



**NOTTINGHAMSHIRE
POLICE & CRIME
COMMISSIONER**

Precept 2023-24

January 2023

The Police & Crime Commissioner's

Precept 2023-24

Letter from the Home Secretary and the Minister

In announcing the Provisional Settlement figures for Police Grant the Home Secretary and the Minister has made the following comments:

- Funding nationally for Policing will increase by £287m to £17.2B.
- Up to £523m available to PCCs if precept is maximised, with £275m ringfenced for PUP target maintenance.
- Precept flexibility increased to £15, from £10 in SR2021, on Band D properties, raising £349m nationally if all Commissioners take this up.
- Continued support to cover the increase in pension costs, and legacy council tax grants.
- Continued support for National programmes, £1.1B.
- Continued focus on efficiency and productivity.

Introduction

Considering the budget requirement and opportunity made available by the Minister the Nottinghamshire Police & Crime Commissioner is proposing a precept increase of £14.94 for the 2023-24 financial year.

This increase in the precept supports the budget report and Commissioner's commitment to maintaining the increase in police officer numbers in our neighborhoods. The priorities of the revised Police and Crime Plan - the 'Make Notts Safe Plan', are fully reflected in our spending plans and include:

- Serious violence and knife crime
- Violence against women and girls
- Neighborhood crimes, including burglary, vehicle crime robbery and rural crime
- Other high harm offences, such as modern slavery, exploitation, and abuse

The Commissioner also supports Victims Services through formal contracts and grants with the third sector, these are seen as having growing importance and additional funding for their activities has been provided for.

This budget reflects the Police & Crime Plan for 2023-24.

Government Assumptions

In 2021 the spending review announcement provided more detail than usual as to what could be expected in a 3 year high level settlement. It was announced that there would be further precept freedoms of up to £10 on a Band D property for the next 3 years, along with increased certainty regarding overall grant levels. The Government intention for this was to ensure adequate resources to deliver the national uplift programme, fund employers national insurance increases (subsequently reversed) and provide for a pay award.

In providing the provisional grant settlement figure in December 2022 the Government has made certain assumptions in relation to the total funding available for Policing.

Firstly, it provides additional resource to the main police grant for the national uplift of 20,000 officers. This increase is in a ringfenced grant and is therefore unclear where this will be included in future years, it is assumed it will be included in the core grant in future. The planning assumption is for target officer numbers to be maintained in 2023-24.

Secondly, the £10 precept freedom previously indicated is increased to £15. The Home Office have commented that the increase is in recognition of policing needs to balance budgets and deliver on key priorities, with a focus on how the Force is prioritising the budget, delivering efficiencies, and driving productivity improvements.

Future outlook

We are in unprecedented times all of which have a major impact on the Government funding available for the public sector. It is reassuring to hear that Policing remains a priority, but this is alongside the NHS, teachers, and others applying pressure for an increase in pay, the cost and repayment in relation to the national debt arising from COVID. Global and national issues impacting on economic circumstances will undoubtedly put pressure on departmental expenditure limits in the coming year. Inflation at 10.5% (CPI) as at December 2022 and a recession forecast all makes for a fairly bleak outlook for public spending in the years ahead.

The Government remains committed to being able to balance the budget and reduce borrowing. The increased borrowing for COVID and more recent initiatives such as the support schemes for energy bills, against an economy that is in a recession, means that the repayment period for borrowing is likely to be longer term.

In recent years the Home Office has relied on Police and Crime Commissioners to take advantage of Council Tax freedoms and set above inflation increases to cover some of the inflationary costs no longer provided for within the Policing Grant, for 2023-24 the maximised precept of £15, 5.9%, is a below inflation increase.

There are positive signs with 5 out of the 8 District/City councils declaring a surplus on the collection fund, therefore an overall surplus on collection is estimated for 2023-24.

The impact on the council tax base, which last year saw the base increase by 1.92%, looks to be in recovery with this year's increase of 1.42% more in line with expectations.

The Government is also keen to ensure that it reaches its target of an additional 20,000 Police Officers by 2023. But there were worries that if this came without support for funding of future pay awards, inflation, pension increases and adequate funding for the major ICT programmes such as ESN (Emergency Services Network); then all that happens is that officers end up in non-policing roles, the 3 year funding announcement helps reduce those fears.

During the medium term there will be revaluations of the Police Pension Scheme. It is envisaged that this will have further impacts on the employers rate and therefore the funding available. The cost of the McCloud case being implemented will be met by the Treasury.

Supporting Reports

The Budget Report and the Financial Strategy and Medium Term Financial Plan on today's agenda details further the plans for 2023-24 and beyond.

