

**POLICE AND CRIME COMMISSIONER (PCC) FOR LINCOLNSHIRE
REQUEST FOR DECISION**

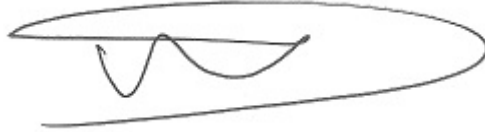
REF: 004/2021
DATE: 24 February 2021

SUBJECT		BUDGET REPORT	
REPORT BY	Chief Finance Officer, Police and Crime Commissioner & Chief Finance Officer, Chief Constable		
CONTACT OFFICER	Julie Flint, Chief Finance Officer, PCC Telephone 01522 947222 Sharon Clark, Chief Finance Officer, CC Telephone 01522 947468		
EXECUTIVE SUMMARY AND PURPOSE OF REPORT			
<p>To propose :</p> <ul style="list-style-type: none"> • A revenue budget and council tax precept for 2021/22 • A medium term financial plan for 2022/23 to 2024/25 • A capital programme for 2021/22 to 2024/25 <p>The proposals will support delivery of the Police and Crime Plan and are consistent with the Commissioner’s Financial Strategy.</p>			
RECOMMENDATIONS	<p>The Police and Crime Commissioner is asked to :</p> <ol style="list-style-type: none"> 1. note the views of the Police and Crime Panel on council tax, summarised at paragraph 2.8 of the report ; 2. note the Chief Finance Officer’s statement on robustness of estimates and adequacy of reserves in section 10 of the report; 3. approve the council tax for 2021/22 as set out in Table A and Appendix A ; 4. approve revenue budgets for 2021/22 and medium term financial plan for 2022/23 to 2024/25 as set out in Appendix B ; and 5. approve the capital programme and its funding for 2021/22 to 2024/25 as set out in Table D. 		

POLICE AND CRIME COMMISSIONER FOR LINCOLNSHIRE

I hereby approve the recommendation above, having considered the content of this report.

Signature:



Date: 24 February 2021

A. NON-CONFIDENTIAL FACTS AND ADVICE TO THE PCC

A1. INTRODUCTION AND BACKGROUND

1. Police Grant Settlement

- 1.1 The Provisional Police Grant Report accompanied by a Written Ministerial Statement was laid before Parliament on 17 December 2020.
- 1.2 The police settlement covers just one year. In his written statement the Minister confirmed that the total core grant for Lincolnshire is now £67.5m, an increase of £4.0m (6.3%). In addition, a ringfenced allocation of £0.8m is available to Lincolnshire on achievement of the uplift target and in accordance with the grant conditions. The pension top-up grant allocation (£1.2m) has been maintained in 2021/22 at the same level as for 2020/21 and will be reconsidered at the next spending review.
- 1.3 The Minister announced the precept referendum limit to allow an increase of up to an additional £15 per annum for a Band D property.
- 1.4 As in previous years, the existing approach to funding distribution will continue in 2021/22. The Minister's statement does not refer specifically to the timing of the Core Grant Distribution Review (funding formula review).
- 1.5 The Minister's letter states that, alongside force level allocations, the settlement provides £1.1 billion resource and capital funding for national priorities in 2021/22, including funding the fight against serious and organised crime to tackle drug trafficking and child sexual exploitation and abuse; this will protect National Crime Agency funding to ensure cohesive national, regional and local law enforcement response. Funding for counter-terrorism policing will be up to £914 million in 2021/22. In addition, £32 million is being provided for the development of a new CT Operations Centre.
- 1.6 The provisional settlement was subject to consultation and the Police & Crime Commissioner wrote to the Home Secretary and Minister of State for Policing and Fire Services expressing his views. The Final Police Grant Report 2021/22 was confirmed by the government on 04 February 2021 and subsequently debated by Parliament on 10 February 2021.
- 1.7 A Victims' Services Grant has been confirmed by the Ministry of Justice and Lincolnshire's allocation will be £0.884m in 2021/22. It has been assumed that the same level of grant will be continued for the duration of the MTFP (Medium Term Financial Plan). The budget includes commensurate ring-fenced expenditure.
- 1.8 Lincolnshire will be receiving further uplifts for domestic abuse and sexual violence services, as part of the additional £40m for victims' services announced by the government. In addition, there will be opportunities to bid for funding for independent sexual violence advisors and independent domestic abuse advisors.

- 1.9 Following the reduction in capital grant funding to PCCs in 2019/20 of 74%, capital grant funding is being maintained at £0.1m for Lincolnshire in 2021/22.
- 1.10 It is assumed that other Legacy Council tax grants and pension top up will continue across the MTFP.

