



PRECEPT REPORT 2018/19 and Medium Term Financial Strategy (MTFS)

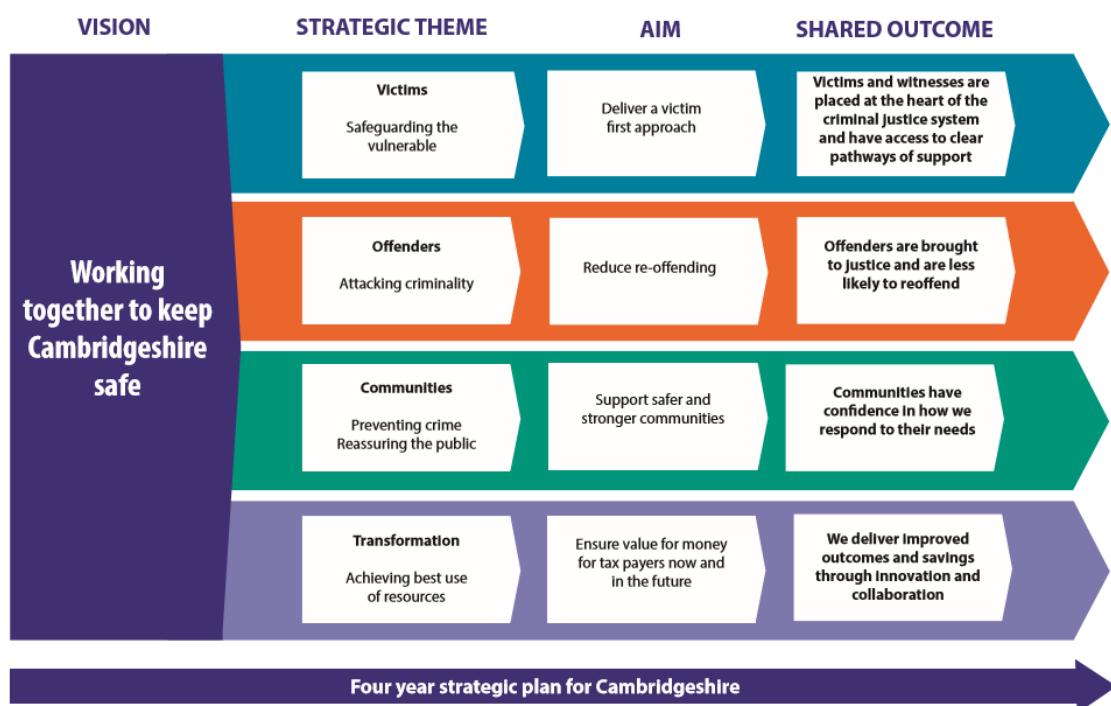
1. Police and Crime Plan

1.1 The budget enables delivery of the Police and Crime Commissioner's (the "Commissioner") Police and Crime Plan (the "Plan"). The Plan determines, directs and communicates the Commissioner's priorities during their period in office and sets out for the period of issue:

- the Commissioner's **police and crime objectives** for the area
- the policing of the area which the Chief Constable is to provide
- the financial and other resources which the Commissioner is to provide the Chief Constable
- the means by which the Chief Constable will report to the Commissioner on the provision of policing
- the means by which the Chief Constable's performance in providing policing will be measured
- the services which the Commissioner is to provide or arrange to support crime and disorder reduction or help victims of witness of crime and anti-social behaviour (**crime and disorder reduction and victims' service grants**).
- any grants which the Commissioner is to make and the conditions if any of those grants.

1.2 The Plans strategic aims and objectives are set out in the diagram below.

Cambridgeshire Police and Crime Plan – Community Safety & Criminal Justice



- 1.3 Transformation is crucial to allow Cambridgeshire Constabulary (the “Constabulary”) and partners to deliver the objectives in the Plan. A continual process is in place to look forward to find different ways of working which are more effective and efficient and in this way balance the budget and protect frontline policing. This is coupled with a need to have a comprehensive understanding of demand and ways of working with partners to reduce these demands.

