire has risen by £3.383m to £72.944m (excluding Pensions Specific Grant). This is Wiltshire's portion of the £415m provided by the government to fund nationally an additional 6,000 officers. No funding has been provided to finance any inflation or growth pressures.

LOCAL FUNDING GRANTS

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, considering their local support scheme and the collection rate to arrive at a council tax base.
6. With the pandemic and higher unemployment the cost of local support has increased. This and a reduction in payments, which in the long term may be collectable, has led to deficits being forecasted. To assist precepting authorities the government are proposing two financial support schemes.

7. The Local tax Income Guarantee scheme is to assist in covering shortfalls in 2020-21. The government are proposing that they will cover 75% of non-recoverable shortfalls occurring in 2020-21. This is very specific and does not cover deficits brought forward (which is the reason for the SBC shortfall) nor non-payments which may become collectable in the future. Due to the level of uncertainty I am assuming that the level recovered will be low. My current intention is to add any income I receive to the ringfenced reserve outlined in paragraph 9.
8. The Local Council Tax Support Grant is a one-off payment to all precepting authorities and is expected to be used to help cover shortfalls. Wiltshire PCC has been allocated £0.924m.
9. The scheme also allows for deficits relating to 2020-21 to be spread across 3 years. My intention is to ringfence the Local Council Tax Support Grant to pay for the known deficits and any which may occur from shortfalls in 2021-22. The estimated profile of the use is shown below allowing £0.282m for future shortfalls;

		Balance of Funding
Grant Received		£0.924m
SBC Shortfall 20-21	-£0.110m	£0.814m
WC Shortfall 20-21 (yr. 1)	-£0.184m	£0.630m
WC Profiled Shortfall 21-22 (yr. 2)	-£0.174m	£0.456m
WC Profiled Shortfall 22-23 (yr. 3)	-£0.174m	£0.282m

10. With this reserve it will reduce the risk of shortfalls in future years, as such I will not be planning for a surplus or deficit in my final MTFS.

THE PRECEPT

11. My initial paper identified that I was considering a £15 increase in precept. This would result in a 6.9% increase and help resolve issues arising from the limited central grant settlement.
12. I am considering the whole funding position. Wiltshire remains the 3rd lowest total funded area per head of population. It has the lowest council tax in the South West (the 2020-21 regional average excluding Wiltshire is £236.82 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 £231.27 (from £216.27 in 2020-21). This increase will help the long term funding of policing in Wiltshire.
13. This 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

14. The table in paragraph 16 outlines the funding available to me based on a £15 increase.
15. The Legacy Council Tax Grants includes the grant payable surrounding Council Tax Localisation and any previous freeze grants.
16. It acknowledges that Wiltshire Council and Swindon Borough Council have reported a new council tax base of 263,777 this is a 0.01% decrease on 2020-21.

	2020-21	2021-22
Central Grant	£62.942m	£66.909m
Legacy Council Tax Grants	£5.235m	£5.235m
Uplift Grant	£1.384m	£0.800m
Total Central Funding	£69.561m	£72.944m
Precept Income	£57.055m	£61.004m
Council Tax Collection Fund	£0.293m	-£0.294m
Local Council Tax Support Grant	-	£0.294m
Total Funding Received	£126.909m	£133.948m
Investment Income	£0.200m	£0.079m
Total Funding Available	£127.109m	£134.027m

FUNDING ALLOCATION

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

	2020-21	2021-22
OPCC Office Costs	£1.471m	£1.622m
OPCC Commissioning Costs	£1.646m	£1.646m
OPCC Shared Services Costs	£26.327m	£27.683m
OPCC Capital Contribution	£1.781m	£2.329m
OPCC Chief Constable Allocation	£95.884m	£100.747m
	£127.109m	£134.027m

18. Included within the Shared Services element is £0.578m provided by the government within the Uplift grant to finance the impact on the infrastructure. The allocation of this is currently being finalised, this will involve employing more police staff. It is likely that some of this budget will be moved to the Chief Constables and capital budgets, an example of this is increased Fleet costs.

19. The 2021-22 allocation will allow for 3 new staff in the OPCC. 2 of these posts arise from the national mandating of a new complaints process. The other new role surrounds improving scrutiny in the Criminal Justice System and Victims Support.

20. The Shared Service allocation includes 4 new posts. 3 of these are to improve the capacity of the HR team to deal with an ever increasing workload. The other post is that of Welfare Officer, with mental health an increasing issue due to the pandemic and new ways of working this post is seen as essential.

