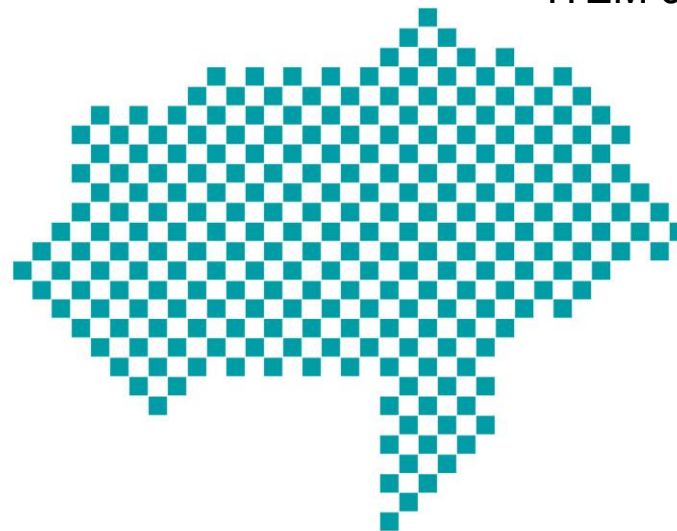


**Police and Crime  
Commissioner  
North Yorkshire**



## Setting the Precept 2018/19

# Contents

- Provisional 2018-19 Police Funding Settlement
- Current and Future Funding Assumptions
- Total Funding Projections
- Forecast Summary Revenue Plans
- Savings Plans
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- Precept Consultation and Responses
- Unavoidable Costs and Service Priorities
- Reserves

# Provisional 2018-19 Police Funding Settlement – headlines

- Funding base:
  - Flat cash grant funding (i.e. the same allocations as in 2017-18 for Home Office Core Police Settlement)
  - Precept flexibility of up to £12 for all PCCs in 2018-19
  - Updated assumptions on tax base growth – OBR figure of 1.34%
  - Based on this and 1.5% GDP deflator, the resulting settlement represents a ‘real terms’ increase for all between 2017/18-2018/19
- £450m additional funding for ‘policing’
  - £177m is money that comes from changes to local taxation
  - £50m additional counter Terrorism funding
  - The remaining £123m can be considered as “new money”.
- The Minister suggests this additional funding and identified efficiency savings of up to £100m (procurement) will enable “appropriate provision for likely cost increases next year”

# 2018/19 funding/planning assumptions

- Precept Increase of £12 in 2018/19 - for a Band D property
- Government Grant Frozen at £75.66m for the next 2 years.
- Government Grants have reduced by £19.7m in Cash terms since 2010/11

# Future funding and planning assumptions

- Precept increase of £12 for a Band D property in 19/20 and then 1.99% increases thereafter
- Government Grant frozen until 19/20
- 2% increases in Grant thereafter?
- 1.0% increase in Tax Base per annum.
- £300k collection surplus per annum.

# Total funding projections

	Actual Budget	Forecast Budget	Forecasts		
	2017/18	2018/19	2019/20	2020/21	2021/22
<b><u>Core Funding</u></b>	£000s	£000s	£000s	£000s	£000s
Government Grant	(67,762)	(67,762)	(67,762)	(69,117)	(70,499)
Council Tax Precept	(66,029)	(69,755)	(73,905)	(76,130)	(78,415)
Council Tax Freeze Grant	(2,152)	(2,152)	(2,152)	(2,152)	(2,152)
Council Tax Support Grant	(5,746)	(5,746)	(5,746)	(5,746)	(5,746)
<b>Funding for Net Budget Requirement</b>	<b>(141,689)</b>	<b>(145,415)</b>	<b>(149,565)</b>	<b>(153,145)</b>	<b>(156,812)</b>
%age Change in Net Budgetary Requirement	1.1%	2.6%	2.9%	2.4%	2.4%
<b><u>Other Funding</u></b>					
Specific Grants	(3,021)	(2,900)	(2,375)	(2,375)	(2,375)
Partnership Income/Fees and Charges	(9,970)	(8,654)	(8,451)	(8,494)	(8,555)
<b>Total Funding</b>	<b>(154,680)</b>	<b>(156,969)</b>	<b>(160,391)</b>	<b>(164,014)</b>	<b>(167,743)</b>
%age Change in Funding	3.1%	1.5%	2.2%	2.3%	2.3%

