



Lincolnshire POLICE & CRIME COMMISSIONER

SAFER TOGETHER

REPORT TO THE POLICE & CRIME PANEL POLICE PRECEPT 2019/20

1. Introduction

1.1 My proposals for the Police Precept 2019/20 reflect the priorities set in my *Community Safety, Policing and Criminal Justice Plan for Lincolnshire April 2017 – March 2021*:

- Community safety and prevention in partnership – working together to reduce crime;
- Listening, responsive and accountable – making sure the people of Lincolnshire have their say in shaping our priorities;
- Policing that works – effective policing, there when you need it and responsive to differing community needs; and
- Protecting and supporting victims and the vulnerable – making sure the whole criminal justice system works for those that really need it.

1.2 The opportunity for the people of Lincolnshire to respond to my budget consultation concluded on 16 January 2019. I received 3,449 complete responses which are analysed in Annex A attached. My precept proposal for 2019/20 reflects careful consideration of the views expressed in response to my consultation.

2. Government Grant

2.1 The Provisional Police Grant Report accompanied by a Written Ministerial Statement was laid before Parliament on 13 December 2018. The police settlement covers just one year. In his written statement the Minister confirmed that police grant would be increased by £1.2m (2.1%) in 2019/20; plus an allocation of pension top-up grant of £1.2m in 2019/20.

2.2 The Minister announced a relaxation of the precept referendum limit to allow an increase up to an additional £24 per annum for a Band D property.

2.3 The Minister's letter sets out the national priorities for 2019/20, such that funding will be directed towards counter-terrorism and serious and organised crime. The letter also confirms that funding will be set aside for major digital projects to enhance police digital capability including mobile working.

2.4 The Minister's letter does not refer specifically to the Core Grant Distribution Review (funding formula review) but states that this is the last settlement before the next Spending

Review “*which will set long term police budgets and look at how resources are allocated fairly across police forces*”. Further communication from the spending review working groups indicate that implementation is unlikely to be before 2021/22.

- 2.5 The provisional settlement is subject to consultation and I have written to the Minister of State for Policing and Fire Services expressing my views (Annex B). The final settlement was published on 24 January 2019 with no changes to the provisional settlement and is expected to be debated by Parliament on 5 February 2019.
- 2.6 Further detailed information on government grant is included within Annex C attached.

3. Council Tax

- 3.1 Council Tax receipts are based upon an assumption of a 1% increase in the Council Tax base. This assumption will be updated to reflect the actual position as notified by Lincolnshire’s district councils before the budget is finalised.
- 3.2 The government published its proposals relating to Council tax referendum principles for 2019/20 on 13 December 2018. In 2019/20 *all* PCCs will be allowed to increase band D bills by as much as £24. In order to avoid a costly local referendum, I propose an increase in the police precept of £23.94 (11%) for 2019/20. Nevertheless, I will be unable to bridge the funding gap for 2019/20 without using my remaining reserves available for budgetary support, and requiring the Chief Constable to make savings.
- 3.3 My medium term financial plan (MTFP) is based upon annual council tax increases of £23.94 per annum per Band D property in 2019/20 and then reverting back to a 2% per annum increase from 2020/21.

4. Total Income

- 4.1 Total income is projected over the next four years as shown in **Table 1** below. There is an assumption that the council tax base will increase by 1% per annum, a continuation of the 2019/20 assumption.
- 4.2 The budget proposals described in the remainder of this report assume a £23.94 (11%) council tax increase for 2019/20, and a 2% increase for each of the subsequent years of the MTFP.
- 4.3 The potential impact of a revised Funding Formula within the MTFP continues to be excluded based upon a prudent reflection that this will be revisited in the next Spending Review, which means 2021/22 at the earliest.
- 4.4 £1.0m of reserves is included in balancing the 2019/20 budget as well as £3.2m of budget reductions; beyond 2019/20 the MTFP has a budget gap of £6.9m by 2022/23.
- 4.5 To achieve financial balance beyond 2019/20, it is clear that, without a more equitable slice of the national police grant, or substantial precept rises in future years, Lincolnshire would see significant degradation of service. That would undoubtedly take the form of fewer Police Officers, Police Community Support Officers (PCSOs), and the staff who support them.

