



North Yorkshire
Police, Fire & Crime
Commissioner

Setting the Precepts 2019/20

Police and Fire & Rescue

Contents - Police

- Provisional 2019-20 Police Funding Settlement
- Precept
- Transformation Programme
- Precept Consultation
- Future Funding and Planning Assumptions
- Investment Plans
- Reserves
- Forecast Summary Revenue Plans

Provisional 2019-20 Police Funding Settlement – Headlines

- **Headline of £970m additional funding for the service – includes**
 - £161m additional formula funding,
 - £153m of pension grant,
 - £59m additional funding for Counter Terrorism,
 - £90m additional funding to tackle Serious and Organised Crime and
- £509m as a result of additional council tax flexibilities.

Provisional 2019-20 Police Funding Settlement – Headlines

- **What does this mean for North Yorkshire:**
 - £1,423k (2.1%) increase in formula funding,
 - £1,449k for a new pensions grant

However

- Impact of Police Pension changes to North Yorkshire
 - **Additional cost of circa £3.6m**
- So we are about £700k worse off before Precept.

Precept

- We were planning for a Precept increase of £12 for a Band D property for 2019/20 however the Referendum Limit for 2019/20 has been set at an increase of £24.
- Underlying Tax Base has increased by 1.3%
- This is in line with our 1% planning assumption.
- Council Tax Collection Surplus from 2018/19, due to PCC, is estimated to be £304k and available in 2019/20 – this is non-recurring and the lowest since 2013/14

Impact of a £12 increase in Band D Precept

Funding the Net Budget Requirement	2019/20	2018/19	(Increase)/Reduction	Year on Year Change
	£000s	£000s	£000s	%age
Government Funding				
Police Grant	(41,994)	(41,100)	(894)	2.2%
RSG/National Non Domestic Rate	(27,191)	(26,662)	(529)	2.0%
Council Tax Freeze Grant	(2,152)	(2,152)	0	0.0%
Council Tax Support Grant	(5,746)	(5,746)	0	0.0%
Total Government Funding	(77,083)	(75,660)	(1,423)	1.9%
Additional Police Pensions Grant	(1,449)	0	(1,449)	
Additional Police Pension Contributions	3,600	0	3,600	
Actual Impact of Settlement changes	(74,932)	(75,660)	728	-1.0%
Impact of a £12 increase in Band D Precept - 5.2% increase				
Net Surplus on Collection Funds	(304)	(492)	188	-38.2%
Council Tax Requirement	(73,701)	(69,168)	(4,533)	6.6%
Total Local Funding	(74,005)	(69,661)	(4,345)	6.2%
Total Government + Local Funding	(148,937)	(145,320)	(3,617)	2.5%

Transformation Programme

- The Challenge is to deliver £10m of cashable savings across 4 years from 18/19.
- £2.5m was assumed within the 18/19 plan.
- This then increases by £2.5m per year thereafter.
- This will then provide the Capacity for investment in Policing Priorities as per the following:
 - 2019/20 - £2.7m
 - 2020/21 - £5.1m
 - 2021/22 - £7.6m

Impact of a £24 increase in Band D Precept

Funding the Net Budget Requirement				
	2019/20	2018/19	(Increase)/Reduction	Year on Year Change
	£000s	£000s	£000s	%age
Government Funding				
Police Grant	(41,994)	(41,100)	(894)	2.2%
RSG/National Non Domestic Rate	(27,191)	(26,662)	(529)	2.0%
Council Tax Freeze Grant	(2,152)	(2,152)	0	0.0%
Council Tax Support Grant	(5,746)	(5,746)	0	0.0%
Total Government Funding	(77,083)	(75,660)	(1,423)	1.9%
Additional Police Pensions Grant	(1,449)	0	(1,449)	
Additional Police Pension Contributions	3,600	0	3,600	
Actual Impact of Settlement changes	(74,932)	(75,660)	728	-1.0%
Impact of a £24 increase in Band D Precept - 10.3% increase				
Net Surplus on Collection Funds	(304)	(492)	188	-38.2%
Council Tax Requirement	(77,314)	(69,168)	(8,145)	11.8%
Total Local Funding	(77,618)	(69,661)	(7,957)	11.4%
Total Government + Local Funding	(152,550)	(145,320)	(7,229)	5.0%