# Forecast summary budget

- See separate attachment
- Assumes:
- £12 increase in precept in 18/19 and 19/20
- 1.0% increase in Tax Base each year
- £300k precept collection fund surplus
- Frozen Government Grants for 2 years
- 2% Pay Awards
- Delivery of significant savings plans

# Savings Plans

- Within the 2018/19 balanced budget are plans to deliver £4.4m of savings in the following areas:
  - Staffing - £2.0m
  - Management Structure Reviews - £0.8m
  - ICT - £0.7m
  - Estates - £0.5m
  - Supplies and Services - £0.4m



# Precept

- Referendum Limit for 2018/19 has been set at an increase of £12 for a Band D property and is expected to be set at this limit until 2019/20.
- Underlying Tax Base has increased by 1.1% (which is below the OBR average assumption for England)
- This is in line with our 1% planning assumption.
- Council Tax Collection Surplus from 2017/18, due to PCC, is estimated to be £430k and available in 2018/19 – this is non-recurring

# Precept

- Current Council Tax/Precept Levels:
  - Band D: £221.32 – £4.26 per week
- Impact of a £12 increase in 2018/19
  - Would equate to around 23p extra per week for a Band D property in 2018/19.
  - Would increase the funding available across the financial plan by just over £3.5m per annum.
  - Provides £2.2m more than a 1.99% increase

# Precept consultation

- Which statement best reflects your view?
  - Freeze the precept
    - Do not pay more than now = a cut to the police budget
  - Increase the precept by 1.99% – an extra £4.40 per year
    - 8p per week for a Band D property
    - Raise c£1.3 million for next year onwards
    - Avoids a costly local referendum
  - Put the precept up by more than 1.99%
    - Could raise more money = c£700,000 spent on a referendum
  - In the future, how much more would you be willing to pay?
    - <£5; £5-£10; >£10
    - *Asked to all those who answer 1.99% or >1.99%*

# Post announcement, included an additional question

- Police and Crime Commissioners have been given the flexibility to raise the precept by £12 per year (£1 per month) (based on a Band D property). Would you be prepared to pay this?
  - *Yes*
  - *No*

# Interim consultation results

- Consultation closes 28 January 2017
- Initial indications will be provided at the January meeting subject to final voting
- Full results will follow at the Panel meeting in February

# Additional money – what will it be spent on?

£12 a year increase = £2.2m more than a 1.99% increase

- Unexpected pay awards @2% instead of 1%
- Cost c£1.8m more than budgeted in 2018/19
  - To be funded by better than expected Grant Settlement - £600k
  - And £1.2m from the higher precept increase.

# Additional priorities

It is proposed that the remainder, along with slightly higher Tax Base growth and slightly higher collection surplus is invested as follows:

- Investment in Force Control Room - £1m
- Investment in additional Victims Services - £250k
- Service transformation
- Improving efficiency and value for money
- Helps maintain the 'front line', eg. PCSOs

# Reserves

- Current plan for 2018/19 assumes £1.8m is provided from Reserves to support the summary budget attached to this presentation
- General Reserves are projected to be £4.6m by the end of 2018/19.
- This is 3.2% of Net Budget Requirement and in line with Home Office / Ministerial thinking
- This creates a balanced budget plan for next 4 years which will allow for planned transformation work to generate further savings