2. Council Tax

- 2.1 Details of the council tax base have been received from Lincolnshire's district councils. These indicate a 0.34% increase in the tax base for 2021/22. There is also an aggregate net surplus on council tax collection funds; the Police and Crime Commissioner's share of this net surplus is estimated to be £0.127m. This is broken down into a surplus of £0.259m, and a deficit of £0.132m, see paragraph 2.3 for how the deficit will be treated.
- 2.2 Alongside the Local Government Finance Settlement published by MHCLG, PCCs will also benefit from a share of the £670m of additional grant funding for local council tax support ('LCTS'). Announced as part of the Spending Review 2020, this funding will enable councils to continue reducing council tax bills for those least able to pay. This funding will be paid directly by MHCLG to PCCs and is designed to increase precept revenue as a result of tax base reductions resulting from the pandemic. Notification of the timing and value of this payment is awaited.
- 2.3 Additionally, MHCLG announced in 2020 that the repayment of collection fund deficits arising in 2020/21 must be spread over the next three years, as opposed to one year. The government will compensate local authorities for 75% of irrecoverable losses in council tax income in respect of 2020/21. Funding will be paid directly to PCCs in 2021/22, with the obligation that PCCs will meet the total pressure resulting from 2020/21 deficit over the next three years. Two Lincolnshire District Councils have declared a deficit, totalling £0.132m. £0.099m MHCLG income has been included in the budget for 2021/22, with the remaining £0.033m cost pressure spread over the three years to 2023/24.
- 2.4 The government confirmed its proposals relating to Council Tax referendum principles for 2021/22 on 4 February 2021. In 2021/22 all PCCs will be allowed to increase band D bills by up to £15 p.a. without triggering a local referendum. The budget is based upon the PCC's increase in the police precept of £14.94 (5.9%) for a Band D property for 2021/22.
- 2.5 The budget and MTFP is based upon annual council tax increases of £14.94 per annum per Band D property in 2021/22, reverting to a 2% per annum increase from 2022/23 onwards.
- 2.6 It has been assumed that the taxbase will increase by 0.5% per annum across the MTFP. This is considered to be a prudent level of increase given the anticipated impact of the Covid19 pandemic.
- 2.7 The details of the council tax requirement are set out in Appendix A and the impact on Lincolnshire council tax payers is summarised in Table A below.

Table A: Council Tax

BAND	Proportion of Band D	2020/21 Council Tax £	£14.94 Increase to a Band D £ p.a.	2021/22 Council Tax £	£14.94 Increase to a Band D £ per week	% of Taxbase Cumulative
A	6/9	167.58	9.96	177.54	0.19	25.7%
B	7/9	195.51	11.62	207.13	0.22	46.0%
C	8/9	223.44	13.28	236.72	0.26	68.8%
D	9/9	251.37	14.94	266.31	0.29	83.6%
E	11/9	307.23	18.26	325.49	0.35	93.2%
F	13/9	363.09	21.58	384.67	0.42	97.9%
G	15/9	418.95	24.90	443.85	0.48	99.8%
H	18/9	502.74	29.88	532.62	0.57	100.0%

2.8 The Lincolnshire Police and Crime Panel met on 5 February 2021 to consider the PCC's proposed council tax increase. The Panel voted unanimously at the meeting to support the proposed £14.94 for a Band D property, a 5.9% increase to the policing element of the council tax in 2021/22.

3. Other Income

3.1 No use of risk based reserves is planned in balancing the 2021/22 budget; there are a number of prioritised service developments that have been included which are to be funded from either recurrent budget, or one off funding largely specific grant and council tax surplus.