CAPITAL

21. The Capital Financing Strategy introduced in 2020-21 identified the need for me to increase the level of revenue contributions to capital. This was due to rapidly reducing capital reserves and continual reductions in capital grant whilst need, especially in ICT, continues to grow.

22. Within the draft MTFs a revised Capital Financing Strategy was reported. This shows a need to increase the revenue consequences of capital to £6m by 2027-28 (this is dependent on the capital plans over the next 5 years). This budget will allow me to increase the revenue contributions budget to £2.329m which is in line with the approach of smoothing the increase over the life of the strategy.

IMPACT ON THE CHIEF CONSTABLE'S BUDGET

23. The draft MTFS showed the budget requirement increase by £5.215m (post the 2020-21 Uplift Grant). The table in paragraph 17 shows the Chief Constables funding allocation increase by £4.863m with a £15 council tax increase, meaning that £0.352m of savings would be required.

24. £1.795m of the £5.215m increase is required to deal with unavoidable costs. These include 5/12th of the 2020-21 pay award, inflation, increases in Bank Holidays and the impact of increased national and contract costs. The remaining £3.420m is broken down below.

Initial Child Protection Conferences (2 staff)	£0.066m
Fortitude LCI (1 staff)	£0.034m
Armed Response Posts – non pay officer costs	£0.018m
Collision Investigation Unit (1 staff)	£0.051m
Collision Investigation Equipment	£0.250m
Covert Authorities Bureau (2 staff)	£0.079m
Drone related non staff costs	£0.036m
Information Management (1 staff)	£0.043m
Force Command Restructure – non pay officer costs	£0.102m
Out of Court Disposal (3 staff)	£0.085m
49 Increase in Officers (yr. 1 uplift exc. yr. 1 grant)	£0.478m
46 Increase in Officers (yr. 2)	£1.728m
Enabling Equipment/ICT	£0.144m
Overtime Review	£0.306m
Total Requirement	£3.420m

25. The requirement to increase staffing is based on the outcome of the Force Management Statement (FMS) and the Risk Register. The draft MTFS includes the executive summary from the FMS which identifies the key threats. The table above shows an increase of 10 staff.

26. Year 2 of Uplift funding has provided me with 46 additional officers (48 including the 2 additional posts provided for me to allocate to the ROCU (Regional Organised Crime Unit)). The table below shows the impact on the Chief Constables workforce and where he has advised me to place the officers to best reduce threat and harm. It is important to note that these officers have to be employed and trained before they can be released to target these areas. Initial forecasts show the earliest some officers may be deployed is October 2021:

	Officers
Starting Position	1050
Community Intelligence	7
Rural Crime	2
Community Road Safety	3
Early Intervention	4
Exploitation Team	2
Digital Investigation Unit (incl CIET)	4
Fraud Team	2
Child Abuse Investigation Team	3
Offender Management	6
Investigative Standards	1
Authorised Firearms Officers	4
Force Command Structure	7
Fraud Prevention	1
Total	1096

SAVINGS

27. To finance the growth requested requires for savings of £0.584m to be identified across the various budgets. The table below shows how these savings will be achieved;

Description	Budget Impacted	Saving
Reduced collaboration unit costs	Chief Constable	£0.059m
Review of capital schemes and spend profile	Capital Contribution	£0.176m
Reduction in budgets due to pandemic	All	£0.181m
Reduced Software Licencing costs	Chief Constable	£0.168m

RISK

28. To deliver an increase of 46 police officers and replace leavers the Chief Constable will need to recruit and train 100 officers in 2021-22. This is similar to 2020-21, but 30 more than 2019-20. The 2020-21 plan is on target however this has been difficult with the pandemic. The Force has robust plans in place to deliver the uplift, with increased capacity supported by the investment in infrastructure funding. Failure to recruit and maintain officer numbers could lead to me not being able to claim the full specific grant available.

29. 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.

30. The settlement released was only for 2021-22. With the pandemic there are concerns surrounding the public finances and the ability to finance the police at the current level. If funding is reduced there will be a need to stop recruitment in future years. It should also be noted that at the time of writing this is a provisional central grant settlement.

31. There are concerns surrounding the impact of the pandemic on people's ability to pay council tax. The ringfencing of the remaining Council Tax Support Grant to deal with future shortfalls helps mitigate this risk.

32. Reserves exist to help manage risk. The review of reserves, as part of the MTFs, provides me assurance that overall these are adequate. It should however be noted that they are reducing each year.

LEGAL

33. 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 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

34. After carrying out the necessary consultation I am minded to set a precept of £61.004m. This will require council tax to be set on all property bands based on £231.27 for a Band D property. This represents a £15 (6.9%) increase on the 2020-21 level.