2. Budget and Medium Term Financial Strategy (MTFS) Development

- 2.1 During the summer and autumn 2017 the Commissioner oversaw work to update the MTFS. The Provisional 2018/19 Police Grant Settlement was announced on 19 December 2017, stating a flat cash settlement. The Provisional Settlement gave all Police and Crime Commissioner’s the flexibility to increase the council tax precept up to £12 for 18/19.
- 2.2 The MTFS at Appendix 2 sets out the updated 2018/19 to 2021/22 sets out the budget for the period, which is based on detailed budget work undertaken by the Constabulary and the Commissioner’s office, the Office of the Police and Crime Commissioner (OPCC).
- 2.3 It also sets out the assumptions underpinning the budget and MTFS. This year has more variables than previous years. The Constabulary have undertaken a review of their Local Policing model with implementation commencing from April 2018. The Police Grant Settlement has remained at the same level as 17/18 but given all Commissioners the flexibility to increase their council tax precept. Together, these may lead to variations to the spend against the budget through the year but these will be regularly monitored through the year.

- The Provisional Grant Settlement 2018/19 was received on 19th December 2017 and final figures are expected to be received in February 2018.
- Victims' Services Grant from the Ministry of Justice (MoJ) has been confirmed for 18/19 as £986k.
- Provisional notification of Cambridgeshire's allocation of the capital grant has been received and is the same as 17/18 at £506k (final figures will not be received from the Home Office until February 2017).
- Figures for the increase in the number of Band D equivalent properties in Cambridgeshire (known as the Council Tax base).

2.4 **Table 1** below sets out in broad terms how the budget has been balanced and Table 2 shows a high level analysis of the total budget.

Table 1 – Budget changes 2017/18 to 2018/19

	£m
Budget 2017/18	131.0
Funding Changes	
Reduction in Formula Grant	0.0
Increase in Precept receipts	4.4
Change to Draw Required on Reserves	1.8
Net Budget Requirement 2018/19	137.1
Net Revenue Expenditure Changes	
Inflation and budgetary pressures	1.7
Increase in Police Officer Posts	2.9
Increase requirement for capital funding from revenue	0.0
Savings:	
Police Officer posts (ranks above constable)	-2.5
Police Staff	
Collaboration	-2.0
Total Savings Identified	-4.6
Use of Reserves	0
	137.1

Table 2 – High Level Budget Analysis

	£m
Policing Budget – delegated to the Chief Constable	132.3
Office of the Police and Crime Commissioner (OPCC)	1.2
Other OPCC Expenditure	0.1
Victim, restorative justice, and crime and disorder grants	2.3
Capital Financing	1.2
Net Budget Requirement	137.1

3. Council Tax Base and Collection Funds

3.1 The tax base figures within the budget are based on estimates received from the individual councils. Net losses or surpluses on collection funds can either contribute to or be financed from the General Reserve. Compared to 2017/18 the council tax base for 2018/19 is estimated to have increased by 1.7% to 279,881. The impact of greater funding for housebuilding as a result of devolution has been factored into the assumptions. Due to the anticipated growth across the county, the council tax base will increase by an estimated 1.9% in 2019/20 and 2% in 2020/21 and 2.1% in 2021/22.

