



NOTTINGHAMSHIRE POLICE & CRIME COMMISSIONER

REPORT TO THE POLICE & CRIME PANEL POLICE PRECEPT 2023-24

1. Introduction

1.1 My proposals for the Police Precept 2023-24 reflect the priorities set in my *Make Notts Safe Plan 2021 – 2025*:

- Preventing crime and protecting people from harm;
- Responding efficiently and effectively to community needs and;
- Supporting victims and survivors, witnesses and communities

1.2 The opportunity for the people of Nottinghamshire to engage in budget consultation has been via three separate streams, ongoing consultation, focus groups and an online survey in January/February 2023 following the increase to the precept referendum threshold from £10 to £15 per band D. The outcome of all of these is analysed in appendix B attached. My precept proposal for 2023-24 reflects careful consideration of the views expressed in response to my consultations.

2. Government Grant

2.1 The Provisional Police Grant Report accompanied by a Written Ministerial Statement was laid before Parliament on 14 December 2022.

2.2 The core grant for Nottinghamshire is now £154.0m, an increase of £0.5m. In addition, a ringfenced allocation of £4.9m is available to Nottinghamshire upon maintaining the uplift officers target number of 2,387, although specific grant conditions are not yet known. The pension top up grant allocation (£2m) has been maintained in 2023-24 at the same level as for 2022-23, as have Legacy Council Tax Grants of £9.7m.

2.3 The Minister confirmed the precept referendum limit to allow an increase up to an additional £15 per annum for a Band D property, without the need to call for a local referendum. This was previously announced to be £10 but was increased in recognition of policing needs to balance budgets and deliver on key priorities.

2.4 The Minister's statement sets out the national priorities for 2023-24 which include:

- continuing to invest in critical priority areas including serious violence and drugs programmes that prevent crime and help keep communities safe;
- funding to improve the criminal justice system and support victims;
- and continued investment in Major Law Enforcement programmes to ensure police forces have effective IT capabilities.

2.5 Following the cessation of capital grant funding to PCCs in 2022-23 there is no capital grant allocated to PCCs in 2023-24, the £105m budget available will be redistributed as part of wider reallocations.

2.6 The Minister's statement does not refer specifically to the timing of the Core Grant Distribution Review (funding formula review), although it is my understanding this work is continuing. The Medium-Term Financial Plan (MTFP) therefore includes a prudent estimate of what additional core grant funding could be allocated to Nottinghamshire from 2025.

2.7 The provisional settlement is subject to consultation, and I have written to the Home Secretary and the Minister of State for Crime, Policing and Fire expressing my views of the provisional grant settlement and to set out information on how the Force is prioritising the budget, delivering efficiencies, and driving productivity improvements.

3. Council Tax

3.1 Council Tax receipts are based upon a 1.4% increase in the Council Tax base, this reflects the position received to date from the City and District Councils, our budget assumption had been 1.5% so the actual is just a little under the forecast.

3.2 The government published its approach relating to Council Tax referendum principles for 2023-24 as part of its Spending Review in October 2021. In all three years from 2022-23 PCCs were to be allowed to increase band D bills by as much as £10. In the Provisional Grant Report in December 2022 this was increased from £10 to £15. Whilst I welcome the additional precept flexibility, I am mindful that this places further burden on taxpayers particularly when households are already facing incredible financial pressures.

3.3 Due to the pressure on the budget and informed by the views of local people, I propose an increase in the police precept of £14.94 for 2023-24. More detailed information is included in the precept report at appendix A. The precepts for Band A and Band B (collectively representing some 60% of the tax base) would be:

- Band A £179.46; an increase of £9.96 per annum
- Band B £209.37; an increase of £11.62 per annum

3.4 My MTFP is based upon annual council tax increases of £9.99 per annum per Band D property in 2024-25 and then a 3% per annum increase in 2025-26 onwards.

4. Total Income and Funding

4.1 Total income included in the draft budget and projections for the subsequent four years are shown in **Table 1** below.

Core Income & Funding	2023-24	2024-25	2025-26	2026-27	2027-28	Assumptions
	£m	£m	£m	£m	£m	
Core Police Grant	154.0	159.8	161.0	161.0	161.0	23-24 PUP grant added to core.
PUP grant	4.9	0.0	0.0	0.0	0.0	Assumed flat cash amounts thereafter
C.Tax Legacy	9.7	9.7	9.7	9.7	9.7	Fixed amount
Funding Formula Review			2.0	4.0	5.0	Gains phased – floors & Ceilings
Pension Top-up Grant	2.0	2.0	2.0	2.0	2.0	Fixed Amount
Precept	89.6	94.3	98.6	103.0	107.7	£15, £10, then 3% increases, taxbase 1.5% p.a. increase
Transfer from reserves	1.5	0.4	0.4	0.5	0.5	
Total	261.7	266.2	273.7	280.2	285.9	

Table 1

5. Expenditure Plans

5.1 Total spending in 2023-24 has increased in the face of significant internal and external cost pressures.

5.2 The budget is summarised in Table 2 and described below.

Net Revenue Expenditure	2023-24	2024-25	2025-26	2026-27	2027-28	Assumptions
	£m	£m	£m	£m	£m	
Pay	208.1	215.2	220.5	226	231.2	2% in 23-24, then 2.5%
Non-Pay	79.4	81.5	83.3	85.2	87	Blended*, 5.5%,2.7% then 2.2% p.a.
Specific Income	-24.8	-25.4	-25.9	-26.4	-27	2% p.a.
Use of Asset Reserve	-1.6	0.3	1.7	-1.9	-0.3	Planned use to smooth replacement ICT cost
Direct Revenue Funding of Capital	0.6					Reduces ongoing capital financing charges
Total	261.7	271.6	279.6	282.9	290.9	

Table 2

5.3 The draft 2023-24 budget has been compiled following a rigorous review by budget holders, a review of workforce plans, and assumptions built in for unknown factors such as

pay awards. Some £19m of budget pressures were identified during the budget review, c£13m on staff related budgets including pay awards, increments, restructures and pension contribution rate changes, c£2m contract and insurance price increases, and c£4m relating to inflation.