Precept

- Current Council Tax/Precept Levels:
 - Band D: £232.82 – £4.48 per week
- Impact of a £12 increase in 2019/20
 - Would equate to around 23p extra per week for a Band D property in 2019/20.
 - Would increase the funding available across the financial plan by just over £3.6m per annum.
 - Is in line with our previous plans.
- Impact of a £24 increase in 2019/20
 - Would equate to around 46p extra per week for a Band D property in 2019/20.
 - Would increase the funding available across the financial plan by just over £7.2m per annum.
 - **Would provide £3.6m additional funding to invest in local, visible policing services on a recurring basis.**

Precept consultation

- **Police and Fire & Rescue** consultation
- Representative telephone interviews
 - 1000 interviews (800 completed to date)
- Online survey
 - 970 surveys completed to date
- Leaflet distribution to public places
 - with survey questions and free post return address
- Consultation closes 18th January 2019
 - Full results to Panel in February

Police

- *How much more would you be prepared to pay per year through your council tax for policing?*
 - No more than I pay now – a precept freeze. This would mean a real terms cut to the police budget when inflation is taken into account
 - As per last year – an extra £11.50 per year for a Band D property – raising £3.5m
 - Between £11.50 and £24 - raising up to £7m
 - More than £24 – raising more than £7m

Indicative Consultation Results

- An indicative view of the consultation will be provided at the meeting although the consultation will remain open until the 18th January and full details will be provided with the Precept proposal to the February meeting.

Future Funding and Planning Assumptions

- Precept increases of 1.99% from 2020/21 onwards.
- Government Grant increases of 2% per annum from 2020/21 onwards
- 1.0% increase in Tax Base per annum.
- £400k collection surplus per annum.
- Pensions Grant continues at current level.
- Pay Awards and Inflation at 2%
- Any Funding Formula Review does not negatively impact on North Yorkshire

Reserves

- Current plan for 2018/19 assumed £1.8m was provided from General Reserves to support the proposal – we now expect only £800k will be needed.
- General Reserves are projected to be £6.0m by the end of 2018/19.
- This is 3.8% of Net Budget Requirement
- Full details on reserves will be provided in February

Forecast Summary Budgets

- The Revenue Budget is based on a £24 increase in Precept – **APPENDIX A**
- And assumptions outlined elsewhere
- A Summary Capital Budget is also provided – **APPENDIX B**

Contents - Fire

- Provisional Local Government Finance Settlement
- Precept
- Precept Consultation
- Future Funding and Planning Assumptions
- Reserves
- Forecast Summary Revenue Plans

Provisional Local Government Finance Settlement

- A national increase in the 2019-20 Core Spending Power of 2.8% compared to 2018-19. NFCC members (exc. London) see an increase in Spending Power of 3.2%, with stand-alone fire authorities seeing an average increase of 2.2%.
- Maintained council tax referendum principles (3%) for all Fire Authorities, Shire Counties, Single Tier Unitaries, Metropolitan Districts and London Boroughs as announced in the 2018-19 Settlement. Police referendum limit raised from £12 to £24.
- Announcement of £98.5m grant allocations to support increased pension costs of £108.5m. Expected to be paid in full in early 2019-20.
- No date has yet been provided for the CSR except that it shall be conducted in time for Budget 2019.
- Slight increase in Rural Services Delivery Grant to £81m (equal to 18-19).

Provisional Local Government Finance Settlement

- **What does this mean for NY Fire:**
 - £293k (3.3%) reduction in Government Settlement
 - Rural Services Grant remains at the same level.
 - £1,466k Pensions Grant

However

- Impact of Fire Pension changes to North Yorkshire – **Additional cost of circa £1.6m**
- So we are about £450k worse off before Precept

Precept

- We were planning for a Precept increase of 2.99% for a Band D property for 2019/20 and this is what the Referendum Limit for 2019/20 has been set at.
- Underlying Tax Base has increased by 1.3%
- This is in line with our 1% planning assumption.
- Council Tax Collection Surplus from 2018/19, due to Fire, is estimated to be £90k and available in 2019/20 – this is non-recurring and the lowest since 2013/14

Precept

- Current Council Tax/Precept Levels:
 - Band D: £69.20 – £1.33 per week
- Impact of a 2.99% increase in 2019/20
 - Would equate to an annual increase of £2.07 for a Band D property. (or 4 pence per week)
 - Would increase the funding available across the financial plan by just over £600k per annum.
 - Is in line with our previous plans.
- **Any increase above 2.99% would require a Referendum**