3.2 Total income is projected over the next four years as shown in Table B below.

4. Revenue Expenditure

4.1 Overall revenue budgets are summarised in Table B below and set out in detail at Appendix B.

Table B: Revenue Budget Total

	2020/21 £m	2021/22 £m	2022/23 £m	2023/24 £m	2024/25 £m
INCOME					
Police and Council Tax Grants	(70.381)	(74.387)	(74.387)	(74.387)	(74.387)
Victim Services Grant	(0.884)	(0.884)	(0.884)	(0.884)	(0.884)
Pension Top Up Grant	(1.175)	(1.175)	(1.175)	(1.175)	(1.175)
National Uplift Funding	-	(0.832)	-	-	-
Council Tax Precept	(59.153)	(62.513)	(63.816)	(65.418)	(67.071)
Collaborative Services	(2.268)	-	-	-	-
Contribution to / (from) Reserves or Special Grant	(1.236)	(0.022)	-	-	-
Proceeds of Crime Income	(0.120)	(0.120)	(0.120)	(0.120)	(0.120)
PCC Regional Income	(0.104)	(0.104)	(0.104)	(0.104)	(0.104)
Total Income	(135.320)	(140.036)	(140.486)	(142.088)	(143.741)
EXPENDITURE					
Police and Crime Commissioner's Office	1.024	1.145	1.125	1.127	1.127
Police and Crime Commissioner Budgets	36.272	35.473	35.766	36.998	37.188
Chief Constable	94.574	101.990	102.098	102.396	103.789
Joint Services	1.182	1.428	1.497	1.567	1.637
Collaborative Services	2.268	-	-	-	-
Total Expenditure	135.320	140.036	140.486	142.088	143.741

4.2 Budget changes across the period of the MTFP are summarised in Table C below.

Table C: Summary of Expenditure Budget Changes

	2020/21 £m	2021/22 £m	2022/23 £m	2023/24 £m	2024/25 £m
Base Budget	126.966	135.320	140.036	140.486	142.088
Funded Growth	8.731	5.873	-	-	-
Cost Pressures	3.192	5.708	2.614	2.325	2.075
Savings	(3.420)	(4.752)	(2.319)	(0.843)	(0.382)
Collaborative Services	-	(2.268)	-	-	-
Income related changes	(0.149)	0.154	0.155	0.120	(0.040)
Total Expenditure	135.320	140.036	140.486	142.088	143.741

4.3 Cost pressures of some £5.7m (4.2%) are netted off by savings of £4.8m (3.5%).

4.4 The main cost pressures in 2021/22 are:

- Increase in overtime £0.453m;
- Specialist Ops £0.249m – investment in tasers, armed police training and increase in NPAS charges;
- Unmet demand in training £0.240m;
- Home Office charges and other contract price increases £0.235m;
- Increase in insurance premiums £0.232m

4.5 Funded growth includes the following:-

- Increase in police officer numbers as a result of the national uplift programme;
- ICT - including full year effect of upgrade to Microsoft office 365 £0.400m, investment in Business Intelligence Tool £0.500m

5. PCC direct expenditure

5.1 The budget proposals include provision for victims' services expenditure in line with the grant.

5.2 Provision for community safety grants and contributions has been included at £0.6m.

5.3 The Strategic Partnership Budget has been set in accordance with the contract and estimated inflationary clauses at £25.4m and includes provision to support the ongoing project to transition from the G4S contract by March 2022.

5.4 The budget to address the deficit in the Local Government Pension Scheme (LGPS), as required by the scheme actuary, has been set in line with the last valuation; 2021/22 £1.7m, 2022/23 £1.9m and an estimate made from 2023/24, £2.0m per annum.

5.5 Capital financing charges usually present a cost pressure as borrowing to fund capital spending creates additional annual repayment and interest costs. The

budget for capital financing is £4.4m in 2021/22, rising to £6.3m by the end of MTFP, this reflects the increased capital programme. The budget takes account of;

- changes in the capital programme;
- changes in contributions from grant and partners;
- use of capital receipts from asset sales;
- active treasury management to minimise interest costs.

5.6 The provision for pay awards arising in 2021/22 has been removed following the government's announcement to freeze pay next year.

5.7 The budget also includes non-recurrent amounts of £0.8m for Police Uplift Programme expenditure in line with the specific grant income budget, and £0.4m for costs associated with the East Coast Model.

5.8 The PCC has set aside earmarked funds to address the priorities of the new Chief Constable and these align with the PCC's Police & Crime Plan. The areas identified for investment over the next two to three years include: -

- Increasing capacity and capability to work with partners to address Violent Crime and the drivers of criminality and vulnerability, with particular focus on Violence, Mental Health and Substance misuse;
- Establish a Diversity Task Force to improve equality and diversity in the workforce so that it reflects the people we serve;
- Ensure staff have the right equipment e.g. Body Worn Video personal issue, additional vehicle ANPR availability and appropriate training to address capacity and capability issues and encourage innovation;
- Increase availability of management information (through investment in a business intelligence tool) to improve leadership and performance management in order to deliver on the force's key purpose of:-
 - Stop Crime and ASB
 - Protect from harm
 - Help those in need.

6. Joint services

6.1 The Finance element of this budget includes organisational costs and the base has been set at £1.0m rising to £1.2m by 2024/25, this provides for expected inflation on insurance premiums.

