

<b>CAMBRIDGESHIRE POLICE AND CRIME PANEL</b>	<b>Agenda Item No. 2</b>
<b>5<sup>th</sup> February 2025</b>	<b>Public Report</b>

## Report of Cambridgeshire Police and Crime Commissioner

Contact Officer – Phil Trussell

Contact Details – [cambs-pcc@cambs.pnn.police.uk](mailto:cambs-pcc@cambs.pnn.police.uk) 0300 333 3456

### PRECEPT REPORT 2025/26

<b>1.</b>	<b>PURPOSE</b>
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 2025/26 and to enable the Panel to review the proposed precept.
<b>2.</b>	<b>RECOMMENDATION</b>
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 2025/26. The proposed Council Tax is an increase of 27p per week bringing the policing element of Council Tax (Band D equivalent) to £299.43 (an increase of £13.95 per year (4.9%) compared to 2024/25).
<b>3.</b>	<b>TERMS OF REFERENCE</b>
3.1	To review and make a report and recommendation (as necessary) on the proposed precept.
<b>4.</b>	<b>BACKGROUND</b>
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 1 <sup>st</sup> February. The

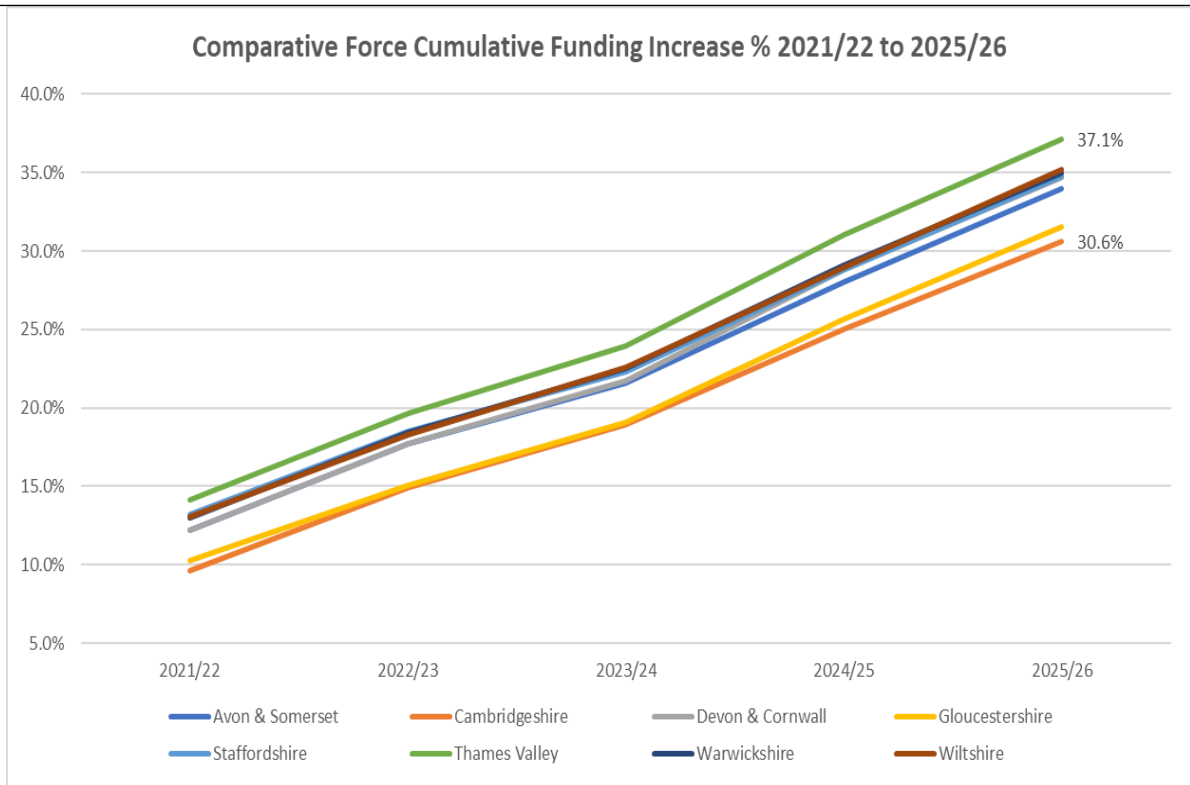
	Panel must review the proposed precept notified to it by 8 <sup>th</sup> February, and make a report, including recommendations.																				
4.3	Local Government Association (LGA) Guidance for Panels states that <i>‘Although Panels do not have a role in setting the budget, their scrutiny of the precept will need some awareness of the budget and a report will inevitably accompany the precept proposals to give background’</i> .																				
4.4	Band D council tax is the standard measure of council tax (all other bands are set as a proportion of Band D) used by local authorities and precepting authorities to determine council tax requirement.																				
<b>5.</b>	<b>KEY ISSUES</b>																				
5.1	<p>The Government published a Local Government finance policy statement 2025-26 on 28 November 2024 in which “A council tax referendum principle of £14” on Band D bills for police and crime commissioners” was announced.</p> <p>The Government announced the provisional funding settlement for policing on 17 December 2024. The Minister of State for Crime and Policing, Fire and Crime Prevention stated: “Overall funding for the policing system in England and Wales, including to police forces and wider system funding, will be up to £19.5 billion, an increase of up to £1.0 billion when compared to the 2024-25 funding settlement, representing a real terms funding increase of 3.0% and a cash increase of 5.5%.”</p>																				