Impact of a 2.99% Precept increase

Funding the Net Budget Requirement				
	2019/20	2018/19	(Increase)/Reduction	Year on Year Change
	£000s	£000s	£000s	%age
<u>Government Funding</u>				
Total Settlement Funding	(8,555)	(8,848)	293	-3.3%
Rural Services Grant	(514)	(514)	0	0.0%
Levy Allowance	(92)		(92)	
Total Government Funding	(9,161)	(9,362)	201	-2.1%
Additional Fire Pensions Grant	(1,466)	0	(1,466)	
Additional Fire Pension Contributions	1,615	0	1,615	
Actual Impact of Settlement changes	(9,012)	(9,362)	350	-3.7%
Impact of a 2.99% increase in Band D Precept				
Net Surplus on Collection Funds	(90)	(150)	59	
Council Tax Requirement	(21,455)	(20,559)	(896)	
Total Local Funding	(21,545)	(20,708)	(837)	4.0%
Total Government + Local Funding	(30,557)	(30,070)	(487)	1.6%

Fire & Rescue

- *How much more would you be prepared to pay per year through your council tax for the fire and rescue service?*
 - No more than I pay now – a precept freeze. This would mean a real terms cut to the fire and rescue budget when inflation is taken into account
 - As per last year – an extra £2 per year for a Band D property raising £600k
 - Between £2 and £5 – raising up to £1.5m
 - More than £5 – raising more than £1.5m

Indicative Consultation Results

- An indicative view of the consultation will be provided at the meeting although the consultation will remain open until the 18th January and full details will be provided with the Precept proposal to the February meeting.

Future Funding and Planning Assumptions

- Precept increases of 2.99% from 2020/21 onwards.
- Government Settlement continues to reduce at 3% per annum across the MTFP period
- 1.0% increase in Tax Base per annum.
- £150k collection surplus per annum.
- Pensions Grant and Rural Service Grant continues at current level.
- Pay Awards and Inflation at 2%

Reserves

- Useable Reserves as at 31st March 2018 totalled £6.6m
- Inherited budget assumed £1.2m was provided from General Reserves to support the 2018/19 budget.
- **Further use of reserves are currently planned to balance the budget in both 19/20 and 20/21**
- Full details on reserves will be provided in February

Forecast Summary Budgets

- Inherited Budget has a £1.2m deficit.
- This deficit was then projected to increase to £2.6m by the end of the MTFP period.

- The Draft MTFP, based on a 2.99% increase in Precept is attached at **APPENDIX C**
- A Summary Capital Plan is also provided – **APPENDIX D**