PCC Summary MTFP - Draft Projections at January 2018 based on £12 increase

	Actual Budget 2017/18	Forecast Budget 2018/19	Forecasts		
			2019/20	2020/21	2021/22
<b>Core Funding</b>	£000s	£000s	£000s	£000s	£000s
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<b>Total Funding</b>	<b>(154,680)</b>	<b>(156,969)</b>	<b>(160,391)</b>	<b>(164,014)</b>	<b>(167,743)</b>
%age Change in Funding	3.1%	1.5%	2.2%	2.3%	2.3%
<b>Office of the PCC Planned Expenditure</b>	£000s	£000s	£000s	£000s	£000s
<b>Total Planned Expenditure</b>	<b>911</b>	<b>1,010</b>	<b>1,061</b>	<b>1,061</b>	<b>1,061</b>
<b>Commissioned Services</b>	£000s	£000s	£000s	£000s	£000s
Commissioned Services	3,651	3,983	3,572	3,580	3,588
<b>Total Planned Expenditure</b>	<b>3,651</b>	<b>3,983</b>	<b>3,572</b>	<b>3,580</b>	<b>3,588</b>
<b>Corporate Costs</b>	£000s	£000s	£000s	£000s	£000s
Staff Pay	7,242	7,253	7,365	7,500	7,660
Other Non Salary	271	75	76	77	79
Premises	4,590	4,542	4,645	4,750	4,857
Supplies and Services	8,793	8,822	9,400	9,530	9,794
Service Improvements and Developments	0	1,268	1,250	1,010	1,010
Transport	635	468	478	485	497
Asset Management	495	878	752	752	752
<b>Total Corporate Costs</b>	<b>22,027</b>	<b>23,306</b>	<b>23,966</b>	<b>24,105</b>	<b>24,651</b>
<b>Police Force Planned Expenditure</b>	£000s	£000s	£000s	£000s	£000s
<b>Pay</b>					
Police Pay	71,361	73,542	74,974	76,086	77,627
Police Overtime	2,005	2,082	2,225	2,269	2,315
PCSO Pay (incl Overtime)	6,717	6,594	6,594	6,594	6,726
Staff Pay (incl Overtime)	28,123	26,723	27,076	27,545	28,068
<b>Pay Total</b>	<b>108,206</b>	<b>108,942</b>	<b>110,868</b>	<b>112,494</b>	<b>114,736</b>
<b>Non-Pay Budgets</b>					
Other Non Salary	1,382	1,531	1,561	1,593	1,624
Injury and Medical Police Pensions	3,199	3,720	3,795	3,871	3,948
Premises	65	54	55	56	58
Supplies and Services	11,637	12,328	12,500	12,749	13,005
Transport	1,761	1,331	1,361	1,385	1,412
<b>Non-Pay Total</b>	<b>18,044</b>	<b>18,964</b>	<b>19,273</b>	<b>19,654</b>	<b>20,047</b>
<b>Total Planned Force Expenditure</b>	<b>126,250</b>	<b>127,906</b>	<b>130,141</b>	<b>132,148</b>	<b>134,783</b>
%age Change in Expenditure	4.0%	1.3%	1.7%	1.5%	2.0%
<b>(Surplus)/Deficit before Reserves/Capital</b>	<b>£000s</b>	<b>£000s</b>	<b>£000s</b>	<b>£000s</b>	<b>£000s</b>
Planned Transfers to/(from) General Fund	(1,841)	(763)	(1,650)	(3,120)	(3,660)
Contribution to Capital Programme	3,885	3,000	2,000	3,190	3,690
Projects	3,586				
Planned Transfers to/(from) Earmarked Reserves	(4,526)	(436)	(350)	(69)	(30)
<b>Net (Surplus)/Deficit After Reserves</b>	<b>0</b>	<b>0</b>	<b>(0)</b>	<b>0</b>	<b>(0)</b>
<b>General Reserves</b>	£000s	£000s	£000s	£000s	£000s
General Fund Balance b/f	9,697	6,443	4,643	4,643	4,643
Proposed (Use of)/Contribution to General Fund	(1,104)	(1,800)	0	0	0
Current Year Forecast (Over)/ Under spend	(2,150)				
<b>General Fund Balance c/f</b>	<b>6,443</b>	<b>4,643</b>	<b>4,643</b>	<b>4,643</b>	<b>4,643</b>
<b>Employee Numbers</b>	FTEs	FTEs	FTEs	FTEs	FTEs
Police Officers	1,400	1,400	1,400	1,400	1,400
PCSOs	200	200	200	200	200
Police Staff - Police Force	913	868	868	868	868
PCC Corporate Staff	271	213	213	213	213
PCC Private Office Staff	13	13	13	13	13
<b>Assumptions</b>					
Staff Pay Increases	1.0%	2.0%	2.0%	2.0%	2.0%
Police Pay Increases	1.0%	2.0%	2.0%	2.0%	2.0%
Non Pay Inflation	1.3%	2.5%	2.5%	2.5%	2.5%
Precept Increases	2.0%	5.4%	5.1%	2.0%	2.0%
Government Grant Reductions (Cash Basis)	-1.4%	0.0%	0.0%	2.0%	2.0%