5.2	<p>The net total grant from government for Cambridgeshire for 2025/26 is provisionally £115.8m. This includes the core grant calculated via the funding formula, together with other additional grants. The table below shows the changes in funding.</p> <table border="1"> <thead> <tr> <th>Funding Stream</th> <th>2024/25</th> <th>2025/26</th> <th>Change</th> <th>Notes</th> </tr> </thead> <tbody> <tr> <td>Formula Grant (*note 1)</td> <td>100.7</td> <td>104.2</td> <td>3.5</td> <td>Includes Core grant (£97.7m) with increase to meet pay award and transfer for part of Uplift grant, and legacy Council Tax Freeze grants (£6.5m)</td> </tr> <tr> <td colspan="5"><b>Specific Grant</b></td> </tr> <tr> <td>Pension Grant</td> <td>4.7</td> <td>4.4</td> <td>(0.3)</td> <td>£0.27m is one off funding provided in 2024/25 for McCloud costs now</td> </tr> </tbody> </table>	Funding Stream	2024/25	2025/26	Change	Notes	Formula Grant (*note 1)	100.7	104.2	3.5	Includes Core grant (£97.7m) with increase to meet pay award and transfer for part of Uplift grant, and legacy Council Tax Freeze grants (£6.5m)	<b>Specific Grant</b>					Pension Grant	4.7	4.4	(0.3)	£0.27m is one off funding provided in 2024/25 for McCloud costs now
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				removed
Uplift Maintenance Ringfenced Grant	4.4	3.6	(0.8)	Dependent on maintaining officer numbers at 1,732 plus an element (unpublished) transferred to core grant
NIC Grant	-	2.6	2.6	Allocation of new NIC Grant
Neighbourhood Policing Grant	0	1.0	1.0	Allocation of new grant to deliver Neighbourhood Policing Guarantee
<b>Total Grant</b>	<b>109.8</b>	<b>115.8</b>	<b>6.0</b>	5.5% Increase

\*Note 1 – formula grant for 2024/25 is as per the December 2024 funding settlement which excludes £1.7m of in-year grant for the 2024/25 pay award at 4.75%

The provisional total settlement assumes total funding for Cambridgeshire of £208.5m is based on the Commissioner increasing the precept by the full £14 on Band D properties.