APPENDIX A

PCC Summary MTFP - Draft Projections at January 2019 based on £24 increase

	Actual Budget 2018/19	Forecast Budget 2019/20	Forecasts		
			2020/21	2021/22	2022/23
Core Funding	£000s	£000s	£000s	£000s	£000s
Government Grant	(67,762)	(70,634)	(72,018)	(73,429)	(74,869)
Council Tax Precept	(69,661)	(77,615)	(80,034)	(82,433)	(84,901)
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)
Funding for Net Budget Requirement	(145,320)	(156,147)	(159,950)	(163,759)	(167,668)
%age Change in Net Budgetary Requirement	2.6%	7.5%	2.4%	2.4%	2.4%
Other Funding					
Specific Grants	(2,900)	(2,656)	(2,378)	(2,378)	(2,378)
Partnership Income/Fees and Charges	(8,702)	(8,542)	(8,342)	(8,332)	(8,429)
Total Funding	(156,923)	(167,345)	(170,670)	(174,470)	(178,475)
%age Change in Funding	1.4%	6.6%	2.0%	2.2%	2.3%
Office of the PCC Planned Expenditure	£000s	£000s	£000s	£000s	£000s
Total Planned Expenditure	1,011	1,080	1,100	1,120	1,145
Commissioned Services	£000s	£000s	£000s	£000s	£000s
Commissioned Services	3,979	3,655	3,575	3,580	3,595
Total Planned Expenditure	3,979	3,655	3,575	3,580	3,595
Policing Priorities Fund	£000s	£000s	£000s	£000s	£000s
Investment Fund	1,963	2,700	5,130	7,630	7,630
Local Visible Policing Services Investment		3,600	3,600	3,600	3,600
Total Policing Priorities Fund	1,963	6,300	8,730	11,230	11,230
Corporate Services	£000s	£000s	£000s	£000s	£000s
Staff Pay	7,183	7,587	7,735	7,892	8,060
Other Non Salary	79	75	76	78	79
Premises	4,387	4,217	4,301	4,386	4,473
Supplies and Services	8,843	9,869	10,418	10,623	10,268
Transport	620	728	738	751	764
Asset Management	906	616	616	706	706
Efficiency and Savings Target - 2018/19		(500)	(500)	(500)	(500)
Total Corporate Services	22,018	22,592	23,385	23,937	23,852
Police Force Planned Expenditure	£000s	£000s	£000s	£000s	£000s
Pay					
Police Pay	73,540	76,000	77,827	79,368	80,956
Police Overtime	2,070	2,033	2,073	2,115	2,157
PCSO Pay (incl Overtime)	6,605	6,719	6,853	6,990	7,130
Staff Pay (incl Overtime)	26,280	30,932	31,055	31,617	32,249
Pay Total	108,495	115,684	117,809	120,091	122,492
Non-Pay Budgets					
Other Non Salary	1,535	1,583	1,612	1,645	1,678
Injury and Medical Police Pensions	3,699	3,700	3,822	3,898	3,976
Premises	54	86	88	89	91
Supplies and Services	12,321	12,873	13,089	13,359	13,631
Transport	1,660	1,913	1,945	1,980	2,020
Efficiency and Savings Target 2018/19		(2,000)	(2,000)	(2,000)	(2,000)
Non-Pay Total	19,269	18,155	18,556	18,971	19,396
Total Planned Force Expenditure	127,764	133,839	136,365	139,062	141,888
%age Change in Expenditure	1.2%	4.8%	1.9%	2.0%	2.0%
Total Expenditure Budgets	156,735	167,465	173,156	178,929	181,710
Future Efficiency and Savings Target		(2,500)	(5,000)	(7,500)	(7,500)
Total Expenditure Budgets after Efficiencies and Savings		164,965	168,156	171,429	174,210
(Surplus)/Deficit before Reserves/Capital	£000s	£000s	£000s	£000s	£000s
(188)	(2,380)	(2,514)	(3,040)	(4,265)	
Planned Transfers to/(from) General Fund	(1,800)	0	0	0	0
Contribution to Capital Programme	1,492	2,610	2,730	3,010	4,235
Projects	2,219	991	140	20	0
Planned Transfers to/(from) Earmarked Reserves	(1,724)	(1,221)	(356)	10	30
Net (Surplus)/Deficit After Reserves	0	0	0	(0)	(0)
General Reserves	£000s	£000s	£000s	£000s	£000s
General Fund Balance b/f	6,774	5,974	5,974	5,974	5,974
Proposed (Use of)/Contribution to General Fund	(1,800)	0	0	0	0
Current Year Forecast (Over)/ Under spend	1,000				
General Fund Balance c/f	5,974	5,974	5,974	5,974	5,974
Employee Numbers	FTEs	FTEs	FTEs	FTEs	FTEs
Police Officers	1,390	1,400	1,400	1,400	1,400
PCSOs	200	200	200	200	200
Police Staff - Police Force	838	874	871	870	870
Corporate Services, Commissioning and Projects	214	219	219	219	219
PCC Private Office Staff	13	13	13	13	13
Assumptions					
Staff Pay Increases	2.0%	2.0%	2.0%	2.0%	2.0%
Police Pay Increases	2.0%	2.0%	2.0%	2.0%	2.0%
Non Pay Inflation	2.5%	2.5%	2.5%	2.5%	2.5%
Precept Increases	5.2%	10.3%	2.0%	2.0%	2.0%
Government Grant Reductions (Cash Basis)	0.0%	1.9%	2.0%	2.0%	2.0%

APPENDIX B						
Capital Financing and Expenditure	2018/19	2019/20	2020/21	2021/22	2022/23	5 Year Total
	£000s	£000s	£000s	£000s	£000s	£000s
Earmarked Reserve/Funding b/f	5,004	129	29	19	25	
Capital Grant	431	440	449	458	467	2,246
Capital Receipts	169	169	169	169	169	845
Capital Receipts from Estates Strategy	0	3,718	512	0	0	4,230
Contributions from Revenue	2,152	2,610	2,730	3,010	4,235	14,737
Transfers from Earmarked Reserves	420	0	0	0	0	420
External Funding	115	0	0	0	0	115
Borrowing	1,200	1,000	2,500	1,100	0	5,800
Projected in-year funding available	4,487	7,938	6,360	4,737	4,871	28,393
Capital and Revenue Project Plans						
Fleet	1,470	2,159	1,738	1,016	1,505	7,888
ICT	2,943	1,676	1,623	1,393	739	8,375
Estates	2,990	3,164	2,111	1,562	896	10,723
Other Rolling Programmes	428	869	758	707	1,313	4,075
Other Schemes	1,416	168	140	53	0	1,777
Externally Funded	115	0	0	0	0	115
Total Agreed Programme	9,362	8,038	6,370	4,731	4,453	32,954
Earmarked Reserve/Funding c/f	129	29	19	25	444	