6.2 The Commercial Partnership Team budget includes both staff and running costs, at £0.4m.

7. Chief Constable

7.1 The Chief Constable's baseline budget is based on strength of 1,119 police officers which is the pre uplift target establishment of 1,020 FTE plus the first tranche of the national uplift of 50 FTE, and the second tranche of 49 FTE. This means that by March 2022 Lincolnshire will have slightly surpassed the 1,100 target operating model. The Chief Constable and PCC have agreed to use non-recurrent funding to bring forward further recruitment in advance of tranche 3 of the national uplift. The plan currently being finalised is an additional intake of 60 officers in 2021/22. Should the third tranche of the uplift

not equal this amount, then future recruitment will be adjusted accordingly to bring numbers back to an affordable level. The PCC and Chief Constable plan to recruit a total of 120 new police officers in 2021/22.

- 7.2 The current establishment of PCSOs is 85 FTE. With minor fluctuations, the budget is based on maintaining this establishment.
- 7.3 The Police Staff budget has been based on 2020/21 establishment fully costed with a vacancy factor of 5% included to allow for staff turnover. Further changes include the non-recurrent investment provided by the special grant funding and cost pressures including incremental drift.
- 7.4 The provision for pay awards arising in 2021/22 has been removed following the government's announcement to freeze pay next year. Provision has been made for the lowest paid staff who will still receive an uplift.

8. Capital Programme

- 8.1 The capital programme for 2021/22 to 2024/25 and its funding is summarised in Table D below. This outlines the funding made available; however, business cases will be completed and approved before funding is released.
- 8.2 Building maintenance and improvements has a budget of £1.5m in 2021/22 to continue with prioritised planned improvements and maintenance, this reduces to £1.0m from 2022/23 onwards.
- 8.3 Vehicle replacement budget is set £1.2m in 2021/22 to keep vehicles up to date in line with policy. A prudent annual capital receipt of £0.06m has been included in relation to vehicle sales. The fleet capital budget does not include any increase in vehicle numbers as yet, as the uplift has not increased officer numbers above the original 1,100 target establishment. However, the second and third tranche of the uplift may require some increased investment in vehicles which may be able to be reclaimed through the ring-fenced element of the uplift grant.
- 8.4 The ICT transformation budget of £0.580m includes a number of smaller projects, the largest of which is £0.250m for costs associated with the National Enabling Programme.
- 8.5 The implementation of the nationally led Emergency Services Mobile Communications Programme (ESMCP) has been delayed, so the budget has been reprofiled accordingly.
- 8.6 The implementation of the new Command and Control system has been delayed, so the budget slippage has been moved into 2021/22.
- 8.7 There is budget provision for equipment replacement; the budget allocation will be subject to business case approval.

Table D: Capital Programme

Capital Schemes	2020/21	2021/22	2022/23	2023/24	2024/25
	Current Programme £m	Proposed Programme £m	Proposed Programme £m	Proposed Programme £m	Proposed Programme £m
Building maintenance/improvements	2.626	1.550	1.000	1.000	1.000
Vehicle replacement	2.167	1.230	1.063	1.200	1.200
Blue Light Collaboration Partner	0.193	-	-	-	-
Blue Light Collaboration Police	0.193	-	-	-	-
ICT Transformation	1.798	0.580	1.250	0.250	0.250
Nexus Switch	0.381				
BI Tool	1.500				
Command and Control	1.942	1.744	-	-	
Telematics	0.105	-	-	-	
Telephony Replacement	-	-	-	-	
ESMCP	0.370	0.300	4.876	-	
ANPR	0.020	-	-	-	
Equipment replacement	1.362	0.250	0.250	0.250	0.250
LRSP Camera Upgrade	0.055	-	-	-	
Gymnasium Upgrades	0.035	-	-	-	
Total	12.747	5.654	8.439	2.700	2.700
Funding :					
Capital receipts	0.060	0.060	0.060	0.060	0.060
Capital Grants Unapplied - ESMCP	0.011	-	-	-	
Capital Grants Unapplied - Home Office	0.105	-	-	-	
Capital Grants Received in Advance	-	-	-	-	
Direct Revenue Financing	1.000	-	-	-	
Earmarked Reserves	0.105	-	-	-	
Borrowing - General	10.864	5.301	8.279	2.540	2.540
Borrowing - Blue Light	0.193	-	-	-	
Borrowing - Salix	0.116	-	-	-	
Grant - General	0.100	0.293	0.100	0.100	0.100
LRSP Partner Contribution	-	-	-	-	
Blue Light Partner Contribution	0.193	-	-	-	
Total	12.747	5.654	8.439	2.700	2.700

9. Medium Term Financial Plan

9.1 Forecasting beyond 2021/22 is challenging particularly as future grant allocations are uncertain. The Minister's statement does not refer to the timing of the Core Grant Distribution Review (funding formula review). Current overall forecasts are set out in Table E below.