5.3 The chart below\* shows the cumulative growth in total funding per head of population received by Cambridgeshire versus our most comparable forces as defined by His Majesty’s Inspectorate of Constabularies and Fire & Rescue Services (HMICFRS). The funding formula used has a range of factors that lead to different allocations and the population used to allocate funding is simply an assessed uplift of the 2011 census which we estimate puts the Cambridgeshire population at c.820k. The last census in 2021 put our population at 894k with significant regional growth since.



\* data source annual provisional settlement letters

The gap has widened again for 2025/26, with the average increase amongst the eight forces of 5.9% versus the increase for Cambridgeshire of 5.6%.

5.4

The lack of population updates exacerbates the underlying unfairness of the funding formula itself. The table below shows the current funding per head of population in total and from government grant:

Comparison Force	Total Funding per head Pop 25/26*	Rank	Grant funding per head pop 25/26*	Rank
Avon & Somerset	£249.97	3	£148.88	3
<b>Cambridgeshire</b>	<b>£233.18</b>	<b>7</b>	<b>£129.60</b>	<b>7</b>
Devon & Cornwall	£254.39	2	£150.72	2
Gloucestershire	£259.54	1	£137.86	4
Staffordshire	£246.09	6	£152.61	1
Thames Valley	£247.48	5	£137.37	5
Warwickshire	£247.50	4	£133.15	6
Wiltshire	£229.88	8	£125.17	8

\*based on prior year population data

	<p>Cambridgeshire Constabulary;</p> <ul style="list-style-type: none"> <li>• Remains the 4<sup>th</sup> lowest funded force in the country (total funding)</li> <li>• Is the 5<sup>th</sup> lowest in the country on core grant funding</li> <li>• Has a lower than national average total funding per head of population at £233. The national average is £267. If the Constabulary received the average total funding of £267, that would be c.£28m of additional income</li> <li>• Would receive c.£9m in additional income if we received the average of just the comparator forces grant</li> </ul>
5.5	<p>The funding settlement stated</p> <p><i>“We expect policing to approach the 2025-26 financial year with a focus on delivering the government’s priorities, as set out in the Prime Minister’s Plan for Change:</i></p> <ul style="list-style-type: none"> <li>• <i>Increasing the number of officers, PCSOs and special constables in neighbourhood policing teams;</i></li> <li>• <i>Tackling violence against women and girls;</i></li> <li>• <i>Reducing knife crime;</i></li> <li>• <i>Cracking down on antisocial behaviour;</i></li> <li>• <i>And by doing these things, increasing public confidence in policing.</i></li> </ul>
<b>6.</b>	<b>APPROACH TO PRECEPT SETTING</b>
6.1	<p>During early 2024, the Constabulary undertook their annual business planning process, Cambridgeshire Strategic Threat &amp; Risk Assessment (CAMSTRA) to determine the current and future operational requirements of the Constabulary.</p> <p>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 2025/26 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.</p> <p>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</p>

	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 £5.54m have been identified, these are detailed in the Medium-Term Financial Strategy (MTFS) at Appendix 1.
6.4	<p>On behalf of the Commissioner, the Office of the Police and Crime Commissioner (OPCC) launched a survey on 7 January 2025 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.</p> <p>Distribution was to local media outlets, MPs, the Panel, Community Safety Partnerships, key stakeholders, Speedwatch, and representative groups. It was also launched via Facebook, Instagram and LinkedIn and via and the Commissioner's Newsletter (3,000 subscribers) and via the Constabulary's eCops (Neighbourhood Alert 20,500).</p> <p>The Commissioner was interviewed on BBC Radio Cambridgeshire on 7 January 2025 informing residents of the survey. We have also undertaken 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 20 January 2025.</p>
6.5	<p>The survey provided the narrative to communities about cost pressures facing the Constabulary and explored the public expectations with respect to policing.</p> <p>The full survey report can be seen in Appendix 4.</p>
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 27p per week for a Band D property and their priorities for policing and crime.
6.7	The survey closed at midnight on 20 January 2025. In total 865 validated responses were received. Of the 865 responses, 17% held a neutral stance on increasing the precept. Of those that expressed a positive or negative view, 67% were generally supportive of the increase and 16% were generally unsupportive.

