

CAMBRIDGESHIRE POLICE AND CRIME PANEL	Agenda Item No. 7
13th November 2019	Public Report

Report of Cambridgeshire Police and Crime Commissioner

Contact Officer – Matthew Warren, Interim Chief Finance Officer
Contact Details – cambs-pcc@cambs.pnn.police.uk 0300 333 3456

POLICE AND CRIME COMMISSIONER’S BUDGET UPDATE – APPROACH TO SETTING THE MEDIUM TERM FINANCIAL STRATEGY

1. PURPOSE

- 1.1 The purpose of this report is to update the Police and Crime Panel (the “Panel”) on the Police and Crime Commissioner’s (the “Commissioner”) approach to setting the Medium Term Financial Strategy 2020/21 to 2023/24 (MTFS).

2. RECOMMENDATIONS

- 2.1 The Panel is recommended to note the report.

3. TERMS OF REFERENCE

- 3.1 Item 6 - To review or scrutinise decisions made, or other action taken, by the Police and Crime Commissioner in connection with the discharge of the Commissioner’s functions.
- Item 8 - To support the effective exercise of the functions of the Police and Crime Commissioner.

4. BACKGROUND

- 4.1 Under the Police Reform and Social Responsibility Act 2011 and the Police and Crime Panels (Precepts and Chief Constable Appointments) Regulations 2012, the Commissioner must notify the Panel of the precept which the Commissioner is proposing to issue for the financial year by 1 February.
- 4.2 As part of the process to arrive at the precept for 2020/21 the Commissioner needs to agree a Medium Term Financial Strategy (MTFS) covering the four years from 2020/21 to 2023/24. This report sets out the steps that are being considered in developing the MTFS for 2020/21 to 2023/24.

5. RISKS AND ISSUES

- 5.1 The MTFS for the period 2020/21 to 2023/24 represents the financial plan and strategy required to deliver the objectives and outcomes of the Commissioner as set out in the Police and Crime Plan (the “Plan”).
- 5.2 The Plan has four key themes to its delivery: Offenders, Victims, Communities, and Transformation, each with a number of objectives and priorities for action. The fundamentals of the Plan is underpinned by the delivery of a transformation programme that will enable the Commissioner and Cambridgeshire Constabulary (the “Constabulary”) to better manage the demands on the service whilst improving the quality of service for victims and the wider community. It should be noted that a new Plan will need to be issued prior to March 2021.

- 5.3 The Government announced their departmental spending plans (the Spending Round) on 4th September 2019. In this they announced an extra £750m nationally for policing to begin delivery of the commitment to recruit 20,000 additional officers by 2023. Information has been received on a provisional allocation for 2019 / 20 relating to the uplift but more detail is awaited as to the level of evidence required to be submitted in order to claim it.
- 5.4 The Government's position is awaited regarding the level of precept which can be set without the need to call a local referendum. The MTFs considered by the Panel on 30th January 2019 assumed a 2% precept increase for 20/21.
- 5.5 The Government usually announces police funding in December when more detail regarding the Spending Round will be communicated. The central grant funding has currently been assumed without any increase for future years. The impact of the forthcoming general election on 12th December has a yet unknown impact on our Central Police Grant, both in terms of timing and expected value.
- 5.6 In the last MTFs, significant cost pressures were highlighted, particularly with increases in pay and pension, additional collaboration costs, as well as from a planned investment of an increase in officers in 2019/20. A funding gap of £4m was then identified for 2020/21. £2m of this is made up of additional investment in national programmes together with local inflationary pressures.
- 5.7 Other cost pressures and areas requiring investment in 2019/20 includes the creation of a Bedfordshire, Cambridgeshire, Hertfordshire Uplift Programme Delivery Group, designed to provide consistency in the delivery of the national uplift in officers. In addition, the Police pay award of 2.5% agreed nationally from September 2019 was originally budgeted at 2% creating further pressure.
- 5.8 In preparation for the MTFs, the Constabulary held a Strategic Tasking and Risk Assessment (STRA) Challenge Panel Process. The outcomes from this process will inform the budget setting process.
- 5.9 The Commissioner is keen to provide funding for prevention work to meet the objectives within his Plan. The importance of investing in prevention is recognised both locally and nationally.

6. NEXT STEPS

- 6.1 Detailed work in the preparation of the MTFs is continuing in order to refine the Net Budget Requirement.
- 6.2 The Precept Report 2020/21 will be presented to the Panel at its meeting on 29th January 2020. It is proposed that a budget briefing session is held for the Panel on 17th January 2020 where the latest information will be provided at that session.