Table E: Medium Term Financial Plan

Medium Term Financial Plan	2020/21 £m	2021/22 £m	2022/23 £m	2023/24 £m	2024/25 £m
Police Grant	(63,548)	(67,553)	(67,553)	(67,553)	(67,553)
Council tax	(59,153)	(62,513)	(63,816)	(65,418)	(67,071)
Other income	(12,620)	(9,970)	(9,116)	(9,116)	(9,116)
Total income	(135,320)	(140,036)	(140,486)	(142,088)	(143,741)
Expenditure	135,320	140,036	140,486	142,088	143,741
MTFP Gap	0	0	0	0	0

9.2 Forecasting assumptions are based on the following:

- Police Grant forecasts beyond 2021/22 are to maintain broadly flat to 2024/25. Due to a lack of clarity for 2022/23 onwards there is a considerable degree of estimating error in the forecasts for 2022/23 and beyond.
- Council Tax increased by £14.94 (5.9%) per annum for a Band D property in 2021/22, reverting to a 2% per annum increase for the remainder of the MTFP.
- Baseline budgets for staffing as follows:
 - Police Officers – budget based on strength of 1,119 police officers which is the pre uplift target establishment of 1,020 FTE plus the first tranche of the national uplift of 50 FTE, and the second tranche of 49 FTE. This means that by March 2022 Lincolnshire will have slightly surpassed the 1,100 target operating model.
 - PCSOs – the target operating model for PCSOs is 85 FTE. With minor fluctuations, the budget is based on maintaining this establishment.
 - Police Staff – budget has been based on 2020/21 establishment fully costed with a vacancy factor of 5% included to allow for staff turnover. Further changes include the non-recurrent investment provided by the special grant funding and cost pressures including incremental drift.
- Costs are forecast to increase as a result of pay awards, pension costs, and other inflationary increases e.g. fuel price increases.

10. Chief Finance Officer's report under section 25 of the Local Government Act 2003

- 10.1 The purpose of this section of the report is to provide the Commissioner with information on the robustness of the estimates and the adequacy of reserves, so that authoritative advice is available when the budget decision is made.
- 10.2 The Commissioner is required to decide each year how much should be raised from council tax. This decision is based upon a budget that sets out estimates of spending plans.
- 10.3 The decision on the level of the council tax is taken before the year begins and it cannot be changed during the year, so allowance for risks and uncertainties that might increase expenditure above that which is planned, must be made by:
- making prudent allowance in the estimates, and in addition;
 - ensuring that there are adequate reserves to draw on if the estimates turn out to be insufficient.
- 10.4 Section 25 of the Local Government Act 2003 requires that the Chief Financial Officer reports to the Police & Crime Commissioner (PCC) as part of the consideration of the budget and council tax. The report must deal with the robustness of the estimates and the adequacy of the reserves allowed for in the budget proposals. Section 25 also requires the PCC to have regard to the report in making the decision.

Robustness of Estimates

- 10.5 This report provides details of the revenue budget proposals for 2021/22 together with provisional budgets for 2022/23 to 2024/25. The budget proposals presented herein are based upon delivering the PCC's Police & Crime Plan.
- 10.6 Detailed estimates for 2021/22 have been prepared on a realistic basis. Detailed workforce plans provide for the delivery of the Home Office target for Lincolnshire's police officer uplift; detailed workforce plans to deliver officer numbers beyond the uplift will be prepared in due course.

Medium Term Financial Plan

- 10.7 Provisional service budgets are proposed for 2022/23 to 2024/25. The government has yet to set grant allocations for these years. Estimates have been based on prudent assumptions. There remains the risk that the grant income will be lower than assumed.
- 10.8 There is also uncertainty beyond 2021/22 on the government's future intentions in relation to the limitation of council tax increases.
- 10.9 On current assumptions the budget is balanced across the MTFP. This is based on maintaining the resources available for police officers/PCSOs, and maintaining the number of police staff.
- 10.10 However, there is a risk relating to the expiry, in March 2022, of the initial contract term for the provision of operational and back-office support services by Lincolnshire's strategic partner. A project is ongoing to transition from the contract and the outcomes may lead to significant cost increase in the provision of these services.
- 10.11 Nevertheless, Financial balance is indicated across the medium term as a result of increased contributions from Lincolnshire council taxpayers.
- 10.12 Alongside increased government funding for the national police officer uplift programme, improved service delivery to the people of Lincolnshire will be achieved by significant investment in ICT infrastructure and the implementation of a class-leading Command & Control system which should provide the platform to unlock significant operational benefits through the better use of resources and data. In addition, the budget allows for investment in a Business Intelligence tool which is intended to provide a better understanding of demand further increasing productivity.
- 10.13 Improving productivity and achieving a fairer share of government funding for Lincolnshire remain key to maintaining safe levels of policing into the medium term.
- 10.14 Continuing sound financial control will also be key to maintaining financial balance into the medium term as reserves to support the revenue budget have been depleted.