4. Precept 2018/19

- 4.1 Since taking office in May 2016, the Commissioner has been ensuring that, in the face of complex economic and social pressures, the Commissioner and the Constabulary think and act differently and continue to transform the way they work through collaboration and new technology: the police never work in isolation.
- 4.2 Transformation of the way in which the Commissioner and Constabulary deliver public services in the county is key to providing the savings required to deliver the Plan. This work is not limited to collaboration with other police forces, through tri-force or seven-force alliances, but is now looking much more widely. The Policing and Crime Act 2017 provides a framework for joint working with the Fire and Rescue Service and in Cambridgeshire this has already begun with a review of estates. This builds on the existing work maximising the use and value of the £35m police estate. The continued development of a Combined Authority for Cambridgeshire and Peterborough, along with the devolution of powers, also provides an opportunity to work more closely to improve community safety.
- 4.3 When considering the council tax, the Commissioner has ensured all efficiencies are identified, performance is protected, and that the reserve levels are at an appropriate level to meet the needs of policing. The Commissioner's guiding principle in setting the precept is to achieve value for money policing and he stated during his election campaign in early 2016 that he would ensure frontline services continue to be protected.
- 4.4 The Constabulary has undertaken a review of its local policing model and has found savings to fund an additional 50 front line officers however, changes to working practices are required to enable the Constabulary to respond to the increase in demand, increase their ability to investigate crimes and deter people from criminality.
- 4.5 The Provisional Police Grant Settlement announced that no Police and Crime Commissioner would face a cash reduction in Formula Funding plus legacy council tax grants plus precept income, as long as they maximise their precept.
- 4.6 For the above reasons, and also due to projects currently in place to deliver future efficiencies, the Commissioner is recommending to the Police and Crime Panel (the "Panel") an increase of £11.97 in council tax for 2018/19. This would see the policing element of a 2018/19 Band D council tax increasing from £186.75 to £198.72 per annum, an increase of £1 per month.
- 4.7 The Police Reform and Social Responsibility Act 2011 places a duty on Commissioners to consult the public before issuing a precept. As well as the Commissioner's extensive

public engagement via meetings, surgeries and his newsletter, a Survey Monkey survey was made available from 5th January 2018 to 29th January 2018 with a link to the survey being available on the Commissioner's website as well as being sent to all eCops subscribers which is 16,000 email addresses. News of the Commissioner's proposal was also covered by the media across Cambridgeshire and on social media. As at 19th January 2018 2,949 survey responses were received with 78.2% of respondents in agreement with a precept increase. A verbal update will be provided at Panel with final results.

- 4.8 Details of the precepts due from each collection authority net of any loss or surplus on the collection funds are set out at Appendix 1 (Annex A).

5. Workforce

- 5.1 Despite ongoing budget pressures, the total number of police officer posts in the Constabulary establishment is budgeted at 1,425 in 2018/19. The Constabulary's Local Policing Review (LPR) has found savings for an additional 50 officers and these have been included in the establishment figures below.
- 5.2 PCSO establishment numbers are budgeted at 126.
- 5.3 Police Staff budgeted numbers are estimated to increase to 873.
- 5.4 The target for Special Constabulary numbers continues to be 300.
- 5.5 The Constabulary is already collaborating in several areas. This has enabled each Force/Constabulary to have access to a greater number of resources. It is anticipated the total number of resources the Constabulary will have access to will increase as collaboration continues to develop.

Table 3 – Workforce projections (establishment)

	2017/18	2018/19
Police Officers:		
Local Policing	1,047	1,175*
Collaborated Officers	302	251*
Total Officers	1,349	1,425**
 Police Staff:		
Police Staff	803	873
PCSOs	150	126
Total	953	999

* includes public contact in 18/19 (was expected to be collaborated in 17/18)

** takes account of roundings in calculations

6. Capital Financing

- 6.1 The replacement for Parkside Custody is now underway, with searches for suitable sites progressing. Detail project plans are in the process of being drawn up.
- 6.2 Other than the Parkside replacement project, other Capital Programme expenditure for 2018/19 will be financed without the need for external borrowing. Financing of the programme will be through a number of different sources which include Capital Grant from Government, Capital Receipts and the use of Capital Reserves and the Budget Assistance Reserve.
- 6.3 From 2020/21, the primary source of capital financing will be borrowing as Capital Reserves and Receipts will have been fully utilised by this point and it is anticipated that the current low level of Capital Grants received from central government will continue. This will have ongoing revenue consequences due to the need to budget for interest and minimum revenue provision payments.
- 6.3 The Capital Programme's 2018/19 to 2021/22 revenue effects are included in the MTFS.