The detailed draft budget for 2023-24, the draft Medium Term Financial Strategy, the draft Capital Programme and the draft Reserves Strategy, are provided for information purposes to the Police & Crime Panel. These have been compiled to support the Police & Crime Plan.

This report is based upon declared information provided by the Billing Authorities.

Process

When setting the budget and capital programme for the forthcoming financial year the Police & Crime Commissioner must be satisfied that adequate consideration has been given to the following:

- **The Government policy on police spending** – the issues highlighted earlier mean that the Treasury continues to face competing pressures from various departments. The grants provided to policing for 2023-24 provide for the additional police officers promised by the Prime Minister but is also predicated on maximum use of precept flexibility.
- **The medium term implications of the budget and capital programme** - the separate report sets out the Medium Term Financial Plan and an affordable capital programme, which is regularly reviewed and updated. This is now a key indicator of financial sustainability.
- **The CIPFA Prudential Code** - the separate Treasury Management Strategy covers the CIPFA Prudential Code, which evaluates whether the capital programme and its revenue implications are prudent, affordable and sustainable. The implications of borrowing to finance the unsupported element of the capital programme are incorporated within the proposed revenue Budget for 2023-24 and the Medium Term Financial Plan. This will be reviewed by the Audit Committee in February 2023 prior to publication.
- **The size and adequacy of general and specific earmarked reserves** - the current forecast of the general reserve at 31 March 2023 is £8.6 million. This is higher than the minimum 2% of NRE level in the approved reserves strategy and is considered by the Chief Finance Officer to be an adequate level for the year ahead. This is lower than the 5% guideline set by the Home Office. The Chief Finance Officer considers that all of the earmarked reserves set out in the Reserves Strategy are valid and continues to monitor them and their planned usage. This will continue into the medium term.
- **Whether the proposal represents a balanced budget for the year** - the assurances about the robustness of the estimates are set out in the budget report at annex A. The budget is in balance based upon an assumed £14.94 increase in the Police & Crime Council Tax Band D.
- **The impact on Council Tax** - this is covered in **Section 6** of this report.
- **The risk of referendum** – the threshold set for requiring a referendum is a £15 increase on the precept for all Police & Crime Commissioners. The proposed increase of £14.94 is below the level that would require a referendum, (further detail is provided in **Section 5**).

1. COUNCIL TAX BASE

- 1.1 For 2023-24 the Billing Authorities continue with the local Council Tax Support Schemes introduced in 2013-14. The Billing Authorities have considered the unemployment and benefits demographics and the likelihood of further non-collection when setting the tax base for 2023-24.
- 1.2 The Billing Authorities have therefore estimated an overall increase of 1.42% which is comparable to the expected increase, compared to last year's increase of 1.92%. Breakdown is shown below.

Local Council	2022/23 Tax Base	2023/24 Tax base	% Change
	No.	No.	%
Ashfield	34,052.70	34,428.30	1.10%
Bassetlaw	36,396.81	37,260.45	2.37%
Broxtowe	34,530.00	34,861.86	0.96%
Gedling	37,776.42	38,503.71	1.93%
Mansfield	30,557.30	30,778.70	0.72%
Newark & Sherwood	41,205.00	41,790.96	1.42%
Nottingham City	67,540.00	68,403.00	1.28%
Rushcliffe	45,387.60	46,068.40	1.50%
Total	327,445.83	332,095.38	1.42%

2. COLLECTION FUND POSITION

- 2.1 Each billing authority uses a Collection Fund to manage the collection of the Council Tax, for 2023-24 the overall surplus totals £0.3m after the spreading adjustment. A breakdown is provided in the table below:

Local Council	2022/23 Collection Fund surplus/(deficit)	2023/24 Collection Fund surplus/(deficit)
	£	£
Ashfield	48,039.00	44,415.00
Bassetlaw	58,453.00	330,883.00
Broxtowe	25,973.00	(56,839.00)
Gedling	0.00	115,875.00
Mansfield	284,274.51	56,478.98
Newark & Sherwood	267,321.40	(130,850.00)
Nottingham City	220,294.00	139,200.00
Rushcliffe	(51,762.00)	(199,352.99)
Total	852,592.91	299,809.99

3. GRANTS

- 3.1 The total core grant now stands at £170.6m, compared to £167.6m in 2022-23. £4.9m of the core grant is associated with the police officer uplift programme and is ringfenced, it is not yet clear what the full criteria for claiming this grant will be other than maintaining PUP target officer numbers (2,378 for Nottinghamshire).
- 3.2 Council Tax Legacy Grant is received by Commissioners for each Policing area. There is no change in the Legacy Grant for 2023-24 at £9.7m. This grant will be considered as part of the Funding Formula Review. The pensions top up grant is also maintained at £2.0m.
- 3.3 In addition to core funding there are specific grants which fund specific activity. They are included in both income and expenditure and net to nil in the budget.