Reserves

- 10.15 CIPFA's Guidance makes clear that the adequacy of reserves should be assessed in the context of its strategic, operational and financial risks.
- 10.16 The currently approved Financial Strategy requires that "general reserves will be maintained nearer the minimum of a target range based on the financial

risk assessment in respect of residual financial risks.” The Financial Strategy has been reviewed as part of the budget process and is the subject of a separate decision paper.

- 10.17 The PCC currently holds a General Reserve of £3.3m, there are no plans for future use to balance the revenue budget. Table G below provides a summary of the risk based assessment that has been undertaken.
- 10.18 The range of required reserves is assessed as £6m - £13m, the minimum point of which is £6m. This is set against forecast risk based reserves of £6.9m: General Reserve £3.3m, Major Incident Reserve £1.9m, Victim’s Major Incident Reserve £0.3m, Insurance Reserve £1m and staffing related reserves £0.5m. This level of financial risk being carried by the PCC is a consequence of a decision, prior to the introduction of the national police uplift programme, to accept minimal risk based reserves to mitigate the operational risk at the time.
- 10.19 In the current circumstances, it will be proposed in the refreshed Financial Strategy that the risk based reserves policy revert to the mid-point of the target range (£9.5m). In the meantime, I am satisfied that the level of reserves is just adequate.

TABLE G: Reserves & Risk

Area	Risk addressed	Calculation basis		Proposed allocation	
		Min	Max	Min £000	Max £000
General balance	Budget overspend & general contingency	0.5% budget requirement	1% budget requirement	700	1,400
Major Disaster	First 1% of budget requirement to be met on major disasters	50% of potential impact	100% of potential impact	700	1,400
Council Tax	To provide for future non-payments, reducing yields etc.	1% of council tax (2021/22)	3% of council tax (2021/22)	623	1,868
Police Staff Pension Scheme Contributions	Actuarial variations in the level of contributions due to market volatility			500	1,000
Business Transformation Partnership	Risk of financial collapse or force majeure event before end of contract term (£1.5m of contract transition costs built into budget).	Based on 10% of Estimated cost of transition (£1.5m)	Based on 50% of Estimated cost of transition (£1.5m)	150	750
Brexit	To provide for potential adverse effects of Brexit	1% of non-pay budget (2021/22)	2% of non pay budget (2021/22)	485	970
National Officer Uplift	To provide for potential shortfall in funding for the national police officer uplift whilst the establishment is revised down to a sustainable level	Officer intake of 30 in one year	Officer intakes of 60 in one year	1,020	2,040
Council Tax	To provide for the potential costs of a referendum	Costs of referendum	Cost of referendum & rebilling	1,000	1,500
Major Incidents	Possibility of in-year major incident costs exceeding provision in revenue budget	Maximum spend in last 5 years less revenue budget provision	2 x the maximum spend in last 5 years less revenue budget provision	400	1,400
Insurance	Covers excess on insurance position	2 x current excess	4 x current excess	500	1,000
				6,078	13,328

A2. LINKS TO POLICE AND CRIME PLAN AND PCC'S STRATEGIES/PRIORITIES

The revenue budget and capital programme are the financial expression of the Police and Crime Plan and the Commissioner's strategies and is consistent with his Financial Strategy.

B. FINANCIAL CONSIDERATIONS

These have been included in the main report above.

C. LEGAL AND HUMAN RIGHTS CONSIDERATIONS

The Police and Crime Commissioner is required to set a balanced budget, determine the rate of council tax and issue a precept in accordance with the Local Government Finance Act 1992 and the Police Act 1996.

D. PERSONNEL AND EQUALITIES ISSUES

There are no direct personnel, equal opportunities or diversity issues arising from this report.

E. REVIEW ARRANGEMENTS

The revenue budget will be monitored monthly and capital programme will be monitored quarterly at Police & Crime Strategic Board meetings.

F. RISK MANAGEMENT

The risk of a shortfall in funding resulting in severe financial difficulties for the Police and Crime Commissioner and the Police Force is highlighted in both the PCC and Force risk registers. Particular areas of risk around funding levels, reserves are highlighted in the report.