APPENDIX C

Fire Summary MTFP - Draft Projections at January 2019 based on 2.99% Precept increase

	Actual	Forecast			
	Budget	Budget		Forecasts	
	2018/2019	2019/2020	2020/2021	2021/2022	2022/2023
	£'000	£'000	£'000	£'000	£'000
Funding					
Total Settlement Funding	(8,848)	(8,555)	(8,300)	(8,049)	(7,805)
Rural Services Grant	(413)	(514)	(514)	(514)	(514)
Levy Allowance		(92)	0	0	0
Council Tax Precept	(20,560)	(21,455)	(22,313)	(23,206)	(24,134)
Collection Fund Surplus/Deficit	(150)	(90)	(149)	(149)	(149)
NNDR Surplus/Deficit	0	(1)	(1)	(1)	(1)
Funding for the Net Budget Requirement	(29,970)	(30,707)	(31,277)	(31,919)	(32,603)
%age change in Net Budget Requirement	1.2%	2.5%	1.9%	2.1%	2.1%
Specific Grants	(1,601)	(1,234)	(1,062)	(1,041)	(966)
Pensions Mitigation Grant	0	(1,466)	(1,466)	(1,466)	(1,466)
General Income	(480)	(498)	(432)	(440)	(449)
TOTAL FUNDING	(32,051)	(33,904)	(34,236)	(34,866)	(35,483)
Expenditure					
Direct Staff Costs					
Wholetime Firefighters	13,049	13,296	13,431	13,705	13,986
Retained Firefighters	2,711	2,638	2,692	2,747	2,803
Administrative & Clerical	3,504	3,605	3,573	3,646	3,721
Control Room Staff	763	790	804	821	837
Direct Staff Costs Total	20,026	20,329	20,500	20,919	21,347
Indirect Staff Costs	489	429	437	446	455
Members Expenses	81	0	0	0	0
Premises	2,108	2,114	1,966	1,844	1,880
Transport	914	721	736	750	765
Supplies and Services	2,914	2,905	3,042	3,039	2,915
Operating Leases	219	221	226	230	235
External Service Agreements	218	191	195	199	203
PFI (inc. capital element)	1,373	1,431	1,477	1,524	1,573
Total Indirect Staff and Non Staff Costs	8,316	8,012	8,077	8,031	8,026
PENSIONS	3,020	4,602	4,681	4,776	4,874
Provision for Debt Repayment	1,226	1,255	1,337	1,497	1,537
External Interest	674	631	677	730	806
Total Capital Charges	1,899	1,886	2,014	2,227	2,343
TOTAL EXPENDITURE BUDGETS	33,261	34,829	35,272	35,953	36,590
(Surplus)/Deficit before Reserves	1,210	925	1,035	1,087	1,106
Planned Transfers to/(from) Earmarked Reserves	(1,210)	(925)	(1,035)		
(Surplus)/Deficit After Reserves	0	0	0	1,087	1,106
Employee Numbers (Budgeted)	FTEs	FTEs	FTEs	FTEs	FTEs
Wholetime Firefighters	300	301	300	300	300
Retained Duty System Firefighters	342	342	342	342	342
Support Staff	96	95	95	95	95
Control Staff	17	17	17	17	17
Assumptions					
Staff Pay Increases	2.0%	2.0%	2.0%	2.0%	2.0%
Non Pay Inflation	2.0%	2.0%	2.0%	2.0%	2.0%
Precept Increases	2.99%	2.99%	2.99%	2.99%	2.99%
Government Grant Reductions (Cash Basis)	-2.6%	-3.3%	-3.0%	-3.0%	-3.0%

APPENDIX D

DRAFT FIRE CAPITAL PROGRAMME 2018/19 TO 2022/23

	Estimated	Estimated	Estimated	Estimated	Estimated
	2018/19	2019/20	2020/21	2021/22	2022/23
	£000	£000	£000	£000	£000
Vehicle	1,680	1,153	1,120	1,612	1,227
Property	641	420	350	350	350
ICT	473	1,252	254	304	748
TOTAL	2,794	2,824	1,724	2,266	2,326
FUNDING	£000	£000	£000	£000	£000
Capital Contributions	35	-	-	-	-
Capital Receipts	124	464	134	134	134
Leasing	-	502	-	-	502
Internal Borrowing	2,635	-	-	-	-
External Borrowing	-	1,858	1,590	2,133	1,690
TOTAL FUNDING	2,794	2,824	1,724	2,266	2,326