7. The Medium Term Outlook

- 7.1 As set out in the current MTFP the projected budget gap for 2018/19 to 2021/22 is a further £9.3m. The Provisional Grant settlement by the Home Office signalled its intention to repeat the same settlement for 2019/20, provided there is substantial progress from policing in delivering productivity and efficiency improvements.
- 7.2 The draft MTFS was predicated on a 1.99% council tax increase which left a budget gap of between £10m and £14m. The provisional police grant settlement gives us a "stand still position" with a budget gap of £10m. The additional council tax raised could be used to help bridge this budget gap.
- 7.3 The intention of the Commissioner is to give all of the additional money raised from the increased council tax (above the planned 1.99% increase) to the Chief Constable. This will allow him to resource the increase in demand more adequately and more effectively respond to what the public want through measures. This would include the recruitment of additional police officers as well as permitting a review of the plans to reduce police station opening hours. Whilst this will help ensure the resourcing needs of the Constabulary are being more adequately met it will however, still leave a budget gap, over the medium term of £9.3m which will need to be met by the saving and efficiency plans that are already in place.
- 7.4 The Policing and Crime Act, requires the police, fire and rescue, and ambulance services to collaborate with one another, where it would be in the interests of their efficiency or effectiveness to do so. These are locally enabling and recognise local leaders are most informed to determine the collaboration which best meet the needs of their communities. The Commissioner has submitted a proposal to the Home Office

to take on the governance of Cambridgeshire Fire and Rescue Service and await a response from the Home Secretary. Work is ongoing with the Fire Authority, and the East of England Ambulance Service NHS Trust, to develop business cases to determine the:

- most appropriate future governance model for police and fire; and
 - best use of the emergency service land and buildings in Huntingdon
- 7.5 Collaboration of Blue Light estates of the Constabulary and the Fire Service have been developed and further work is in progress.
- 7.6 Eastern Region collaboration (being Bedfordshire, Cambridgeshire, Hertfordshire, Norfolk, Suffolk, Essex and Kent) is in its relatively early stages and already significant opportunities have been identified in areas such as regionalising procurement.
- 7.7 The Cambridgeshire and Peterborough Combined Authority brings together representatives of local councils and the Local Enterprise Partnership. The benefits for community safety are significant and the Commissioner is working with local public sector bodies to ensure that these benefits are fully realised.
- 7.8 The Commissioner's Finance Sub Group continues to drive forward the transformation objectives contained in the Commissioner's Plan and ensure that savings from transformation are realised within the MTFS period.

8. Conclusion

- 8.1 Robust plans are in place for maintaining police performance, protecting frontline policing, and continuing to work with partners to reduce offending and improve support for victims.
- 8.2 The Commissioner has sought to ensure that the Constabulary are delivering policing effectively and efficiently. The Commissioner is keen to protect front line policing and ensure council tax increases fund additional police officers to manage demand and effectively respond to what the public want.

9. Recommendation

- 9.1 Taking into account all the information contained in the report the Commissioner is asking the Board to endorse his recommendation to increase the policing element of council tax by £11.97; this will increase the policing element of Band D council tax from £186.75p in 2017/18 to £198.72 per annum, an increase of £1 per month.

Appendix A

DRAFT Estimated Share of Precept to be paid by each District/City Council in 2018/19

	2018/19 Council Tax Estimated Base No	18/19 Band D	Precept	Collection fund surplus (+) / deficit (-) police share	Estimated Total Payment Due	Comments
Cambridge City	42,989	198.72	8,542,695	-15,831	8,526,864	Estimated Base and Collection Fund deficit provided by the Authority
East Cambridgeshire District Council	29,261	198.72	5,814,647	82,534	5,897,181	Estimated Base and Collection Fund surplus provided by the Authority
Fenland District Council	28,979	198.72	5,758,707	68,521	5,827,228	Estimated Base and Collection Fund surplus provided by the Authority
Huntingdon District Council	60,984	198.72	12,118,740	-45,292	12,073,448	Estimated Base and Collection Fund surplus provided by the Authority
South Cambridgeshire District Council	61,410	198.72	12,203,435	-20,000	12,183,435	Estimated Base and Collection Fund surplus provided by the Authority
Peterborough City Council	56,259	198.72	11,179,846	179,000	11,358,846	Estimated Base and Collection Fund surplus provided by the Authority
Total	279,882		55,618,070	248,932	55,867,002	

The budgeted 2018/19 Precept in MTFP is based on a Council Taxbase increase of 1.7%.

The estimated Collection Fund figure is awaited from South Cambridgeshire District Council.

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