G. PUBLIC ACCESS TO INFORMATION

Information in this form along with any supporting material is subject to the Freedom of Information Act 2000 and other legislation. Part 1 of this form will be made available on the PCC's website within one working day of approval. However, if release by that date would compromise the implementation of the decision being approved, publication may be deferred. An explanation for any deferment must be provided below, together with a date for publication.

Is the publication of this form to be deferred? No

If Yes, for what reason:

Until what date:

Any facts/advice/recommendations that should not be made automatically available on request should not be included in Part 1 but instead on the separate part 2 form.

Is there a part 2 form? No

ORIGINATING OFFICER DECLARATION

	Initial to confirm
Originating Officer: PCC's Chief Finance Officer recommends this proposal for the reasons outlined above.	JF
Financial advice: The PCC's Chief Finance Officer has been consulted on this proposal.	JF
The CC's Chief Finance Officer has been consulted on this proposal.	SC
Monitoring Officer: The PCC's Monitoring Officer has been consulted on this proposal	MB
Chief Constable: The Chief Constable has been consulted on this proposal	CH

OFFICER APPROVAL

Chief Executive

I have been consulted about the proposal and confirm that financial, legal and equalities advice has been taken into account in the preparation of this report. Consultation outlined above has also taken place. I am satisfied that this is an appropriate request to be submitted to the Police and Crime Commissioner for Lincolnshire.

Signature:



Date: 24 February 2021

A. BUDGET & COUNCIL TAX REQUIREMENT 2021/22		£	£		
TOTAL BUDGET			140,035,960.13		
LESS: Victim Services		883,520.00			
POCA & Regional Income		224,190.00			
Use of Reserves		22,000.00	1,129,710.00		
BUDGET REQUIREMENT			138,906,250.13		
Police Specific Grant		67,553,227.00			
National Uplift Fund		831,730.00			
MHCLG Adjustment		120,600.00			
Pension Top Up Grant		1,174,926.00			
Council Tax Support Grant		5,774,887.00			
Council Tax Freeze Grant		1,058,666.00	76,514,036.00		
POLICE AND CRIME COMMISSIONER PRECEPT			62,392,214.13		
LESS: District Council Collection Fund Surplus			127,376.92		
COUNCIL TAX REQUIREMENT			62,264,837.21		
B. PCC ELEMENT OF COUNCIL TAX BY PROPERTY BAND					
		Proportion of Band D	Council Tax £		
Band A		6/9	177.54		
Band B		7/9	207.13		
Band C		8/9	236.72		
Band D		9/9	266.31		
Band E		11/9	325.49		
Band F		13/9	384.67		
Band G		15/9	443.85		
Band H		18/9	532.62		
C. PRECEPTS ON DISTRICT COUNCILS		No. of Band D Equivalent Properties	Council Tax Requirement £	Collection Fund Surplus / (Deficit) £	PCC Precept £
Lincoln City	24,372.38	6,490,609.81	(68,650.00)	6,421,959.81	
Boston B.C.	19,621.70	5,225,454.93	36,685.00	5,262,139.93	
East Lindsey D.C.	45,067.00	12,001,792.77	42,690.00	12,044,482.77	
West Lindsey D.C.	30,128.37	8,023,486.21	145,800.00	8,169,286.21	
North Kesteven D.C.	37,700.00	10,039,887.00	19,726.92	10,059,613.92	
South Kesteven D.C.	48,122.40	12,815,476.34	(62,976.00)	12,752,500.34	
South Holland D.C.	28,794.00	7,668,130.14	14,101.00	7,682,231.14	
TOTAL	233,805.85	62,264,837.21	127,376.92	62,392,214.13	