5.4 The budget proposals include provision for specific grants in the OPCC such as victims' services £1.3m, VRU £1m (Violence Reduction Unit), CADA £0.4m (Children Affected by Domestic Abuse), Safer Streets £1m and Youth Endowment Fund of £0.8m to name a few, with corresponding expenditure budgets included. Provision for crime & disorder reduction grants and commissioning is maintained at £4.2m.

5.4 The Chief Constable's 2023-24 budget includes £128.4m for police officer pay (including maintaining the uplift target number of officers at 2,378) and £6m for PCSO pay. The Police Uplift Programme (PUP) was to increase police officer numbers by 20,000 nationally by March 2023. The £4.9m ringfenced PUP grant is directly related to maintaining officer numbers at the PUP target level, or risk losing a proportion of the grant. The force is in a good place having already achieved the target number and the budgeted work force plan ensures this is maintained.

6. Savings and Efficiencies

6.1 Some £4.7m of savings and efficiencies have been identified and included in the proposed budget. This includes £1.9m of efficiencies from exiting the Multi Force Shared Services which has resulted in in-house teams being re-established which will allow greater autonomy over processes and therefore the ability to drive out efficiencies.

6.2 £1.3m has been identified in ICT budgets, the majority of this has come from challenging current and new contract provision in terms of volume activity, ensuring we are not paying for services/modules we no longer use, modifying the number of user licenses to match our actual demand, and where possible negotiating additional discounts on contracts.

6.3 A reduction in premises costs of £0.3m has been identified due to rationalisation of the estate, and £0.4m of transport savings from exiting the PFI. Other savings and efficiencies of some £0.7m include reduced recruitment campaign costs, reduced uniform and overtime costs, and a reduction in collaborations that are poor value for money.

6.4 I have also requested a value for money and efficiency plan from the Chief Constable. This will be included in the final iteration of the Financial Strategy.

7. Service Impact

7.1 The draft budget for 2023-24 shows a balanced budget, based upon a council tax increase of £14.94 per band D property, and some use of reserves. Final information on the collection fund surplus and deficits is not yet confirmed.

7.2 It is clear that use of reserves will be necessary to balance the budget beyond 2023-24, i.e. in the MTFP. Efficiencies will also need to be identified to reduce the expenditure budget in the MTFP, and to a greater extent if additional income is not forthcoming, e.g. from the formula funding review.

7.3 Plans for 2023-24 include:

- Maintaining Police officer numbers at 2,378, and PCSOs at 150.
- Maintaining staff establishment at c1,400 with a 3.5% vacancy factor included.
- Safeguarding the £4.2m budget for Grants and Commissioning to continue the vital work to support victims and prevent crime, help people feel safe and protect them from becoming victims of crime. Launch a new victim CARE service.
- Ensure new legal requirements being placed on us are planned for even when no new funding is available, such as changes to the Out of Court Disposals framework currently estimated to be a pressure of c£0.3m.
- Investing in capital projects to; ensure officers and staff have the right tools for the job e.g. appropriate ICT; ensure the vehicle fleet is fit for purpose; make provision for environmental projects to achieve a reduced carbon footprint (a review of opportunities is scheduled to take place) and deliver on the net zero target.
- Continuing to maximise new funding opportunities to target specific activity and benefit as many people as possible.

7.4 Further detailed information on revenue and capital expenditure plans, and risks and reserves is within the attached annexes.

8. Council Tax Proposal

8.1 My proposed Council Tax increase for 2023-24 is £14.94. This is £269.19 for a Band D property. With this increase, Council Tax provides £4.9m more funding than in 2022-23 (excluding any increase in the tax base).

8.2 The Police and Crime Commissioner's share of council tax is shown in table 3 below. This illustrates the impact of a £14.94, 5.9% increase. The additional cost to some 60% of Nottinghamshire council tax-payers would be 22 pence per week or less.

Council Tax Band	Proportion of Band D	2022/23 Council Tax	£14.94 Annual Increase to Band D	Proposed 2023/24 Council Tax	% increase	Pence per week increase
A	6/9	£169.50	£9.96	£179.46	5.9%	£0.19
B	7/9	£197.75	£11.62	£209.37	5.9%	£0.22
C	8/9	£226.00	£13.28	£239.28	5.9%	£0.26
D	9/9	£254.25	£14.94	£269.19	5.9%	£0.29
E	11/9	£310.75	£18.26	£329.01	5.9%	£0.35
F	13/9	£367.25	£21.58	£388.83	5.9%	£0.42
G	15/9	£423.75	£24.90	£448.65	5.9%	£0.48
H	18/9	£508.50	£29.88	£538.38	5.9%	£0.57

Table 3

Caroline Henry

The Police and Crime Commissioner for Nottinghamshire

27 January 2023