

CAMBRIDGESHIRE POLICE AND CRIME PANEL	Agenda Item No. 6
31st January 2024	Public Report

Report of Cambridgeshire Police and Crime Commissioner

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PRECEPT REPORT 2024/25

1. PURPOSE

1.1 To notify the Cambridgeshire Police and Crime Panel (the “Panel”) of the Police and Crime Commissioner’s (the “Commissioner”) proposed Net Budget Requirement (NBR) and precept for 2024/25 and to enable the Panel to review the proposed precept.

2. RECOMMENDATION

2.1 The Panel is recommended to review and make a report to the Commissioner on the proposed policing precept element of the Council Tax precept for 2024/25. The proposed Council Tax is an increase of 25p per week bringing the policing element of Council Tax (Band D equivalent) to £285.48 (an increase of £12.96 per year compared to 2023/24).

3. TERMS OF REFERENCE

3.1 To review and make a report and recommendation (as necessary) on the proposed precept.

4. BACKGROUND

4.1 Under the Police Reform and Social Responsibility Act 2011 (the “Act”) it is the Commissioner’s responsibility to decide the budget, allocating assets and funds to the Chief Constable, and set the precept for the force area. It is for the Chief Constable to have day to day responsibility for financial management of Cambridgeshire Constabulary (the “Constabulary”) and to decide on the configuration and organisation of policing resources.

4.2 Under both the Act 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 1st February. The

Panel must review the proposed precept notified to it by 8th February, and make a report, including recommendations.

- 4.3 Local Government Association (LGA) Guidance for Panels states that *'Although Panels do not have a role in setting the budget, their scrutiny of the precept will need some awareness of the budget and a report will inevitably accompany the precept proposals to give background'*.

5. KEY ISSUES

- 5.1 The Comprehensive Spending Review in 2021 provided a three-year settlement for policing which stated that *"PCCs will have up to £10 of precept flexibility in each of the next three years to use according to their local needs"*.

The Government published a Local Government finance policy statement 2024-25 on 5th December 2023 in which *"A council tax referendum principle of £13"* on Band D bills for police and crime commissioners" was announced.

The Government announced the provisional funding settlement for policing on 14th December 2022. The Minister of State for Crime and Policing stated: *"Overall funding for the policing system will rise by up to £842.9 million when compared to the restated 2023-24 police funding settlement, bringing the total settlement for 2024-25 up to £18.4 billion. Compared with 2019-20, this represents a total settlement increase of up to 30.7% in cash terms. For Police and Crime Commissioners (PCCs), this means an increase of up to £922.2 million, when compared to 2023-24 (if PCCs were to chose to take up the precept flexibility), taking total funding for PCCs to £16.4billion. This funding settlement demonstrates that the Government remains committed to giving policing the resources they need to keep the public safe."*

- 5.2 The net total grant from government for Cambridgeshire for 2024/25 is provisionally £109.8m. This includes the core grant calculated via the funding formula, together with other additional grants. The table below shows the changes in funding.

Funding Stream	2023/24	2024/25	Change	Notes
Formula Grant (*note 1)	95.4	100.7	5.3	Includes legacy Council Tax Freeze grants. 2024/25 includes the previously announced grant increase from the 2021 CSR plus the pay award grant
Specific Grant				
Pension Grant	1.4	4.7	3.3	£0.27m is one off and will fall away in 2025/26
Uplift Maintenance Ringfenced Grant	2.8	4.4	1.6	Dependent on maintaining officer numbers at 1,732
Capital Grant	-	-	-	
Total Grant	99.6	109.8	10.2	Difference due to rounding

It should be noted in the above table that the increase of core grant of £5.3m includes the government contribution to the nationally unforeseen 7% pay increase that the government awarded in 2023/24. For Cambridgeshire this represents £3.4m of the £5.3m. The additional pension allowance provided is to mitigate changes to pension costs for police forces.

The government provisional settlement assumes total funding for Cambridgeshire of £196.7m this assumes that the Commissioner would increase the precept by the full £13 on Band D properties, which combined with the expected growth in housing subject to council tax, would raise the remaining funds.

5.3 The funding settlement stated “In return for this significant investment, it is imperative that policing continues to deliver on driving forward improvements to productivity and identifying efficiencies where possible. The Government will continue to work with the sector to unlock the full range of opportunities and benefits of productivity and innovation to enable officers to have the tools to deliver on their core mission of keeping the public safe.