Budget & MTFP	2020/21	Budget	MTFP	MTFP	MTFP
	2021/22	2022/23	2023/24	2024/25	
	£'000	£'000	£'000	£'000	£'000
Funding					
Police Grant	(63,548)	(67,553)	(67,553)	(67,553)	(67,553)
Pension Top Up Grant	(1,175)	(1,175)	(1,175)	(1,175)	(1,175)
National Uplift Funding	0	(832)	0	0	0
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	(59,153)	(62,513)	(63,816)	(65,418)	(67,071)
Other Funding					
Victim Services Grant	(884)	(884)	(884)	(884)	(884)
Custody Contract	(2,268)	0	0	0	0
Proceeds of Crime Income	(120)	(120)	(120)	(120)	(120)
Special Grant Claim	(1,236)	0	0	0	0
PCC Regional Income	(104)	(104)	(104)	(104)	(104)
Reserves	0	(22)	0	0	0
Total Funding	(135,320)	(140,036)	(140,486)	(142,088)	(143,741)
Police Officer Pay	60,681	63,561	63,009	63,568	64,261
Police Officer Bank Holiday Overtime	785	805	925	845	862
Police Community Support Officers	3,153	3,007	3,046	3,119	3,256
Police Staff Pay	10,104	11,550	11,680	11,446	11,655
Total Pay Budgets	74,723	78,924	78,661	78,979	80,035
Other Chief Constable Budgets					
Crime Command	1,141	1,292	1,325	1,332	1,342
Coroners	310	310	310	310	310
Local Policing East	547	781	781	636	636
Local Policing West	635	719	719	614	614
Force-wide Services	53	53	53	53	53
Specialist Ops	658	1,183	1,183	1,183	1,183
National Contribution & Central Costs	501	529	529	529	529
Force Executive	152	155	155	155	155
Partnerships	(38)	(21)	(21)	(21)	(21)
Earned Income & Staff Recharges	(331)	(335)	(335)	(335)	(335)
Police Led Prosecution Income	(340)	(340)	(340)	(340)	(340)
Firearms Income	(260)	(260)	(200)	(80)	(120)
Mutual Aid	(40)	(20)	(20)	(20)	(20)
Horizons Programme Team	0	317	130	130	130
Apprentice Levy	302	306	306	306	306
Strategic Development	36	39	39	39	39
Wellbeing	74	96	96	96	96
Information Management Unit	(27)	(15)	(15)	(15)	(15)
Regional Data Quality & Regional Review Team	89	96	103	103	103
Legal Services	141	141	141	141	141
Volunteers	117	105	105	105	105
Professional Standards Department	13	15	15	15	15
Premises Monitored & Managed	3,356	3,365	3,652	3,897	4,047
Fleet Monitored & Managed	1,306	1,262	1,432	1,532	1,632
Human Resources Monitored & Managed	121	157	157	157	157
Training Monitored & Managed	343	588	488	343	343
ICT Monitored & Managed	3,389	4,449	4,540	4,633	4,727
Other Monitored & Managed	719	641	641	641	641
FME Contract	1,115	1,155	1,178	1,201	1,224
Lincs Road Safety Partnership Income	(899)	(1,056)	(1,056)	(1,056)	(1,056)
Lincs Road Safety Partnership Expenditure	205	293	293	293	293
Major Incidents	598	599	599	599	599
Regional Budgets	3,977	4,061	4,141	4,223	4,223
Seconded Officers	23	24	24	24	24
Ill Health & Injury Pensions	1,650	1,690	1,730	1,780	1,780
Corporate Communications	62	62	62	62	62
Contingency Budget	155	633	500	155	155
Total Chief Constable Other Costs	19,851	23,066	23,437	23,417	23,754
Total Chief Constable Budget	94,574	101,990	102,098	102,396	103,789
Office of the Police and Crime Commissioner	1,024	1,145	1,125	1,127	1,127
PCC Budgets					
Pay Awards	1,068	0	984	994	994
PCC Contingency	781	0	0	0	0
Recurrent Funding Requirements	988	1,030	1,030	1,030	1,030
Potential Developments to be agreed	1,114	0	0	0	0
Funding for additional Capital Expenditure	1,000	0	0	0	0
Non Recurrent (Funded operations) to be agreed	961	0	0	0	0
Community Grants and Contributions	606	556	556	556	556
Victim Services Expenditure	1,050	1,009	1,009	1,009	1,009
Strategic Partnership	23,310	25,416	24,999	24,954	25,137
Horizons	0	832	0	0	0
East Coast Model	0	460	0	0	0
Historic LGPS Pension Cost	1,448	1,657	1,874	2,000	2,000
Capital Financing	3,892	4,389	5,190	6,331	6,338
Investment Income	(75)	(25)	(25)	(25)	(25)
PCC Regional Expenditure	130	130	130	130	130
POCA Expenditure	0	20	20	20	20
Custody Contract	2,268	0	0	0	0
Total PCC Budgets	39,564	36,618	36,891	38,125	38,315
Joint Services					
Corporate Finance	789	1,034	1,103	1,173	1,243
Commercial Partnership Team	393	393	393	393	393
Total Joint Services	1,182	1,428	1,497	1,567	1,637
Total Expenditure	135,320	140,036	140,486	142,088	143,741
Pensions					
Police Pension Scheme Income	(40,328)	(42,369)	(44,863)	(47,619)	(47,841)
Police Pension Scheme Expenditure	40,328	42,369	44,863	47,619	47,841
Total Pensions	0	0	0	0	0
Total	0	0	0	0	0