4. CONSULTATION

- 4.1 The Nottinghamshire Police and Crime Commissioner (PCC) has a statutory duty under the Police Reform and Social Responsibility Act 2011 to obtain the views of local people and ratepayers' on budget and precept proposals and to consult and engage with local people on policing and in setting police and crime objectives.
- 4.2 In fulfilling these requirements, the Commissioner maintains a rolling programme of social research which is designed to obtain both a robust and representative sample of views from residents across Nottinghamshire, and more detailed qualitative insight from a diverse sample of informed residents in each Community Safety Partnership area (Focus Groups), and in this year an online survey to ensure the additional precept flexibility was consulted upon.
- 4.3 The full report on the consultation outcomes is contained in Appendix B.

5. COUNCIL TAX REFERENDUMS

- 5.1 The Localism Act 2011 requires authorities including Police & Crime Commissioners to determine whether their 'relevant basic amount of council tax' for a year is excessive, as excessive increases trigger a council tax referendum. The Secretary of State is required to set out principles annually, determining what increase is excessive. For 2023-24 the principles state that, for Police & Crime Commissioners, an increase of more than £15 in the basic amount of council tax between 2021-22 and 2023-24 is excessive.

For 2023-24 the relevant basic amount is calculated as follows:

Formula:

<u>Council Tax Requirement</u>	= Relevant basic amount of council tax
Total tax base for police authority area	

Nottinghamshire 2023-24 estimated calculation:

<u>£89,396,755.34</u>	= £269.19 (compared to £254.25 2022-23)
332,095.38	
	(+£14.94)

An increase of **£14.94** is **below** the threshold amount.

6. **RECOMMENDATION ON THE LEVEL OF POLICE & CRIME PRECEPT ON THE COUNCIL TAX**

- 6.1 As discussed in the Budget report resources have been allocated to support the police and crime plan. In assessing appropriate spending levels, consideration has been given to the significant unavoidable commitments facing the Police & Crime Commissioner, including the 20,000 uplift in Police Officer numbers nationally, pay awards and pension liabilities, and inflation. Due regard has been given to the overall cost to the local council tax payer. Consideration has also been given to the projected value of the available reserves and balances and the medium term financial assessment (both reported separately).
- 6.2 The Commissioners proposed spending plans for 2023-24 result in a Police and Crime Precept on the Council Tax of £269.19 for a Band D property, representing an increase of £14.94.
- 6.3 For calculation purposes the Council Tax for Precepting Authorities is always quoted for a Band D property. In Nottinghamshire the largest proportion of properties are in Bands A and B.

The impact per band is shown below:

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

- 6.4 To achieve a balanced budget and having regard for the provisional notification of grant income an increase in the Police & Crime Precept is required. This is on top of budget reductions and efficiencies included.

The overall Police & Crime Precept for 2023-24 is calculated as follows:

2023-24 Budget £m	
Draft Budget Requirement	261.7
Less income from:	
Core Police Grant	(154.0)
Legacy CT Grant	(9.7)
Pension Grant	(2.0)
Ringfenced PUP	(4.9)
Use of Reserves	(1.5)
Surplus on collection funds	(0.3)
Police Precept	<u>89.4</u>

Amounts to be raised in each billing authority area 2023-24:

Local Council	2023/24 Collection Fund surplus/(deficit)	2023/24 Council Tax Requirement	2023/24 Total amount due
	£	£	£
Ashfield	44,415.00	9,267,754.08	9,312,169.08
Bassetlaw	330,883.00	10,030,140.54	10,361,023.54
Broxtowe	(56,839.00)	9,384,464.09	9,327,625.09
Gedling	115,875.00	10,364,813.69	10,480,688.69
Mansfield	56,478.98	8,285,318.25	8,341,797.23
Newark & Sherwood	(130,850.00)	11,249,708.52	11,118,858.52
Nottingham City	139,200.00	18,413,403.57	18,552,603.57
Rushcliffe	(199,352.99)	12,401,152.60	12,201,799.61
Total	299,809.99	89,396,755.34	89,696,565.33

Collection Dates

The dates, by which the Commissioner's bank account must receive the credit in equal instalments, otherwise interest will be charged.

<u>2023</u>	£
19-Apr	8,969,656.00
25-May	8,969,656.00
03-Jul	8,969,656.00
04-Aug	8,969,656.00
11-Sep	8,969,656.00
17-Oct	8,969,656.00
21-Nov	8,969,656.00
<u>2024</u>	
03-Jan	8,969,656.00
05-Feb	8,969,656.00
11-Mar	8,969,661.33
	<u>89,696,565.33</u>