We therefore expect policing to approach the 2024-25 financial year with a focus on this Government’s key priorities:

- *Maintaining 20,000 additional officers (148,433 officers in total nationally) through to March 2025.*

- *Continuing to deliver on the opportunities presented by new technology and innovation to deliver improvements in productivity and drive forward efficiencies, therefore maximising officer time and service to the public.*
- *Improving the visibility of police officers and focusing on providing a targeted approach to tackling crime and antisocial behaviour to make neighbourhoods safer, which should be a priority for all forces.”*

6. APPROACH TO PRECEPT SETTING

- 6.1 During early 2023, the Constabulary undertook their annual business planning process (CAMSTRA) to determine the current and future operational requirements of the Constabulary. This process identified pressures against the current capacity and capability of the force to manage the expected future demand and risk. Consequently, the CAMSTRA has developed informed thinking to managing the 2024/25 budget, consideration of options to close the current budget gap, understanding of future cost pressures and to provide a longer-term strategy for financial planning. The Constabulary's Corporate Plan and the Commissioner's Police and Crime Plan have also informed the CAMSTRA business planning model in determining what services are required for the future of Cambridgeshire communities. This assurance in business planning means that both efficiency and effectiveness, as well as future proofing of the Constabulary has been paramount.
- 6.2 Throughout this CAMSTRA process the Commissioner has had a series of meetings with the Chief Constable and the Constabulary's Director of Finance & Resources to discuss the budget requirement for the Constabulary.
- 6.3 Savings and efficiencies of £3.89m have been identified, these are detailed in the Medium-Term Financial Strategy (MTFS) at Appendix 1.
- 6.4 On behalf of the Commissioner, the Office of the Police and Crime Commissioner (OPCC) launched a survey on 12 December 2023 seeking the views of members of the public with regards to funding the Constabulary. The survey was made available online and was launched through a media release and signposting to the survey. Distribution was to local media outlets, MPs, the Panel, Community Safety Partnerships, Speedwatch, and representative groups. It was also launched via Facebook, X and via Ecops (the Commissioner's Neighbourhood Alert channel) to around 16,000 subscribers and the Commissioner's Newsletter (2,800 subscribers). The Commissioner spoke on BBC Radio Cambridgeshire on 19 December 2023 informing residents of the survey. BBC Radio

Cambridgeshire also reminded listeners on the 2 January 2024 that the survey was closing that day. There was also targeted communications with seldom heard groups. Social media posts continued to be undertaken throughout the survey reminding the public of timescales, until it closed on the 2 January 2024.

- 6.5 The survey provided the narrative to communities about cost pressures facing the Constabulary and explored the public expectations with respect to policing.

The full survey report can be seen in Appendix 4.

- 6.6 Analysis of the survey responses took place in order that on-going consideration could be given to the responses to gauge the views of the public in respect of support, or otherwise, for an increase of 25p per week for a Band D property and their priorities for policing and crime.

- 6.7 The survey closed at 5pm on 2 January 2024. In total 612 validated responses were received.

Respondents were asked to “give their views” and of the 612 responses, 245 provided a neutral stance on increasing the precept. Of those that expressed a positive or negative view, 62% (229) were generally supportive of the increase. And 38% (138) were generally unsupportive.

- 6.8 At the Business Co-ordination Board on 3 January 2024 and 18 January 2024, the views from the survey and the financial position based on the draft MTFS were discussed. This enabled the Commissioner to decide on what precept level was required in order to deliver efficient and effective policing in Cambridgeshire, and then propose this to the Panel for consideration.

7. Significant factors for consideration

- 7.1 The Uplift Programme has left very little/limited flexibility in the overall budget. Of the overall constabulary budget 57% is for officer pay and pension costs, and a substantial proportion of the rest of the budget funds staff and services that directly support officers. This leaves little scope for savings that will not have an impact on the effectiveness of officers.

- 7.2 Cambridgeshire has always argued that it is one of the lowest funded forces per head of population. The Commissioner will continue to lobby for fairer funding, however, there is no certainty that this will be successful.
- 7.3 The Commissioner is acutely aware of the rising cost of living and the financial pressures being faced in many communities. However, the impact of the precept on overall funding is as important as the Police Grant received given the rapid population growth within Cambridgeshire and Peterborough that has occurred and is forecast.
- 7.4 In proposing a precept, the Commissioner is required to consider the immediate funding required for 2024/25 and the context of longer-term financial sustainability and risks. To assist with this, the MTFS has been refreshed (and as such still a working draft) detailing how this will be managed and a Medium-Term Financial Plan (MTFP) developed that contains the detailed forecasts. The Capital and Treasury Management Strategies have also been refreshed at Appendices 2 and 3.
- 7.5 A key local consideration in respect of the future funding requirements relates to police estates. There are significant borrowing requirements for planned, operationally essential developments, including the necessary replacement of Parkside police station in Cambridge with a new police station at Milton, a police facility in Cambridge City Centre, as well as replacement training facilities for public order units and firearms units. The costs of the borrowing that is required will have to be borne by the revenue budget. This increased cost of borrowing will increase future budget requirements, and a risk in this relates to future interest rate changes.
- 7.6 In addition, a number of national policing programmes are outlined in the draft MTFS that create additional cost pressures and investment requirements that reduce the flexibility for Cambridgeshire's budget planning.
- 7.7 There are many other factors and risks to be considered concerning medium term financial sustainability.