Provisional Income	2018/19	2019/20	2020/21	2021/22	2022/23
	£m	£m	£m	£m	£m
Police Grant	(57.907)	(59.123)	(59.123)	(59.123)	(59.123)
Pension Top Up Grant	-	(1.175)	(1.175)	(1.175)	(1.175)
Council Tax Compensation Grant	(1.059)	(1.059)	(1.059)	(1.059)	(1.059)
Council Tax Support Grant	(5.775)	(5.775)	(5.775)	(5.775)	(5.775)
Council Tax Precept	(49.571)	(55.066)	(56.715)	(58.414)	(60.161)
Victim Services Grant	(0.864)	(0.864)	(0.864)	(0.864)	(0.864)
Custody Contract	(2.268)	(2.268)	(2.268)	(2.268)	(2.268)
Proceeds of Crime Income	(0.120)	(0.120)	(0.120)	(0.120)	(0.120)
Contribution to / (from) Reserves	(4.383)	(1.000)	-	-	-
Contribution from 2017/18 underspend	(0.685)	-	-	-	-
Apprentice Levy Clawback	(0.106)	-	-	-	-
PCC Regional Income	-	(0.100)	(0.100)	(0.100)	(0.100)
Total Police and Crime Commissioner Income	(122.738)	(126.550)	(127.199)	(128.898)	(130.645)

Table 1

5. Expenditure Plans

5.1 Total spending in 2019/20 has increased in the face of significant external cost pressures.

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

Provisional Expenditure Plans	2018/19	2019/20	2020/21	2021/22	2022/23
	£m	£m	£m	£m	£m
Police and Crime Commissioner - Expenditure	32.874	33.302	35.729	36.663	36.663
Chief Constable - Expenditure	88.710	95.308	96.999	98.259	99.655
Joint Services - Expenditure	1.154	1.166	1.179	1.192	1.205
Cost Reduction Programme	-	(3.227)	(6.709)	(7.217)	(6.879)
Total Provisional Expenditure	122.738	126.550	127.199	128.898	130.645

Table 2

5.3 The budget proposals include provision for victims' services expenditure in line with expected grant of £0.9m. Provision for crime and disorder reduction grants is set at £0.6m. The budget also includes provision for strategic partnership contract payments of £22.5m and capital financing charges of £3.5m.

5.4 The Chief Constable's 2019/20 budget includes £56.4m for police officer salaries (net of savings) and £3.2m for PCSO salaries (net of savings). As with 2018/19, the target operating model for the period to 2022/23 remains at 1,100 police officers, however funding levels dictate that reductions below this level are required to balance the budget and MTFP.

6. Service Impact

6.1 The budget for 2019/20 now shows a balanced position through achievement of the £3.2m savings but a budget gap remains for 2020/21 and beyond. The Chief Constable is currently finalising plans to address this should our efforts to secure further Home Office grant be unsuccessful.

- 6.2 Plans for 2019/20 include a significant investment in a new Command & Control system intended to unlock significant operational benefits through the better use of resources and data. Whilst investment to deliver improved productivity will mitigate the impact of potential future headcount reductions, there would nevertheless be a service impact.
- 6.3 Further detailed information on revenue and capital expenditure plans, savings options, risks and reserves is attached at Annex C.

7. Council Tax

- 7.1 My proposed Council Tax increase for 2019/20 is £23.94 (11%). This is £241.38 for a Band D property. This increase alone provides £5.495m more precept funding than in 2018/19.
- 7.2 The Police and Crime Commissioner's share of council tax is shown in table 3 below. This illustrates the impact of a £23.94 (11%) increase. The additional cost to the majority of Lincolnshire council tax payers would be 41 pence per week or less.

BAND	2018/19 Council Tax £	2018/19 % of Taxbase Cumulative	Increase pence per annum £	2019/20 Council Tax £	Increase pence per week £
A	144.96	25.6%	15.96	160.92	0.31
B	169.12	45.8%	18.62	187.74	0.36
C	193.28	68.7%	21.28	214.56	0.41
D	217.44	83.6%	23.94	241.38	0.46
E	265.76	93.2%	29.26	295.02	0.56
F	314.08	97.9%	34.58	348.66	0.67
G	362.40	99.8%	39.90	402.30	0.77
H	434.88	100.0%	47.88	482.76	0.92

Table 3

Marc Jones
The Police and Crime Commissioner for Lincolnshire
8th February 2019