6.8	At the Business Co-ordination Board on 20 January 2025, 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.
<b>7.</b>	<b>Significant factors for consideration</b>
7.1	The Uplift Programme has resulted in very limited flexibility in the overall budget. Of the overall constabulary budget, 58% is for officer pay and pension costs, and over 83% of the total budget is pay related, funding staff and bought in services that directly support officers. This leaves little scope for savings that will not have an impact on the effectiveness of officers.
7.2	<p>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.</p> <p>There was a Parliament debate on 6 January 2025 regarding Police Funding: Cambridgeshire. (Link to debate in Section 11).</p>
7.3	In proposing a precept, the Commissioner is required to consider the immediate funding required for 2025/26 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.
7.4	<p>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.</p> <p>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.</p>

7.5	In addition, several 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.																
7.6	There are many other factors and risks to be considered concerning medium term financial sustainability.																
<b>8.</b>	<b>PRECEPT PROPOSAL</b>																
8.1	The Business Co-ordination Board meeting on the 20 January 2025 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 £92.6m (shown in table below) <table border="1" data-bbox="220 824 1422 1279"> <thead> <tr> <th><b>Taxbase Calculation</b></th> <th><b>Amount</b></th> </tr> </thead> <tbody> <tr> <td>Estimated number of band D properties 2025/26</td> <td>310,616</td> </tr> <tr> <td>Number of Band D properties – 2024/25</td> <td>306,864</td> </tr> <tr> <td>Increase in tax base properties</td> <td>3,752 (1.2%)</td> </tr> <tr> <td>Proposed Band D council tax rate</td> <td>£299.43</td> </tr> <tr> <td>Tax base income</td> <td>£93m</td> </tr> <tr> <td>Collection Fund deficit</td> <td>£0.4m</td> </tr> <tr> <td>Forecast Total Council Tax receipts for 2025/26</td> <td>£92.6m</td> </tr> </tbody> </table>	<b>Taxbase Calculation</b>	<b>Amount</b>	Estimated number of band D properties 2025/26	310,616	Number of Band D properties – 2024/25	306,864	Increase in tax base properties	3,752 (1.2%)	Proposed Band D council tax rate	£299.43	Tax base income	£93m	Collection Fund deficit	£0.4m	Forecast Total Council Tax receipts for 2025/26	£92.6m
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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, <i>‘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’</i> . The Guidance also goes on to state that <i>‘At a time of unprecedented financial challenge, significant changes in the nature, type, scale and complexity of crime</i>																



	<i>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’.</i>																																				
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 22 January 2025 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 2024, the Panel were also provided with a detailed report in terms of how the 2024/25 budget was structured and the inflexibilities that the current funding regime imposes.																																				
<b>9.</b>	<b>PRECEPT RECOMMENDATION</b>																																				
9.1	<p>The precept proposed will ensure a balanced budget without the use of reserves for policing in Cambridgeshire for 2025/26. This would see the policing element of a 2024/25 Band D council tax increasing from £285.48 per annum in 2024/25 to £299.43 per annum, an increase of 27p a week.</p> <p>A band D property is the middle band and it provides a Council Tax amount that represents the average property in an area. It also allows comparisons to be made across Local Councils of various sizes. As band D represents an average, multiplying the total properties in an area (bands A to H) by the band D amount provides a good proxy for the total revenue receivable from the precept.</p>																																				
9.2	<p>A precept increase of £299.43 will generate council tax of £92.6m and the resultant bandings are illustrated in the table below:</p> <table border="1"> <thead> <tr> <th>Band</th> <th>A</th> <th>B</th> <th>C</th> <th>D</th> <th>E</th> <th>F</th> <th>G</th> <th>H</th> </tr> </thead> <tbody> <tr> <td>Proportion to Band D Charge</td> <td>6/9ths</td> <td>7/9ths</td> <td>8/9ths</td> <td><b>9/9ths</b></td> <td>11/9ths</td> <td>13/9ths</td> <td>15/9ths</td> <td>18/9ths</td> </tr> <tr> <td>2025/26 Charge £</td> <td>199.62</td> <td>232.89</td> <td>266.16</td> <td><b>299.43</b></td> <td>365.97</td> <td>432.51</td> <td>499.05</td> <td>598.86</td> </tr> <tr> <td>2024/25 Charge £</td> <td>190.32</td> <td>222.04</td> <td>253.76</td> <td><b>285.48</b></td> <td>348.92</td> <td>412.36</td> <td>475.80</td> <td>570.96</td> </tr> </tbody> </table>	Band	A	B	C	D	E	F	G	H	Proportion to Band D Charge	6/9ths	7/9ths	8/9ths	<b>9/9ths</b>	11/9ths	13/9ths	15/9ths	18/9ths	2025/26 Charge £	199.62	232.89	266.16	<b>299.43</b>	365.97	432.51	499.05	598.86	2024/25 Charge £	190.32	222.04	253.76	<b>285.48</b>	348.92	412.36	475.80	570.96
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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.																																				