8. PRECEPT PROPOSAL

- 8.1 The Business Coordination Board meeting on the 3 January and 18 January 2024 further considered the approach to the draft MTFS and identified pressures against capacity and capability of the Constabulary to manage expected future demand and risk.

8.2 The proposed precept will generate £87.5m (shown in table below)

Taxbase Calculation	Amount
Estimated number of band D properties 2024/25	306,864
Number of Band D properties – 2023/24	302,011
Increase in tax base properties	4,853 (1.3%)
Band D council tax rate	£285.48
Tax base income £	£87.5m
Collection Fund deficit	£0.1m
Total Council Tax for 2024/25	£87.5m

8.3 The s151 Officer for the Commissioner has provided assurance under section 25 of the Local Government Act 2003. This assurance was that in his review of the draft budget he believed that the budget proposals set out by the Commissioner are robust and sustainable. He further stated that the level of reserves is sufficient to meet the known risks within the budget taking account of the Commissioner’s robust financial management framework.

8.4 As given in the LGA Guidance for Panels, *‘Panels will need to understand budget material to be able to offer effective challenge and support of the commissioner on the proposed precept... The provision by the commissioner of background information explaining the budget and precept proposals will help the panel to direct its scrutiny effectively’*. The Guidance also goes on to state that *‘At a time of unprecedented financial challenge, significant changes in the nature, type, scale and complexity of crime and increasing public expectations of policing, Panels will need to be familiar with the range of challenges and pressures on the Commissioner and the diversity of responses to those by the Commissioner, her/his office and the wider public sector’*.

8.5 Therefore, in order to assist the Panel in understanding the budget material and to inform the Panel’s consideration of the precept proposal, a Budget Presentation was given to Panel members on the 18th January 2024 detailing the considerations of the Commissioner and Chief Constable in the development of the financial strategy for the medium-term. At the Panel meeting in November 2023, the Panel were also provided with a detailed report in terms of how the 2023/24 budget was structured and the inflexibilities that the current funding regime imposes.

9. PRECEPT RECOMMENDATION

9.1 The precept proposed will ensure a balanced budget without the use of reserves for policing in Cambridgeshire for 2024/25. This would see the policing element of a 2024/25 Band D council tax increasing from £272.52 per annum in 2023/24 to £285.48 per annum, an increase of 25p a week.

9.2 A precept increase of £12.96 will generate council tax of £87.5m and the resultant bandings are illustrated in the table below:

Band	A	B	C	D	E	F	G	H
Proportion to Band D Charge	6/9ths	7/9ths	8/9ths	9/9ths	11/9ths	13/9ths	15/9ths	18/9ths
2024/25 Charge £	190.32	222.04	253.76	285.48	348.92	412.36	475.80	570.96
2023/24 Charge £	181.68	211.96	242.24	272.52	333.08	393.64	454.20	545.04

9.3 The Panel is recommended to review the proposed precept in the context of ensuring continued and sustainable effectiveness and efficiency in policing in Cambridgeshire.

10. NEXT STEPS

10.1 The Panel must make a report to the Commissioner on the proposed precept.

11. BACKGROUND DOCUMENTS

Police Reform and Social Responsibility Act 2011

<http://www.legislation.gov.uk/ukpga/2011/13/contents>

Police and Crime Panels (Precepts and Chief Constable Appointments) Regulations 2012

<http://www.legislation.gov.uk/uksi/2012/2271/made>

Cambridgeshire Constabulary's Corporate Plan 2023/24

[Corporate Plan 2023-2024 | Cambridgeshire Constabulary \(cambs.police.uk\)](https://www.cambs.police.uk/corporate-plan-2023-2024)

Local Government finance policy statement 2024-2025

[Local government finance policy statement 2024 to 2025 - GOV.UK \(www.gov.uk\)](https://www.gov.uk/government/policies/local-government-finance-policy-statement-2024-to-2025)

Provisional Police Grant Report (England and Wales) 2024/25, Home Office, December 2023

[Provisional police grants in England and Wales: 2024 to 2025 - GOV.UK \(www.gov.uk\)](https://www.gov.uk/government/policies/provisional-police-grants-in-england-and-wales-2024-to-2025)

Ministerial statement on provisional settlement

[Written statements - Written questions, answers and statements - UK Parliament](#)

'Policing and fire governance - Guidance for police and crime panels', Local Government Association Guidance, 2019

<https://www.local.gov.uk/sites/default/files/documents/Police%20and%20Crime%20Panel%20Guidance.pdf>

Police and Crime Panel report – Constabulary Budgetary Considerations 27 November 2023

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12. APPENDICES

Appendix 1 – Draft Medium Term Financial Strategy 2024-25 to 2027-28

Appendix 2 – Capital Strategy

Appendix 3 – Treasury Management Strategy

Appendix 4 – Precept Survey Report

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