



# Lincolnshire POLICE & CRIME COMMISSIONER

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## SAFER TOGETHER

### REPORT TO THE POLICE & CRIME PANEL POLICE PRECEPT 2020/21

#### 1. Introduction

1.1 My proposals for the Police Precept 2020/21 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 12 January 2020. I received 3,302 complete responses which are analysed in Annex A attached. My precept proposal for 2020/21 reflects careful consideration of the views expressed in response to my consultation.

#### 2. Government Grant

2.1 The Police Grant Report 2020/21 was announced by Written Ministerial Statement and was laid before Parliament on 22 January 2020. The provisional settlement was delayed due to the general election in December 2019, so Home Office ministers opted to dispense with a provisional settlement followed by consultation and go straight to a final settlement. The police settlement covers just one year. In his written statement the Minister confirmed that police grant for Lincolnshire would be increased by £4.4m (7.5%) in 2020/21; plus an allocation of pension top-up grant of £1.2m in 2020/21 (continued from 2019/20).

2.2 The Minister announced the precept referendum limit to allow an increase up to an additional £10 per annum for a Band D property.

2.3 The Minister's statement sets out the national priorities for 2020/21, such that funding will be directed towards counter-terrorism, serious and organised crime, serious violence,

technology programmes, national capabilities and forensics. The statement also confirmed the cessation of the Police Transformation Fund.

- 2.4 The statement confirms that capital grant funding to PCCs has been reduced by 74%, with the balance being held centrally in what the Minister referred to as 'rebalancing'. This is a reduction of £0.3m to £0.1m for Lincolnshire.
- 2.5 The Minister's statement does not refer specifically to the timing of the Core Grant Distribution Review (funding formula review).
- 2.6 As a consequence of omitting the provisional settlement stage there was no consultation period for me to respond, unlike in previous years. The Home Secretary is not obliged to consult on the police funding allocations.
- 2.7 Further detailed information on government grant is included within Annex B 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 2020/21 on 22 January 2020. In 2020/21 all PCCs will be allowed to increase band D bills by as much as £10. In order to avoid a costly local referendum, I propose an increase in the police precept of £9.99 (4.1%) for 2020/21.
- 3.3 My medium term financial plan (MTFP) is based upon annual council tax increases of £9.99 per annum per Band D property in 2020/21 and then reverting back to a 2% per annum increase from 2021/22 onwards.

### **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 £9.99 (4.1%) council tax increase for 2020/21, 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 it is unclear when this will be revisited.
- 4.4 No use of reserves is planned in balancing the 2020/21 budget. It should be noted that there is a range of cost pressures and prioritised service developments that will be included when the budget is finalised.
- 4.5 The increased funding for the National Officer Uplift is welcome; Lincolnshire's share of the first tranche of 6,000 officers is 50, in accordance with our share of aggregate Police Grant, providing some progress towards addressing the reductions in officer numbers made to balance the budget in 2019/20. It is, as yet, unclear how subsequent tranches will be allocated and funded. Beyond 2020/21, it is clear that, without a more equitable slice of the national police grant, or substantial precept rises in future years; Lincolnshire would continue to be at risk of degradation of service despite the national officer uplift.

<b>Provisional Income</b>	2019/20	2020/21	2021/22	2022/23	2023/24
	£m	£m	£m	£m	£m
Police Grant	(59.123)	(63.500)	(63.500)	(63.500)	(63.500)
Pension Top Up Grant	(1.175)	(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	(55.890)	(58.288)	(60.049)	(61.862)	(63.730)
Victim Services Grant	(0.868)	(0.884)	(0.884)	(0.884)	(0.884)
Collaborative Services	(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	(0.585)	(0.275)	-	-	-
PCC Regional Income	(0.104)	(0.104)	(0.104)	(0.104)	(0.104)
<b>Total Police and Crime Commissioner Income</b>	<b>(126.966)</b>	<b>(133.448)</b>	<b>(134.934)</b>	<b>(136.747)</b>	<b>(138.615)</b>

**Table 1**

## **5. Expenditure Plans**

5.1 Total spending in 2020/21 has increased in the face of significant external cost pressures.

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

<b>Provisional Expenditure Plans</b>	2019/20	2020/21	2021/22	2022/23	2023/24
	£m	£m	£m	£m	£m
Police and Crime Commissioner - Expenditure	32.665	34.807	36.312	37.029	37.617
Chief Constable - Expenditure	93.035	95.455	96.644	97.913	99.369
Joint Services - Expenditure	1.266	1.182	1.195	1.208	1.208
Service Developments	-	2.003	0.783	0.596	0.420
<b>Total Provisional Expenditure</b>	<b>126.966</b>	<b>133.447</b>	<b>134.934</b>	<b>136.746</b>	<b>138.614</b>

**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 £23.3m and capital financing charges of £3.9m.

5.4 The Chief Constable's 2020/21 budget includes £60.6m for police officer salaries (including the uplift) and £3.2m for PCSO salaries. As with 2019/20, the target operating model for the period to 2023/24 remains at 1,100 police officers, however funding levels dictate that officer numbers need to be lower than this to balance the budget and MTFP, despite tranche one of the national uplift. The 50 officer allocation in tranche one would see officer levels reach 1,070 FTE by March 2021.

## **6. Service Impact**

6.1 The draft budget for 2020/21 shows a balanced position based upon a council tax increase of 4.1% and police officer numbers of 1,070, including 50 from the national officer uplift programme. The PCC and Chief Constable are in ongoing dialogue with the Home Office to seek to secure additional funding for Lincolnshire, either through a fairer share of recurrent police grant or through Special Grant.

6.2 Plans for 2020/21 include a significant investment in a new Command & Control system and other ICT projects 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 headcount reductions, there would nevertheless be a service impact.

6.3 Further detailed information on revenue and capital expenditure plans, and risks and reserves is attached at Annex B.

## 7. Council Tax

- 7.1 My proposed Council Tax increase for 2020/21 is £9.99 (4.1%). This is £251.37 for a Band D property. With this increase, Council Tax provides £2.4m more funding than in 2019/20.
- 7.2 The Police and Crime Commissioner's share of council tax is shown in table 3 below. This illustrates the impact of a £9.99 (4.1%) increase. The additional cost to the majority of Lincolnshire council tax payers would be 17 pence per week or less.

BAND	Proportion of Band D	2019/20 Council Tax £	£9.99 Increase to a Band D £ p.a.	2020/21 Council Tax £	£9.99 Increase to a Band D £ per week	% of Taxbase Cumulative
A	6/9	160.92	6.66	167.58	0.13	25.7%
B	7/9	187.74	7.77	195.51	0.15	46.0%
C	8/9	214.56	8.88	223.44	0.17	68.8%
D	9/9	241.38	9.99	251.37	0.19	83.6%
E	11/9	295.02	12.21	307.23	0.23	93.2%
F	13/9	348.66	14.43	363.09	0.28	97.9%
G	15/9	402.30	16.65	418.95	0.32	99.8%
H	18/9	482.76	19.98	502.74	0.38	100.0%

Table 3

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The Police and Crime Commissioner for Lincolnshire  
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