<b>10.</b>	<b>NEXT STEPS</b>
10.1	The Panel must make a report to the Commissioner on the proposed precept.
<b>11.</b>	<b>BACKGROUND DOCUMENTS</b>
	<p>Police Reform and Social Responsibility Act 2011  <a href="http://www.legislation.gov.uk/ukpga/2011/13/contents">http://www.legislation.gov.uk/ukpga/2011/13/contents</a></p> <p>Police and Crime Panels (Precepts and Chief Constable Appointments) Regulations 2012  <a href="http://www.legislation.gov.uk/uksi/2012/2271/made">http://www.legislation.gov.uk/uksi/2012/2271/made</a></p> <p>Cambridgeshire Constabulary’s Corporate Plan 2023/24  <a href="http://www.cambs.police.uk/corporate-plan-2023-2024">Corporate Plan 2023-2024   Cambridgeshire Constabulary (cambs.police.uk)</a></p> <p>Local Government finance policy statement 2025-2026  <a href="https://www.gov.uk/government/policy-statements/2025-2026-local-government-finance-policy-statement">Local government finance policy statement 2025 to 2026 - GOV.UK</a></p> <p>Provisional Police Grant Report (England and Wales) 2025/26, Home Office, December 2024  <a href="https://www.gov.uk/government/policy-statements/2025-2026-provisional-police-grant-report">Provisional police grant report: 2025 to 2026 - GOV.UK</a></p> <p>Ministerial statement on provisional settlement  <a href="https://www.parliament.uk/written-questions-answers-statements/written-statements">Written statements - Written questions, answers and statements - UK Parliament</a></p> <p>Police Funding: Cambridgeshire debate 6 January 2025  <a href="https://www.parliament.uk/hansard-uk-parliament">Police Funding: Cambridgeshire - Hansard - UK Parliament</a></p> <p>‘Policing and fire governance - Guidance for police and crime panels’, Local Government Association Guidance, 2019  <a href="https://www.local.gov.uk/sites/default/files/documents/Police%20and%20Crime%20Panel%20Guidance.pdf">https://www.local.gov.uk/sites/default/files/documents/Police%20and%20Crime%20Panel%20Guidance.pdf</a></p> <p>Police and Crime Panel report – Constabulary Budgetary Considerations 27 November 2024  <a href="#">ENTER NAME OF COUNCIL/COMMITTEE/ CABINET/SCRUTINY PANEL</a></p>
<b>12.</b>	<b>APPENDICES</b>
	Appendix 1 – Draft Medium Term Financial Strategy 2025-26 to 2028-29

Appendix 2 – Capital Strategy

Appendix 3 – Treasury Management Strategy

Appendix 4 – Precept Survey Report

Appendix 5 – Police Funding Formula

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